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MOTILAL OSWAL

SUBSIDIARY COMPANIES
FINANCIAL STATEMENT 2018-19

DEEPER THE ROOTS
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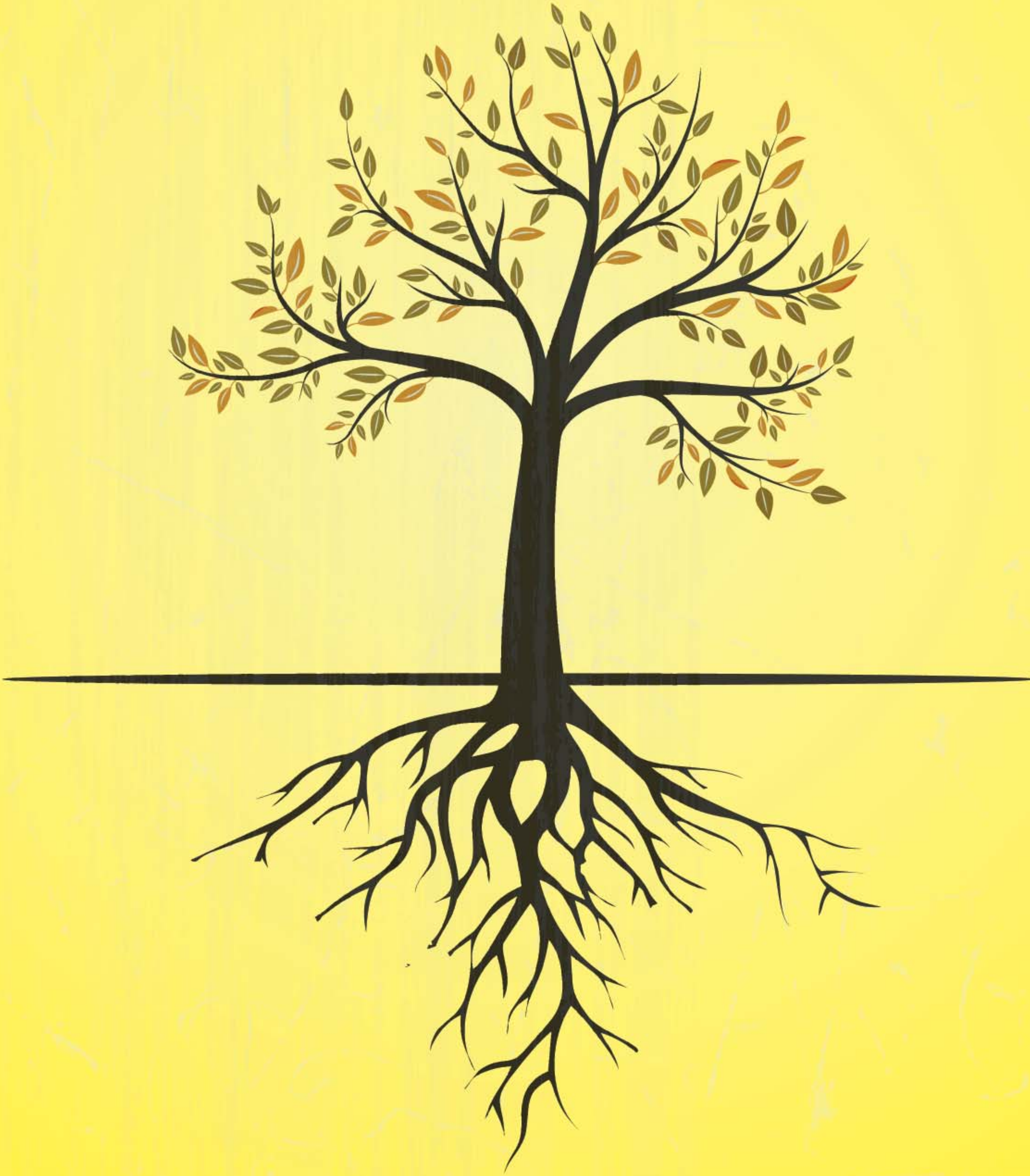
Motilal Oswal Asset Management Company Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To the Members of Motilal Oswal Asset Management Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Asset Management Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Board Report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

11. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 24 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 26 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019; and

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 25 April 2019

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company Limited, on the financial statements for the year ended 31 March 2019

ANNEXURE I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'Property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans, investments and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 25 April 2019

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company Limited on the financial statements for the year ended 31 March 2019

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Asset Management Company Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the Audit of Internal Financial Controls

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, 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.

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 25 April 2019

(All amounts are in INR lakhs, unless otherwise stated)

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at 31-March-19	As at 31-March-18	As at 1-April-17
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	979	123	533
(b) Receivables				
(I) Trade receivables	5	6,342	7,684	5,413
(c) Loans	6	7	13	75
(d) Investments	7	32,548	24,106	11,954
(e) Other financial assets	8	32	412	317
Sub - total financial assets (A)		**39,908**	**32,338**	**18,292**
2. Non-financial assets				
(a) Property, plant and equipment	9(A)	87	58	46
(b) Intangible assets under development	9(B)	–	11	–
(c) Other intangible assets	9(B)	54	63	66
(d) Other non-financial assets	10	8,841	13,717	9,152
Sub - total non-financial assets (B)		**8,982**	**13,849**	**9,264**
Total Assets (A + B)		**48,890**	**46,187**	**27,556**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprise and small enterprise	34	–	–	–
(i) total outstanding dues of creditors other than micro enterprise and small enterprise		3,967	7,822	5,912
(b) Other financial liabilities	11	396	1,631	894
Sub - total financial liabilities (A)		**4,363**	**9,453**	**6,806**
2. Non-financial liabilities				
(a) Current tax liabilities (net)	12	1,139	606	118
(b) Provisions	13	1,337	1,635	1,015
(c) Defered tax liabilities (net)	14	2,728	2,738	916
(d) Other non-financial liabilities	15	168	477	93
Sub - total non-financial liabilities (B)		**5,372**	**5,456**	**2,142**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31-March-19	As at 31-March-18	As at 1-April-17
3. EQUITY				
(a) Equity share capital	16	6,659	6,505	6,500
(b) Other equity	17	32,496	24,773	12,108
Sub - total equity (C)		**39,155**	**31,278**	**18,608**
Total Liabilities and Equity (A + B + C)		**48,890**	**46,187**	**27,556**

The accompanying notes 1 to 52 form an integral part of the financial statements

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

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

Khushroo B. Panthaky

Partner
Membership No. 42423

Place : Mumbai
Dated : 25 April 2019

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

Aashish Somaiyaa
Managing Director and Chief Executive Officer
DIN No. : 06705119

Raamdeo Agarawal
Director
DIN No. : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Dated : 25 April 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Note No.	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-18
Revenue from operations			
(i) Fees and commission income	18	57,417	51,512
(ii) Interest income	19	1	1
(iii) Dividend income	20	0	10
(iv) Net gain/(loss) on fair value change	21	361	1,477
1) Total revenue from operations		**57,779**	**53,000**
2) Other income	22	54	47
3) Total Income (1 + 2)		**57,833**	**53,047**
Expenses			
(i) Finance cost	23	12	12
(ii) Fees and commission expense	24	24,703	24,321
(iii) Impairment on financial instruments	25	–	7
(iii) Employee benefits expense	26	4,702	5,153
(iv) Depreciation and amortisation expense	9	51	54
(v) Other expenses	27	5,032	5,244
4) Total expenses		**34,500**	**34,791**
5) Profit before tax (3 - 4)		**23,333**	**18,256**
Tax expense/(credit):			
(i) Current tax		8,111	4,066
(ii) Deferred tax expense/(credit)		(10)	1,823
(iii) Short/(excess) provision for earlier years		(36)	(26)
6) Total tax expenses	**28**	**8,065**	**5,863**
7) Profit for the period (5 - 6)		**15,268**	**12,393**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans	41	(19)	(4)
(b) Deferred tax impact on the above		7	1
8) Other comprehensive income/(loss)		**(12)**	**(3)**
Total comprehensive income for the period (7 + 8)		**15,256**	**12,390**
Earnings per share (₹ 1 each)	38		
Basic (amount in ₹)		2.32	1.91
Diluted (amount in ₹)		2.22	1.79

The accompanying notes 1 to 52 form an integral part of the financial statements

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

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Dated : 25 April 2019

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

Aashish Somaiyaa
Managing Director and Chief Executive Officer
DIN No : 06705119

Raamdeo Agarawal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Dated : 25 April 2019

CASH FLOW STATEMENT

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CASH FLOW

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**23,333**	**18,256**
Adjustments for:		
Interest expense	12	12
Profit on sale of fixed asset	(1)	–
Profit on sale of investment- realised gain	(827)	(2,379)
Dividend from mutual funds	(0)	(10)
Miscellaneous amounts written back [net]	(2)	(16)
Provision no longer required written back	–	(25)
Unrealised loss	466	902
Depreciation and amortisation expense	51	54
Interest income	(1)	(1)
Provision for doubtful debt	–	(18)
Bad debts	–	25
Actuarial gain/(loss)	(19)	(4)
Employee stock option scheme cost	168	275
Operating profit	**23,180**	**17,071**
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	(1,227)	772
2) Increase/(decrease) in non-financial liabilities	(309)	384
3) Increase/(decrease) in trade payables	(3,855)	1,910
4) (Increase)/decrease in trade receivables	1,342	(2,277)
5) (Increase)/decrease in financial assets - loans	6	62
6) (Increase)/decrease in other financial assets	380	(95)
7) (Increase)/decrease in other non-financial assets	4,876	(4,565)
8) Increase/(decrease) in provision	(298)	619
Cash generated from operations	**24,095**	**13,881**
Direct taxes paid net (including MAT credit utilised)	(7,535)	(3,552)
Net cash generated from operating activities (A)	**16,560**	**10,329**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits & others	1	1
Dividend from mutual funds	0	10
Purchase of fixed assets	(71)	(62)
Sale of fixed assets	2	–
Paid for intangible assets under development	11	(11)
Purchase of mutual fund units (including dividend reinvested)	(5,60,710)	(87,935)
Proceeds (including profit) from sale of mutual fund units	5,53,524	77,291
Purchase of equity shares of wholly owned subsidiary	(790)	(32)
Share application money paid allotment pending in subsidiary company	(103)	–
Net cash used in investing activities (B)	**(8,136)**	**(10,738)**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	154	5
Short-term borrowings	11,279	13,975
Securities premium	374	–
Repayment of short-term borrowings	(11,279)	(13,975)
Interest paid	(17)	(7)
Dividend and dividend distribution tax paid	(8,075)	–
Net cash used in financing activities (C)	**(7,564)**	**(2)**
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	**860**	**(411)**
Cash and cash equivalents as at beginning of the year	**123**	**533**
Cash and cheques in hand	2	3
Scheduled bank - In current account	977	120
Cash and cash equivalents as at end of the year	**979**	**123**
Components of cash and cash equivalents (also refer note 4)		
Cash in hand	2	0
Balances with banks in current accounts	977	120
Cheques in hand	–	2
Total	**979**	**123**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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

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

Khushroo B. Panthaky

Partner
Membership No. 42423

Place : Mumbai
Date : 25 April 2019

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

Aashish Somaiyaa
Managing Director and Chief Executive Officer
DIN No. : 06705119

Director
DIN No. : 0024533

Aparna Karmase
Company Secretary & Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 25 April 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(A) EQUITY SHARE CAPITAL

Particulars	EQUITY SHARE CAPITAL	
	Number of shares	Amount
Stock options exercised under the ESOS	5,00,000	5
As at 31 March 2018	**65,05,00,000**	**6,505**
Stock options exercised under the ESOS	1,53,63,624	154
As at 31 March 2019	**66,58,63,624**	**6,659**

(B) OTHER EQUITY

Particulars	Reserves and Surplus							Total		
	31 March 2019			31 March 2018		1 April 2017		31 March 2019	31 March 2018	1 April 2017
	Securities premium	Employee stock option plan reserve	Surplus in the statement of profit and loss	Employee stock option plan reserve	Surplus in the statement of profit and loss	Employee stock option plan reserve	Surplus in the statement of profit and loss			
Balance at the beginning of the reporting period	–	389	24,384	114	11,994	114	2,017	**24,773**	**12,108**	**2,131**
Issue of equity share, net of transaction cost	374	–	–	–	–	–	–	**374**	–	–
Stock option expense for the year	–	168	–	275	–	–	–	**168**	**275**	–
Profit for the year	–	–	15,268	–	12,393	–	9,977	**15,268**	**12,393**	**9,977**
Other comprehensive income	–	–	(12)	–	(3)	–	–	**(12)**	**(3)**	–
Dividends	–	–	(6,698)	–	–	–	–	**(6,698)**	–	–
Distribution Tax on Dividend	–	–	(1,377)	–	–	–	–	**(1,377)**	–	–
Balance at the end of the reporting year	374	557	31,565	389	24,384	114	11,994	**32,496**	**24,773**	**12,108**

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Dated : 25 April 2019

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

Aashish Somaiyaa
Managing Director and Chief Executive Officer
DIN No : 06705119

Raamdeo Agarawal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Dated : 25 April 2019

(All amounts are in INR lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Asset Management Company Limited ("MOAMC" or the "Company") was incorporated on 14 November 2008. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

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

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

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 25 April 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as "Indian GAAP" or "Previous GAAP")

These financial statements are the first financial statements of the Company under Ind AS. Refer note 51 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

Accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 30.

(All amounts are in INR lakhs, unless otherwise stated)

(iv) Use of estimates and judgements

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

2.2. Revenue Recognition

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

(i) Portfolio management fee income

Performance obligations are satisfied over a period of time and portfolio management fees are recognized in accordance with the Portfolio Management Agreement entered with respective clients, which is as follows:

a) Processing fees is recognized on upfront basis in the year of receipt;

b) Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;

c) Return based fees is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

(ii) Mutual fund management fee income

Performance obligations are satisfied over a period of time and mutual fund management fee is recognized on monthly basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.

(iii) Alternative investment fund management fee income

Performance obligations are satisfied over a period of time and alternate investment management fee is recognized on monthly basis in accordance with Private Placement Memorandum.

(iv) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized on monthly basis in accordance with the terms of the contract with the clients.

(v) Dividend income

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

2.3. Distribution cost

Portfolio Management Services

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

Alternate Investment Fund Services

Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. In respect of Alternate Investment Fund Services, the Company has paid/accrued commission to the distributors and

(All amounts are in INR lakhs, unless otherwise stated)

has the right of recovery of such commission under pre-defined circumstance. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

Fund related expenses

New fund offer expenses

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

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund till 22nd October 2019 are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

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

2.5. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.6. Cash and cash equivalents

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

(All amounts are in INR lakhs, unless otherwise stated)

2.7. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 31.

Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such

(All amounts are in INR lakhs, unless otherwise stated)

election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

(All amounts are in INR lakhs, unless otherwise stated)

2.8. Offsetting financial instruments

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

2.9. Financial guarantee contracts and loan commitments

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

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

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

2.10. Property, plant and equipment

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

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

Derecognition

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

2.11. Intangible assets

Measurement at recognition

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(All amounts are in INR lakhs, unless otherwise stated)

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

Asset	Useful life
Computer Software	5 years

Derecognition

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

2.12. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13. Provisions and contingencies:

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the reporting date together with the

(All amounts are in INR lakhs, unless otherwise stated)

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

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 42

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

2.16. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

2.17. Dividends

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

2.18. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income)

(All amounts are in INR lakhs, unless otherwise stated)

attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

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

2.19. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Managing Director who has been identified as the Chief Operating Decision Maker.

The primary business of the Company comprises of “Asset management and advisory” and “Fund based activities”. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non - current investment of mutual funds.

2.20. Rounding of amounts

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

2.21. Events after reporting date

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

2.22. Recent accounting developments

Standards issued but not yet effective

- **Ind AS 116, Leases**

  On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

  The amendment is applicable to the Company from 1 April 2019. The Company is evaluating the requirement of the amendment and its impact on the financial statements.

Amendments to existing Ind AS

- **Amendment to Ind AS 12, Income taxes:**

  On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

- **Amendment to Ind AS 19, plan amendment, curtailment or settlement:**

  On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

  - To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
  - To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

(All amounts are in INR lakhs, unless otherwise stated)

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company expects the adoption of these amendments will have no material impact on its financial statements.

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) Stock based compensation: The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

(f) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash on hand	2	0	6
Balance with banks			
In current accounts	977	120	527
Cheques in hand	–	2	–
TOTAL	**979**	**123**	**533**

NOTE 5 : TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Considered good - secured	–	–	–
b) Considered good - unsecured	6,213	7,663	5,406
c) Significant increase in credit risk	130	22	60
Less: Allowances for impairment losses	(1)	(1)	(53)
d) Credit impaired	–	–	–
TOTAL	**6,342**	**7,684**	**5,413**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

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

NOTE 6 : LOANS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loans - At amortised cost			
(A) Others			
Loan to employees (Gross)	7	13	75
less : Impairment loss allowance	–	–	–
Total (A) Net	**7**	**13**	**75**
(B) Unsecured (Gross)	7	13	75
less : Impairment loss allowance	–	–	–
Total (B) Net	**7**	**13**	**75**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(C) Loans in India			
(i) Public sector	–	–	–
(ii) Other than public sector	7	13	75
Total (C) Gross	**7**	**13**	**75**
Less : Impairment loss allowance	–	–	–
Total (C) Net	**7**	**13**	**75**

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Units	Amount	Units	Amount	Units	Amount
Investment in mutual funds - at fair value through Profit and Loss (1)							
Motilal Oswal Midcap 30 Fund - Direct Plan Growth	Others	3,10,85,035	8,410	1,70,06,423	4,488	1,32,70,563	3,341
Motilal Oswal Multicap 35 Fund - Direct Dividend Reinvestment	Others	41,247	10	39,787	11	30,00,000	703
Motilal Oswal Equity Hybrid Fund - Direct (Growth)		5,00,000	52	–	–	–	–
Motilal Oswal Multicap 35 Fund – Direct Growth	Others	6,85,68,232	18,680	5,63,32,194	15,392	3,18,90,936	7,473
Motilal Oswal Focused 25 Fund	Others	1,75,32,193	4,076	1,75,32,193	3,853	6,16,771	121
Motilal Oswal Ultra Short Term Fund	Others	8,76,376	111	8,76,376	121	8,76,376	114
Motilal Oswal Dynamic Fund	Others	5,00,000	63	5,00,000	61	5,00,000	54
Motilal Oswal NASDAQ 100 FOF	Others	2,00,000	21	–	–	–	–
Motilal Oswal Liquid Fund - Direct (Growth)	Others	5,00,000	51	–	–	–	–
Investment in equity - at amortised costs (2)							
MF Utilities India Private Limited	Others	5,00,000	5	5,00,000	5	5,00,000	5
Investment at amortised cost (3)							
Investment in Subsidiaries (fellow subsidiaries)							
Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	2,55,000	165	2,55,000	165	2,05,000	133
Share Application Money Pending Allotment with Investment in Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	30,000	103	–		–	
Motilal Oswal Capital Limited	Subsidiary	80,00,000	800	1,00,000	10	1,00,000	10
Aspire Home Finance Corporation Limited	Fellow subsidiary	1	0	1	0	1	0
Total Gross (1+2+3)			**32,548**		**24,106**		**11,954**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Subsidiary / Others	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Units	Amount	Units	Amount	Units	Amount
(I) Investment outside India			269		165		133
(II) Investment in India			32,279		23,941		11,821
4) Total (I+II)			**32,548**		**24,106**		**11,954**
5) Less: Allowance for impairment loss			–		–		–
6) Total Net (4-5)			**32,548**		**24,106**		**11,954**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Rent deposits	32	411	316
Security deposits	–	1	1
TOTAL	**32**	**412**	**317**

NOTE 9(A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Leasehold improvements	132	22	–	154	131	1	–	132	22	1
Computers	100	21	–	121	69	17	–	86	35	32
Furniture and fixtures	29	3	–	32	24	2	–	26	6	5
Electrical equipments	3	0	–	3	0	0	–	0	2	2
Office equipments	9	8	–	17	5	2	–	7	10	4
Vehicles	44	1	18	27	30	3	17	16	11	14
Total A)	**317**	**55**	**18**	**354**	**259**	**25**	**17**	**267**	**88**	**58**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Leasehold improvements	131	1	–	132	131	0	–	131	1	0
Computers	64	36	–	100	47	22	–	69	32	18
Furniture and fixtures	28	1	–	29	22	2	–	24	5	7
Electrical equipments	1	2	–	3	0	0	–	0	2	1
Office equipments	5	4	–	9	3	2	–	5	4	2
Vehicles	44	–	–	44	24	6	–	30	14	20
Total A)	**273**	**44**	**–**	**317**	**226**	**32**	**–**	**259**	**58**	**46**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 9(B) : INTANGIBLE ASSETS

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Customer rights to Portfolio Management clients	38	–	–	38	38	–	–	38	–	–
Computer software	122	16	–	138	59	25	–	85	54	63
Total B)	**160**	**16**	**–**	**176**	**98**	**25**	**–**	**123**	**54**	**63**
Intangible assets under development C)	–	–	–	–	–	–	–	–	–	11
Total (A+B+C)	**478**	**71**	**18**	**531**	**356**	**50**	**17**	**389**	**142**	**121**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Customer rights to Portfolio Management clients	38	–	–	38	38	–	–	38	–	–
Computer software	104	18	–	122	38	21	–	59	63	66
Total B)	**142**	**18**	**–**	**160**	**76**	**21**	**–**	**97**	**63**	**66**
Intangible assets under development C)	–	–	–	–	–	–	–	–	11	–
Total (A+B+C)	**415**	**62**	**–**	**477**	**302**	**53**	**–**	**356**	**121**	**112**

NOTE 10 : OTHER NON-FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Prepaid expenses	8,413	13,038	8,142
Indirect tax credit receivable	368	560	956
Advances and other non-financial assets	60	119	54
TOTAL	**8,841**	**13,717**	**9,152**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 11 : OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Employee stock option charges payable	3	626	83
Salaries and others	0	45	5
Interest accrued and due	0	6	0
Provision for expenses	15	10	46
Other payables	378	944	760
TOTAL	**396**	**1,631**	**894**

NOTE 12 : CURRENT TAX LIABILITIES (NET)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for income taxes (net of advance tax paid)	1,139	606	118
TOTAL	1,139	606	118

NOTE 13 : PROVISIONS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits			
Gratuity	243	170	96
Heritage obligation	24	9	10
Compensated absences (also refer note 36)	9	8	4
ExGratia payable (also refer note 36)	1,060	1,448	905
TOTAL	**1,337**	**1,635**	**1,015**

NOTE 14 : DEFERRED TAX LIABILITIES (NET)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax liability on			
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	4	–	–
Amortization of distribution costs	2,917	4,537	2,354
Provision for doubtful debt	1	1	–
Unrealised gain/(loss)	–	–	1
Total deferred tax liability (A)	**2,922**	**4,538**	**2,355**
Deferred tax asset on			
Gratuity provision	79	61	37
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	25	21
Provision for doubtful debt	–	–	18
Unrealised gain/(loss)	115	109	

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Changes in ESOP policy	–	–	40
MAT credit receivable	–	1,605	1,323
Total deferred tax asset (B)	**194**	**1,800**	**1,439**
Net deferred tax liability (A-B)	**2,728**	**2,738**	**916**

NOTE 15 : OTHER NON-FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Income received in advance	–	458	–
Withholding and other taxes payable	168	19	93
TOTAL	**168**	**477**	**93**

NOTE 16 : EQUITY SHARE CAPITAL

	As at 31-March-19		As at 31-March-18		As at 1-April-17	
	Number of shares	In Lakhs	Number of shares	In Lakhs	Number of shares	In Lakhs
Authorised						
Equity shares of ₹ 1 each (previous year ₹ 1 each)	67,60,00,000	6,760	67,60,00,000	6,760	65,00,00,000	6,500
TOTAL	**67,60,00,000**	**6,760**	**67,60,00,000**	**6,760**	**65,00,00,000**	**6,500**
Issued, subscribed and paid up						
Equity shares of ₹ 1 each fully paid up (previous year ₹ 1 each)	66,58,63,624	6,659	65,05,00,000	6,505	65,00,00,000	6,500
TOTAL	**66,58,63,624**	**6,659**	**65,05,00,000**	**6,505**	**65,00,00,000**	**6,500**

16.1 Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

16.2 Reconciliation of number of shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1 April 2017	
	Number of shares	In Lakhs	Number of shares	In Lakhs	Number of shares	In Lakhs
At beginning of the year	65,05,00,000	6,505	65,00,00,000	6,500	65,00,00,000	6,500
Stock options exercised under the ESOS	1,53,63,624	154	5,00,000	5	–	–
At the end of the year	**66,58,63,624**	**6,659**	**65,05,00,000**	**6,505**	**65,00,00,000**	**6,500**

(All amounts are in INR lakhs, unless otherwise stated)

16.3 Shares holder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1 April 2017	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	65,00,00,000	97.62%	65,00,00,000	99.92%	65,00,00,000	100.00%

16.4 Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1 April 2017	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	65,00,00,000	97.62%	65,00,00,000	99.92%	65,00,00,000	100.00%

16.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during the years immediately preceeding 31 March 2019

NOTE 17 : OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	24,384	11,994	2,017
Add: Transfer from Statement of Profit and Loss	15,256	12,390	9,977
Less : Dividend paid	(6,698)	–	–
Less : Distribution Tax on Dividend	(1,377)	–	–
Balance at the end of year	**31,565**	**24,384**	**11,994**
b) Employee stock option plan reserve			
Balance at the beginning of the year	389	114	–
Add: Option granted during the year (also refer note 43)	168	275	114
Balance at the end of year	**557**	**389**	**114**
c) Securities premium			
Balance at the beginning of the year	–	–	–
Add: Transferred during the year	374	–	–
Balance at the end of year	**374**	**–**	**–**
TOTAL	**32,496**	**24,773**	**12,108**

Nature and purpose of reserves

Profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the Company over the years.

Employee Stock Option Plan Reserve

Employee stock option plan reserve pertains to options granted to employees over the years.

Securities premium

Securities premium pertains to shares issued more than its face value during the year.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 18 : FEES AND COMMISSION INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Portfolio management fees	37,842	37,377
Investment management fees from :		
– Mutual fund	14,575	10,434
– Alternate investment funds	4,440	3,326
Investment advisory fees	560	375
TOTAL	**57,417**	**51,512**

NOTE 19 : INTEREST INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Other interest income	1	1
TOTAL	**1**	**1**

NOTE 20 : DIVIDEND INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Other interest income	1	1
TOTAL	**1**	**1**

NOTE 21 : NET GAIN ON FAIR VALUE CHANGE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net gain on financial instruments at fair value through profit or loss		
Realised gain	827	2,379
Unrealised (loss)	(466)	(902)
TOTAL	**361**	**1,477**

NOTE 22 : OTHER INCOME FOR THE YEAR ENDED

	For the year ended 31 March 2019	For the year ended 31 March 2018
Commission income	51	–
Miscellaneous amounts written back / (off) [net]	2	16
Provision no longer required written back	–	25
Net gain/(loss) on foreign currency transactions and translation	0	(0)
Gain on sale of fixed asset	1	–
Interest on income tax refund	–	6
TOTAL	**54**	**47**

NOTE 23 : FINANCE COST

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings	12	12
TOTAL	**12**	**12**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 24 : FEES AND COMMISSION EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Distribution cost and spillover expense		
– for Portfolio management services	21,531	21,707
– for Alternate investment funds	3,013	2,372
Depository and processing charges	160	242
TOTAL	**24,704**	**24,321**

NOTE 25 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Trade receivables written off	–	25
Impairment loss allowance reversal on trade receivable	–	(18)
TOTAL	**–**	**7**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, bonus and allowances	4,243	4,056
Contribution to provident fund	28	30
Staff welfare expenses	85	95
Gratuity (also refer note 36)	72	78
Employee stock option scheme (also refer note 42)	274	894
TOTAL	**4,702**	**5,153**

NOTE 27 : OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent (refer note 37)	621	736
Rates and taxes	79	162
Insurance	22	17
Computer maintenance	50	47
Business support charges*	1,157	–
Registration and filing charges	2	1
Legal and professional fees	216	411
Auditors' fees and expenses (refer note 35)	11	9
Marketing and brand promotion expenses	434	1,255
Advertisement expenses	1,142	1,545
Printing and stationery	90	121
Power and fuel	46	83
Communication expenses	127	108
Travelling and conveyance expenses	355	302
Entertainment expenses	108	102
Data processing charges	69	64
Miscellaneous expenses	163	187
Donation to Political party	90	–
Corporate social responsibility expense (also refer note 40)	249	94
Donation	1	–
TOTAL	**5,032**	**5,244**

(All amounts are in INR lakhs, unless otherwise stated)

* The Company has entered into business support agreement with Motilal Oswal Financial Services Limited. Accordingly, the Company avails various business support services related to staff support, administration support and other related services. The Company shares the cost of all business support services obtained from Motilal Oswal Financial Services Limited which are not directly charged to Company.

NOTE 28.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and herefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

I. Tax on amounts recognised in the Statement of Profit and Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expense		
Current tax for the year	8,111	4,066
Total current tax expense	**8,111**	**4,066**
Deferred tax expense		
Change in deferred tax liabilities	(10)	1,823
Net deferred tax expense	**(10)**	**1,823**
Short/(excess) provision for earlier years	**(36)**	**(26)**
	8,065	**5,863**

II. Tax on amounts recognised in Other Comprehensive Income

	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurement of the defined benefit plans	7	1
	7	**1**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 28.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit/(loss) before income tax expense	**23,333**	**18,256**
Tax at the rate of 34.944% (for 31 March 2018 - 34.608%)	8,153	6,318
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
MAT adjustment of previous year	–	(383)
Tax adjustment of previous years	(36)	(26)
Exempt Income	(289)	(764)
Expenses not deductible for tax purposes	52	17
Amortization of prepaid expenses	–	470
Tax at different rate	185	231
Income tax expense	**8,065**	**5,863**

NOTE 28.3 : NET DEFERRED TAX

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
Deferred tax liability on account of:			
Amortization of distribution costs	2,917	4,537	2,354
Provision for doubtful debt	1	1	–
Unrealised gain	–	–	1
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	4	–	–
Total deferred tax liabilities (A)	**2,922**	**4,538**	**2,355**
Deferred tax assets on account of:			
Provision for gratuity	79	61	37
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	25	21
Unrealised loss	115	109	–
Changes in ESOP policy	–	–	40
Provision for doubtful debt	–	–	18
MAT credit receivable	–	1,605	1,323
Total deferred tax assets (B)	**194**	**1,800**	**1,439**
Net deferred tax Liability / (Assets) (A-B)	**2,728**	**2,738**	**916**

NOTE 29 : CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the busines and meets the capital requirement of SEBI regulations.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 30 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	979	–	979	123	–	123	533	–	533
Trade receivables	6,313	29	6,342	7,680	3	7,683	5,353	60	5,413
Loans	7	–	7	13	–	13	75	–	75
Investments		32,548	32,548		24,107	24,107		11,954	11,954
Other financial assets	21	11	32	412	–	412	–	317	317
Non-financial assets									
Property, plant and equipment	–	87	87	–	58	58	–	46	46
Intangible assets under development	–	–	–	11	–	11	–	–	–
Other Intangible assets	–	54	54	–	63	63	–	66	66
Other non-financial assets	3,353	5,488	8,841	8,935	4,782	13,717	6,882	2,270	9,152
Total Assets	**10,673**	**38,217**	**48,890**	**17,173**	**29,013**	**46,187**	**12,843**	**14,713**	**27,556**
Liabilities									
Financial liabilities									
Trade payables	3,967	–	3,967	7,822	–	7,822	5,912	–	5,912
Other financial liabilities	396	–	396	1,631	–	1,631	894	–	894
Non-financial liabilities									
Current tax liabilities (net)	1,139	–	1,139	606	–	606	118	–	118
Provisions	1,122	214	1,336	1,491	143	1,634	923	92	1,015
Deferred tax liabilities	–	2,728	2,728	–	2,738	2,738		916	916
Other non-financial liabilities	168	–	168	477	–	477	93	–	93
Total Liabilities	**6,792**	**2,942**	**9,735**	**12,027**	**2,881**	**14,908**	**7,941**	**1,008**	**8,948**

NOTE 31 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents	–	979	–	123	–	533
Trade receivables	–	6,342	–	7,684	–	5,413
Loans	–	7	–	13	–	75
Investments	31,474	1,074	23,926	180	11,806	148
Other financial assets	–	32	–	412	–	317
Total Financial Assets	**31,474**	**8,434**	**23,926**	**8,412**	**11,806**	**6,486**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Liabilities						
Trade payables	–	3,967	–	7,822	–	5,912
Other financial liabilities	–	396	–	1,631	–	894
	–	**4,363**	**–**	**9,453**	**–**	**6,806**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using undadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of cash and cash equivalent, trade receivables, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in mutual funds and equity shares, out of which investment in Mutual Funds is categorised under level 1 and shares in equity are valued at amortised cost therefore valued accordingly.

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 32 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company’s principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include Investments, loans, receivables and cash and cash equivalents that derive directly from its operations.

(All amounts are in INR lakhs, unless otherwise stated)

A. Credit risk

Credit risk is the risk that the Company will incurr a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units and trade receivables.

Balances with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Companyhas a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Age of receivables that are past due:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Upto 3 months	6,213	7,663	5,353
3 - 6 months	92	5	–
6 - 12 months	8	13	60
More than 12 months	29	3	–
Total	**6,342**	**7,683**	**5,413**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non–derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	3,967	–	–	3,967
Other financial liabilities	396	–	–	396
Total	**4,363**	**–**	**–**	**4,363**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	7,822	–	–	7,822
Other financial liabilities	1,631	–	–	1,631
Total	**9,453**	**–**	**–**	**9,453**

(All amounts are in INR lakhs, unless otherwise stated)

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	5,912	–	–	5,912
Other financial liabilities	894	–	–	894
Total	**6,806**	**–**	**–**	**6,806**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as it does not have any material payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest. The Company is not exposed to interest rate risk as it does not have any borrowings or any investments with fluctuating interest rate

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss. The Investments held by the Company are ancillary to the Investment management business objective. The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company’s profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2019	31 March 2018	1 April 2017
Impact on profit before tax for 1% increase in NAV/price	**315**	**239**	**118**

NOTE 33 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Financial assets			
Investments	**19,718**	**–**	**–**
Total assets pledged as security	**19,718**	**–**	**–**

Terms and conditions:

1. The Mutual Funds of the Company are pledged for the loan facility of the group company i.e Motilal Oswal Financial Services Limited.
2. The margin of two times cover is provided against the loan facility availed by Motilal Oswal Financial Services Limited.
3. The Company earns commission on the pledged assets at the rate of 75 bps on facility amount availed by Motilal Oswal Financial Services Limited.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 34 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and small enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	31 March 2019	31 March 2018	1 April 2017
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of micro and small enterprise at the end of the year	–	–	–

NOTE 35 : AUDITORS' FEES AND EXPENSES HAS BEEN CLASSIFIED AS UNDER

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As Auditors:		
Statutory audit	11	9
Out of pocket expenses	0	0
TOTAL	**11**	**9**

NOTE 36 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2019

Particulars	Opening balance as at 1 April 2018	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2019
Ex-gratia	1,448	1,061	1,448	1,061
Gratuity	170	91	18	243
Compensated absences	8	31	29	9
Heritage club	9	24	9	24
Total	**1,635**	**1,207**	**1,504**	**1,337**

For the year ended 31 March 2018

Particulars	Opening balance as at 1 April 2017	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2018
Ex-gratia	905	1,446	904	1,448
Gratuity	96	82	9	170
Compensated absences	4	20	16	8
Heritage club	10	–	1	9
Total	**1,015**	**1,548**	**930**	**1,635**

NOTE 37 : LEASES

The Company has entered into 8 cancellable and 4 non-cancellable operating lease for office premises at various locations.

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

i. Lease rentals are paid on the basis of agreed terms

ii. Office premises are taken on lease for a period of 11 months to 60 months.

iii. Agreement is cancellable, by giving prior notice of 1 to 3 months by either of the parties

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease payments recognised in the Statement of Profit and Loss under the head "Rent"	621	736

Operating Lease Commitments

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Payable within 1 year	36	–
Payable after 1 year but not later than 5 years	10	–
Payable after 5 years	–	–
Total	**46**	**–**

NOTE 38 : EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders (Lakhs) [A]	15,268	12,393
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	6,595	6,504
Basic earnings per share [A] / [B] (Rupees)	**2.32**	**1.91**

Diluted earnings per share

Diluted EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit attributable to equity shareholders for calculation of diluted earnings per share [A]	15,268	12,392
Weighted average number of equity shares used in computing basic earnings per share	6,595	6,504
Effect of potential equity shares for stock options outstanding	282	415
Weighted number of equity shares used in computing diluted earnings per share [B]	6,877	6,919
Diluted earnings per share (Rupees) [A] / [B]	**2.22**	**1.79**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 39 : DIVIDEND ON EQUITY SHARE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹ 0.26 per share for FY 2018-19 (2017-18: ₹ 0 per share)	1,731	–
Dividend distribution tax on final dividend	356	–
Interim dividend of ₹ 0.75 per share for FY 2018-19 (2017-18: ₹ 0 per share)	4,966	–
Dividend distribution tax on interim dividend	1,021	–

NOTE 40: CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2018-19

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

(a) Break-up of various heads of expenses included in the line item 'CSR expenditure'

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Donation for cancer aid	17	10
Donation for empowerment tribals and rural people	2	–
Donation for the project of school support	3	2
Donation for construction of school	6	–
Donation for school construction project at Odisha	215	34
Donation for help in Urban and rural areas for Parkinson's disease	1	–
Donation for Naval Group for welfare of sailors, widow and their families	6	5
Donation for medical treatment for sadhu and sadhvi	–	19
Donation for mid–day meal project	–	5
Donation for education & health care	–	1
Donation for 'Support Soldiers' initiative	–	8
Donation for SEED Education	–	11

(b) Details required as follow:

1) Gross amount required to be spent by the Company during the year ₹ 201.38 lakhs (Previous year ₹ 77.69 lakhs)

2) Amount spent during the year on

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	249	–	249
Particulars (previous year)	**Amount paid**	**Amount yet to be paid**	**Total**
Construction / acquisition of any assets	–	–	–
On purposes other than above	94	–	94

Above includes a contribution of ₹ 225.89 lakhs (Previous year ₹ 73.22 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24-Related Party Disclosures (also refer note 45).

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 41 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

Defined contribution plan:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employers’ contribution to provident fund	28	30

Defined benefit plan:

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, Ind AS 19 “Employee benefits” and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 3 1 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
I) Acturial assumptions						
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount rate (per annum)	7.12%	6.85%	6.96%	7.12%	6.51%	6.69%
Rate of escalation in salary (per annum)	16.00%	14.05%	13.00%		–	–
Expected rate of return on plan assets (per annum)	–	–	–		–	–
Employee attrition rate (past service)	PS: 0 to 37 : 24.6%	PS: 0 to 37 : 21.94%	PS: 0 to 37 : 20.66%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
Expected average remaining service	3.01	3.49	3.72	1.26 to 1.27	2.52 to 2.55	2.49 to 2.55
I) Changes in present value of obligations (PVO)						
PVO at beginning of period	171	96	65	–	–	
Interest cost	11	8	4	–	–	
Current service cost	60	46	26	24	9	10
Past service cost - (non vested benefits)	–	1	–	–	–	–
Past service cost - (vested benefits)	–	24	–	–	–	–
Benefits paid	(18)	(9)	(12)	–	–	–
Contributions by plan participants	–	–	–	–	–	–
Business combinations	–	–	–	–	–	–
Curtailments	–	–	–	–	–	–
Settlements	–	–	–	–	–	–
Actuarial (gain)/loss on obligation	19	4	13	–	–	–
PVO at end of period	243	171	96	24	9	10
II) Interest expense						
Interest cost	11	8	4	–	–	–
III) Fair value of plan assets						
Fair value of plan assets at the beginning	–	–	–	–	–	–
Interest income	–	–	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 3 1 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
IV) Net liability						
PVO at beginning of period	171	96	65	–	–	–
Fair value of the assets at beginning report	–	–	–	–	–	–
Unrecognised past service cost– non vested benefits	1	–	–	–	–	–
Net Liability at the beginning	170	96	65	–	–	–
V) Net Interest						
Interest expenses	11	8	4	–	–	–
Interest income	–	–	–	–	–	–
Net interest	11	8	4	–	–	–
VI) Actual return on plan assets						
Less Interest income included above	–	–	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–	–	–
VII) Actuarial (gain)/loss on obligation						
Due to demographic assumption	(10)	–	–	–	–	–
Due to financial assumption	9	2	9	–	–	–
Due to experience	20	2	4	–	–	–
Total actuarial (gain)/loss	19	4	13	–	–	–
VIII) Fair value of plan assets						
Opening fair value of plan asset		–	–	–	–	–
Adjustment to opening fair value of plan asset		–	–	–	–	–
Return on plan assets excluding interest income				–	–	–
Interest income				–	–	–
Contributions by employer	18	9	12	–	–	–
Contributions by employee				–	–	–
Benefits paid	(18)	(9)	(12)			
Fair value of plan assets at end						
IX) Past service cost recognised						
Past service cost– (non vested benefits)	1	1	–	–	–	–
Past service cost– (vested benefits)		24	–	–	–	–
Average remaining future service till vesting of the benefit		2	–	–	–	–
Recognised past service cost– non vested benefits	1	1	–	–	–	–
Recognised past service cost– vested benefits		24	–	–	–	–
Unrecognised past service cost- non vested benefits		1	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 3 1 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
X) Amounts to be recognized in the balance sheet and statement of profit & loss account						
PVO at end of period	243	171	96	–	–	–
Fair value of plan assets at end of period	–	–	–	–	–	–
Funded Status	(243)	(171)	(96)	–	–	–
Unrecognised past service cost-non vested benefits	–	1	–	–	–	–
Net asset/(liability) recognized in the balance sheet	(243)	(170)	(96)	–	–	–
XI) Expense recognised in the statement of profit and loss						
Current service cost	60	46	26	24	9	10
Net interest	11	8	4	–	–	–
Past service cost - (non vested benefits)	1	1	–	–	–	–
Past service cost - (vested benefits)	–	24	–	–	–	–
Curtailment effect	–	–	–	–	–	–
Settlement effect	–	–	–	–	–	–
Unrecognised past service cost-non vested benefits	–	(1)	–	–	–	–
Actuarial (gain)/loss recognized for the period	–	4	13	–	–	–
Expense recognized in the statement of profit and loss	72	78	43	24	9	10
XII) Other comprehensive income (OCI)						
Actuarial (gain)/loss recognized for the period	19	4	13	–	–	–
Asset limit effect	–	–	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	19	4	13	–	–	–
XIII) Movement in liability recognized in balance sheet						
Opening net liability	170	96	65	–	–	–
Adjustment to opening balance						
Expenses as above	72	78	43	24	9	10
Contribution paid	(18)	(9)	(12)	–	–	–
Other comprenehsive income(OCI)	(19)	(4)	(13)	–	–	–
Closing net liability	243	170	96	24	9	10
XIV) Projected service cost 31 March 2020	79	–	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	DR: Discount Rate		ER : Salary escalation rate:			
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%		
XV) Sensitivity analysis						
PVO	233	254	249	237		
XV) Expected payout						
Year	**Expected outgo first**	**Expected outgo second**	**Expected outgo third**	**Expected outgo fourth**	**Expected outgo fifth**	**Expected outgo six to ten years**
Payouts	40	40	38	36	32	100
XVI) Asset liability comparisons						
Year	**31/03/2015**	**31/03/2016**	**31/03/2017**	**31/03/2018**	**31/03/2019**	
PVO at end of period	43	65	96	171	243	
Plan assets	–	–	–	–	–	
Surplus / (deficit)	(43)	(65)	(96)	(171)	(243)	
Experience adjustments on plan assets	–	–	–	–	–	

NOTE 42 : EMPLOYEE STOCK OPTION PLAN

a) Scheme details

The company has two stock option schemes

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

The ESOP - I was approved by the Board of Directors at the allotment committee meeting on July 22 , 2010 for grant of 20 lakhs 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 32.50 lakhs equity shares of ₹ 10 each.

During the year ended 31 March 2017, the Company has sub divided 650 lakhs equity share of ₹ 10 each into 6500 lakhs equity share of ₹ 1 each. Hence, the options granted are also sub-divided in the same proportion.

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenses arising from equity - settled share-based payment transactions	274	894

c) Fair value on the grant date

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

(All amounts are in INR lakhs, unless otherwise stated)

The model inputs for options granted includes:

Particulars	Scheme I	Scheme II
Date of grant	22-Jul-10	26-Jun-14
Date of board approval	21-Jul-10	21-Jul-11
Date of shareholder's approval	22-Jul-10	21-Jul-11
Number of options granted	182 lakhs	312.50 lakhs
Method of settlement	Equity shares	Equity shares
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant
Risk free interest rate	6.97%	7.13%
Dividend yield	1%	1%
Expected volatility	40%	40%
Weighted average remaining contractual life		
Current year - granted but not vested	7.23 Years	8.23 Years
Current year - vested but not exercised	5 Years	5.84 Years
Weighted Average Share Price at the date of exercise for stock options exercised during the year	28.87	28.22
Weighted average remaining contractual life		
Previous year - granted but not vested	3.01 Years	8.91 Years
Previous year - vested but not exercised	1.00 Year	1.00 Year
Exercise Period	Within a period of 72 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	49.25	8.42

d) Movement in share option during the year

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees
ESOP I						
Balance at beginning of the year	1,65,00,000	13.40	1,70,00,000	13.03	17,00,000	1.00
Add: Granted during the year	–	NA	–	NA	1,65,00,000	13.397
Less: Exercised during the year	15,00,000	13.40	5,00,000	1.00	–	NA
Less: Forfeited during the year	–	NA	–	NA	5,50,000	1
Less: Lapsed during the year	–	NA	–	NA	6,50,000	1
Balance at end of the year	**1,50,00,000**	**13.40**	**1,65,00,000**	**13.40**	**1,70,00,000**	**13.03**
Exercisable at end of the year	**1,50,000**	**13.40**	**–**	**NA**	**5,00,000**	**1**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees
ESOP II	2,55,13,624	2.75	3,12,50,000	2.41	2,92,50,000	1.677
Balance at beginning of the year	2,55,13,624	2.75	3,12,50,000	2.41	2,92,50,000	1.677
Add: Granted during the year	–	NA	–	NA	20,00,000	13.397
Less: Exercised during the year	1,38,63,624	1.93	–	NA	–	NA
Less: Forfeited during the year	–	NA	–	NA	–	NA
Less: Lapsed during the year	–	NA	57,36,376	1.37	–	NA
Balance at end of the year	**1,16,50,000**	**3.73**	**2,55,13,624**	**2.75**	**3,12,50,000**	**2.41**
Exercisable at end of the year	**98,50,000**	**1.96**	**2,35,13,624**	**1.85**	**1,62,50,000**	**1.68**

e) Exercise pricing formula

ESOP I

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

ESOP II

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

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

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Company's estimations by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended 31 March 2019	Year ended 31 March 2018
(+)5%	(10.79)	(18.37)
(-)5%	14.86	50.20

NOTE 43 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our Statement of Profit and Loss for the year ended 31 March 2019 or our Balance Sheet as on 31 March 2019.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.

(All amounts are in INR lakhs, unless otherwise stated)

2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company is an Investment Manager and provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund ('the Fund'), provides Portfolio Management Services ('PMS') to clients, investment management services to Alternate Investment Funds and provide investment advisory services to onshore and offshore clients.T he company earns Managements fees from respective businesses.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service		
	Asset management and advisory activities	Portfolio management fees	Investment advisory services
Total revenue from contracts with customers	**19,015**	**37,842**	**560**
Geographical Markets			
India	19,015	37,842	513
Outside India	–	–	46
Total revenue from contracts with customers	**19,015**	**37,842**	**560**
Timing of revenue recognition			
Services transferred over time	19,015	37,842	560
Total revenue from contracts with customers	**19,015**	**37,842**	**560**

b) Contract balances

Trade receivable are non-interest bearing balances.

Trade payable includes amount payable to distributors against revenue sharing. The outstanding balance as on 31 March 19 : INR 3965.97 lakhs, 31 March 18: INR 7821.98 lakhs.

c) Performance obligations

The performance obligation of the Company is to provide investment asset management and portfolio management services, which is completed as per the terms and conditions of the asset management agreement.

NOTE 44 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Investment advisory fees	46	40

(All amounts are in INR lakhs, unless otherwise stated)

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Travelling and conveyance expenses	72	71
Marketing and brand promotion expenses	54	6
Communication expenses	–	10
Legal and professional fees	10	30
Distribution cost and spillover expense:	–	–
Portfolio management services	240	72
Mutual fund schemes	2	1
Total	**378**	**190**

NOTE 45 : RELATED PARTY DISCLOSURES

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(A) List of related parties and their relationship

(i) Holding company

- Motilal Oswal Financial Services Limited

(ii) Ultimate holding company

- Passionate Investment Management Private Limited

(iii) Wholly owned subsidiaries

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

(iv) Fellow subsidiaries

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

(v) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

- Mr. Aashish P Somaiyaa

(b) Executive directors

- Mr. Raamdeo Agarawal

(All amounts are in INR lakhs, unless otherwise stated)

(c) Non-executive directors

- Mr. Ashok Jain
- Mr. Abhaya P. Hota
- Ms. Rekha Shah (with effect from 6th September 2018)
- Mr. Kanu Doshi (till 14 January 2019)

(vi) Relative of KMP

- Suneeta Agrawal (wife of Raamdeo Agrawal)
- Vaibhav Agrawal (son of Raamdeo Agrawal)
- Shalini Somaiyaa (wife of Aashish Somaiyaa)

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

- Motilal Oswal Foundation

(viii) Enterprises in which KMP have control

- OSAG Enterprises LLP

(B) Transactions with related parties

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Commission received	Motilal Oswal Financial Services Limited	51	–	–	–	51	–
Interest paid	Motilal Oswal Financial Services Limited	7	12	–	–	7	12
Motilal Oswal Finvest Limited	Motilal Oswal Finvest Limited	5	–	–	–	5	
Rent paid	Motilal Oswal Financial Services Limited	585	726	–	–	585	726
Business promotion expense	Motilal Oswal Wealth Management Limited	1	16	–	–	1	16
Distribution cost expense for mutual fund schemes	Motilal Oswal Financial Services Limited	514	877	–	–	514	877
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	5,684	5,895	–	–	5,684	5,895
Business support charges	Motilal Oswal Financial Services Limited	1,157	–	–	–	1,157	–
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited	3,301	3,194	–	–	3,301	3,194
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	353	574	–	–	353	574

(All amounts are in INR lakhs, unless otherwise stated)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Set up fees paid for Alternate Investment Fund	Motilal Oswal Financial Services Limited	–	477	–	–	–	477
	Motilal Oswal Wealth Management Limited	–	132	–	–	–	132
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Financial Services Limited	793	312	–	–	793	312
	Motilal Oswal Wealth Management Limited	545	223	–	–	545	223
Investment advisory fees received	Motilal Oswal Asset Management (Mauritius) Private Limited	–	8	–	–	–	8
	Motilal Oswal Wealth Management Limited	29	52	–	–	29	52
Investment advisory fees	Motilal Oswal Capital Limited	21	9	–	–	21	9
Security deposit paid	Motilal Oswal Financial Services Limited	–	89	–	–	–	89
Portfolio management fees	Mr. Raamdeo Agarawal	–	–	2	1	2	1
	Mr. Aashish P Somaiyaa			1	–	1	–
	Mr. Ashok Jain	–	–	3	3	3	3
	Ms. Rekha Shah	–	–	0	–	0	–
	Ms. Shalini Somaiyaa	–	–	0	–	0	–
	Ms. Suneeta Agarwal	–	–	19	35	19	35
	Mr. Vaibhav Agarwal	–	–	12	13	12	13
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	44	83	–	–	44	83
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	32	60	–	–	32	60
Employee compensation – Managerial remuneration	Mr. Aashish P Somaiyaa	–	–	365	308	365	308
Share based payments	Mr. Aashish P Somaiyaa	–	–	–	574	–	574
Consideration received on exercise of options	Mr. Aashish P Somaiyaa	–	–	254	–	254	–

(All amounts are in INR lakhs, unless otherwise stated)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Director sitting fees	Mr. Abhaya P. Hota	–	–	2	1	2	1
	Mr. Ashok Jain	–	–	3	2	3	2
	Mr. Kanu Doshi	–	–	3	3	3	3
	Ms. Rekha Shah	–	–	1	–	1	–
Subscription to equity share capital	Motilal Oswal Capital Limited	790	–	–	–	790	–
	Motilal Oswal Asset Management (Mauritius) Private Limited	103	32	–	–	103	32
Loan taken during the year	Motilal Oswal Financial Services Limited	7,230	13,975	–	–	7,230	13,975
	Motilal Oswal Finvest Limited	4,049	–	–	–	4,049	
Loan repaid during the year	Motilal Oswal Financial Services Limited	7,230	13,975	–	–	7,230	13,975
	Motilal Oswal Finvest Limited	4,049	–	–	–	4,049	
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	47	625	–	–	47	625
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	226	73	–	–	226	73

Note : As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(C) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Interest payable	Motilal Oswal Financial Services Limited	0	6	0
	Motilal Oswal Finvest Limited	0	–	–
Deposits	Motilal Oswal Financial Services Limited	–	400	311
Rent payable	Motilal Oswal Financial Services Limited	21	43	38
Trade receivables	Motilal Oswal Asset Management (Mauritius) Private Limited	–	–	11
Trade payables	Motilal Oswal Wealth Management Limited	379	591	854
	Motilal Oswal Financial Services Limited	599	722	900
Other receivables	Motilal Oswal Capital Limited	1	10	1
Employee stock option charges payable	Motilal Oswal Financial Services Limited	3	549	–
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	269	165	133
	Motilal Oswal Capital Limited	800	10	10
	Aspire Home Finance Corporation Limited	0	0	0

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 46 : SEGMENT REPORTING

In accordance with Ind AS 108 on "Operating Segments" , the Company has determined business segment as under.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of "Asset management and advisory" and "Fund based activities". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non-current investment of mutual funds.

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

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Financial assets and liabilities and Non-financials assets and liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

Particulars	Asset Management and Advisory Activities			Fund Based activities			Unallocated Activities			Total		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Revenue :												
External revenue	57,470	51,554	–	114	1,297	–	248	196	–	57,832	53,047	–
Inter–segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Total revenue	**57,470**	**51,554**	–	**114**	**1,297**	–	**248**	**196**	–	**57,832**	**53,047**	–
Result :												
Segment result	23,337	16,882	–	110	1,294	–	248	196	–	23,447	18,176	–
Unallocated corporate expenses	–	–	–	–	–	–	–	–	–	351	102	–
Unallocated revenue	–	–	–	–	–	–	–	–	–	248	196	–
Operating profit	–	–	–	–	–	–	–	–	–	23,344	18,270	–
Interest expenses	–	–	–	–	–	–	–	–	–	12	12	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–
Tax expense :	–	–	–	–	–	–	–	–	–	–	–	–
Current tax	–	–	–	–	–	–	–	–	–	8,111	4,066	–
Deferred tax	–	–	–	–	–	–	–	–	–	(1,609)	2,106	–
Income tax for earlier years	–	–	–	–	–	–	–	–	–	(36)	(26)	–
MAT credit adjustments of previous year	–	–	–	–	–	–	–	–	–	–	(383)	–
Profit from Ordinary Activities	–	–	–	–	–	–	–	–	–	15,267	12,394	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Asset Management and Advisory Activities			Fund Based activities			Unallocated Activities			Total		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Extra–ordinary / exceptional items	–	–	–	–	–	–	–	–	–	–	–	–
Profit after tax	–	–	–	–	–	–	–	–	–	15,267	12,394	–
Other information :												
Segment assets	16,339	22,073	15,534	31,474	23,926	11,806	1,076	188	218	48,889	46,187	27,558
Segment liabilities	5,861	11,556	7,914	–	–	–	3,873	3,351	1,035	9,734	14,908	8,949
Capital expenditure	71	62	73	–	–	–	–	–	–	71	62	73
Depreciation	51	54	62	–	–	–	–	–	–	51	54	62
Non-cash expenses other than depreciation	–	6	59	–	–	–	–	–	–	–	6	59

NOTE 47 : IMPACT OF CHANGE IN ACCOUNTING POLICY

As per circular number SEBI/HO/IMD/DF2/CIR/P/2018/137 in terms of Regulation 52(1) of SEBI (Mutual Funds) Regulations, 1996, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid,shall necessarily be paid from the scheme only within the regulatory limits and not from the books of Motilal Oswal Asset Management Company Limited. The same change is effected from 22 October 2018. Fees and commission income related to management fees on mutual fund are presented on net basis after adjusting its distribution cost to make it comparable to current year presentation.

NOTE 48 : ESOP EXPENSE TO HOLDING COMPANY

Motilal Oswal Financial Services Limited has granted stock options to the eligible employees of the Company. The Company has reimbursed to the Holding Company in current year ₹ 47.39 Lakhs (previous year ₹ 625.20 Lakhs) on account of such costs and the same is forming part of employee costs and included under the head “Employee benefits expense” in Note 26.

NOTE 49 : CONTINGENT LIABILITIES AND COMMITMENTS

1) The Hon’ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.
2) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 19.57 lakhs (31 March 18: ₹ 22.99 lakhs, 1 April 2017: ₹ 15.34 lakhs).

NOTE 50 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2019

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 51 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS

Particulars	Note	For the year ended 31 March 2018	For the year ended 1 April 2017
Net worth under previous GAAP		27,034	13,536
GAAP adjustments:			
Gain on Fair Valuation of Investments	b (i)	4,214	5,116
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	b (ii)	(77)	(83)
Deferred tax impact on above adjustments	b (iii)	109	39
Total GAAP adjustments		**4,245**	**5,072**
Net worth under Ind AS		**31,279**	**18,608**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note	For the year ended 31 March 2018
Net profit as per the Previous GAAP		**13,146**
GAAP adjustments:		
Gain on fair valuation of investments	b (i)	(902)
Increase in employee benefit expenses due to fair valuation of employee stock options	b (ii)	76
Deferred tax on above	b (iii)	68
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	b (iv)	4
Total GAAP adjustments		**(753)**
Net profit after tax (before OCI) as per Ind AS		**12,393**
Other comprehensive Income (net of tax)	b (v)	(3)
Total Comprehensive Income under Ind AS		**12,390**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

All the adjustments on account of Ind AS are non-cash in nature hence, there is no impact on statement of cash flow

Explanations to reconciliations

Impact on account of financial asset measured at FVTPL

Previous GAAP – Investment in mutual fund are classified as current and non current investments. Current Investments are accounted at lower of cost or fair value and Non current investment are carried at cost.

Ind AS – Investment in mutual funds are financial assets. For the purposes of Ind AS 109, mutual fund investments will be accounted at fair value through profit and loss at each reporting date.

(All amounts are in INR lakhs, unless otherwise stated)

Consequent, to the change impact of ₹ 5154.86 lakhs and ₹ 4322.64 lakhs on equity was made on the transition date and as at 31 March 2018 respectively. Subsequently impact of ₹ 791.97 lakhs was made in the statement of profit and loss for the year ended 31 March 2018.

Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Previous GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial loss of ₹ 4.14 lakhs has been reclassified to OCI during the year ended 31 March 2018.

b) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS 109, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 4213.84 lakhs as at March 31, 2018 (April 01, 2017 - ₹ 5115.73 lakhs). Profit for the year ended March 31, 2018 decreased by ₹ 791.97 lakhs.

ii) Employee stock option expense

Under the previous GAAP, the Company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity. Consequently the share option outstanding account is decreased by the ₹ 70.42 lakhs with the corresponding debit to retained earnings as at March 31, 2018. While the share option outstanding account is increased by the ₹ 70.42 lakhs with the corresponding credit to retained earnings as at April 1, 2017. Profit for the year ended March 31, 2018 has been increase by ₹ 76.46 lakhs due to the decrease employee benefit expense.

iii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iv) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 increased by INR 4.14 lakhs. There is no impact on the total equity as at 31 March 2018.

v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period,

(All amounts are in INR lakhs, unless otherwise stated)

unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

c) Exemptions availed by the company

The exemptions availed by the Company under Ind AS 101 are as follows:

(i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

NOTE 52 :

Amounts below ₹ 50,000 have been rounded off and shown as "0".

As per our attached report of even date

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

Khushroo B. Panthaky

Partner
Membership No. 42423

Place : Mumbai
Dated : 25 April 2019

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

Aashish Somaiyaa
Managing Director and Chief Executive Officer
DIN No. : 06705119

Raamdeo Agarawal
Director
DIN No. : 0024533

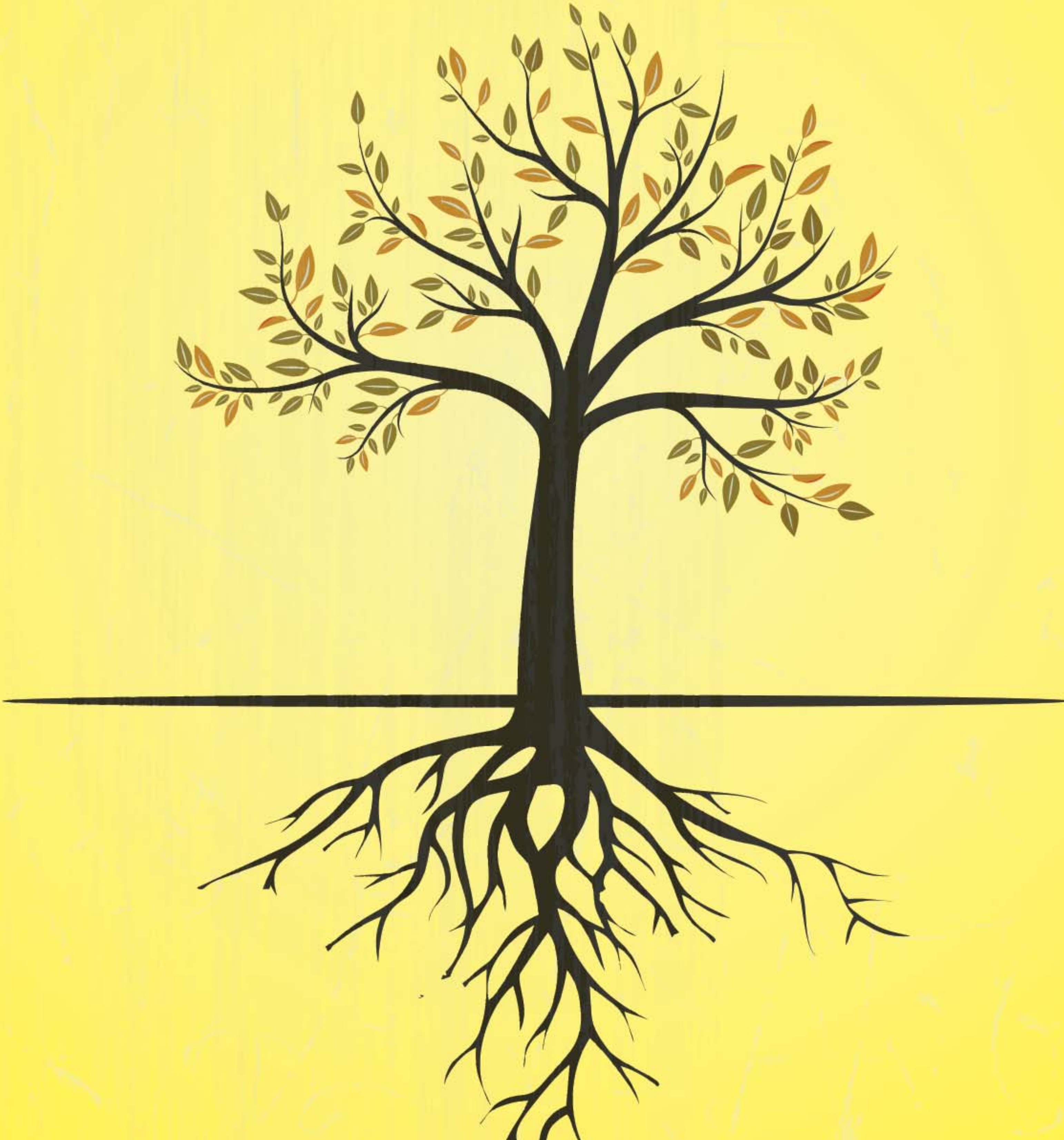
Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Dated : 25 April 2019

Motilal Oswal Trustee Company Limited

Financial Statement 2018-19



Independent Auditors' Report on the Financial Statement

To the Members of Motilal Oswal Trustee Company Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Trustee Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Board Report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

11. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 26 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with

    Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 26 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019.;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 25 April 2019

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited, on the financial statements for the year ended 31 March 2019

Annexure I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, the Company has not entered into any transactions with the related parties. Accordingly, provisions of clause 3(xiii) of the Order are not applicable.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 25 April 2019

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited on the financial statements for the year ended 31 March 2019

Annexure II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Trustee Company limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the audit of the Internal Financial Controls

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sudhir Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 25 April 2019

BALANCE SHEET

(All amounts are in INR Hundred, unless otherwise stated)

BALANCE SHEET

Particulars	Note	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
I. ASSETS				
A. Non-current assets				
a) Property, plant and equipment	4	127	299	813
b) Financial assets				
Investments	5	28,426	26,549	22,767
c) Non-current tax assets (net)	6	202	692	563
d) Deferred tax assets (net)	7	26	10	–
Total non-current assets (A)		**28,781**	**27,550**	**24,143**
B. Current assets				
a) Financial assets				
i) Trade receivables	8	1,061	917	662
ii) Cash and cash equivalents	9	4,837	3,494	3,799
b) Other current assets	10	556	807	690
Total Current assets (B)		**6,454**	**5,218**	**5,151**
Total Assets (A+B)		**35,235**	**32,768**	**29,294**
II. EQUITY AND LIABILITIES				
A. Equity:				
Equity share capital	11	10,000	10,000	10,000
Other equity	12	24,778	22,322	18,492
Total equity (A)		**34,778**	**32,322**	**28,492**
B. Liabilities				
1. Non-current liabilities				
Deferred tax liabilities (net)		–	–	65
Total non-current liabilities (B)		**–**	**–**	**65**
2. Current liabilities				
a) Financial liabilities				
Other payables	13	347	408	627
b) Other current liabilities	14	110	38	110
Total current liabilities (C)		**457**	**446**	**737**
Total Equity and Liabilities (A+B+C)		**35,235**	**32,768**	**29,294**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 30 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Dated : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

Motilal Oswal
Chairman
DIN : 00024503

Sunil Goyal
Director
DIN: 00503570

Place : Mumbai
Dated : 25 April 2019

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1) Revenue from operations	15	11,154	7,014
2) Other income	16	34	3,944
3) **Total Income (1 + 2)**		**11,188**	**10,958**
Expenses			
(i) Depreciation	4	172	513
(ii) Other expenses	17	7,663	6,444
4) **Total expenses**		**7,835**	**6,957**
5) **Profit before tax (3 - 4)**		**3,353**	**4,001**
Tax expense / (credit):			
(i) Current tax	18	913	131
(ii) Deferred tax expense / (credit)	18	(16)	(74)
(iii) Short / (excess) provision for earlier years		–	114
6) **Total tax expenses**		**897**	**171**
7) **Profit for the period (5 - 6)**		**2,456**	**3,830**
8) **Other comprehensive income**		**–**	**–**
Total comprehensive income for the period (7 + 8)		**2,456**	**3,830**
Earnings per equity share			
Basic and diluted (in Rupees)	26	2.46	3.83
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information The accompanying notes 1 to 30 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Dated : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

Motilal Oswal
Chairman
DIN : 00024503

Sunil Goyal
Director
DIN: 00503570

Place : Mumbai
Dated : 25 April 2019

CASH FLOW STATEMENT

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF CASH FLOWS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**3,353**	**4,001**
Adjustments for		
Net gain /(loss) on fair value change	123	(3,782)
Depreciation	172	513
Operating profit/(loss) before working capital changes	**295**	**(3,269)**
Adjustment for working capital changes :		
1) Increase/(decrease) in other current liabilities	72	–
2) Increase/(decrease) in other current financial liabilities	(62)	(219)
3) (Increase)/decrease in trade receivables	(142)	(256)
4) (Increase)/decrease in other current assets	251	(116)
Net changes in working capital	**119**	**(591)**
Cash generated from operating activities	**3,767**	**141**
Income taxes paid (net of refunds)	(424)	(446)
Net cash flow (used in) / generated from operating activities (A)	**3,343**	**(305)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	–	–
Purchase of non-current investments	(2,000)	–
Purchase of property, plant and equipment	–	–
Net cash used in investing activities (B)	**(2,000)**	**–**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow from Financing Activities	**–**	**–**
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	**1,343**	**(305)**
Cash and cash equivalents at the beginning of the year	3,494	3,799
Cash and cash equivalents at the end of the year (Refer Note no. 10)	**4,837**	**3,494**
*** Composition of cash and cash equivalent**		
Cash on hand	–	–
Balance with scheduled bank - In Current Account	4,837	3,494
Fixed deposit		
	4,837	**3,494**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
Place : Mumbai
Dated : 25th April 2019

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

Motilal Oswal
Chairman
DIN : 00024503
Place : Mumbai
Dated : 25th April 2019

Sunil Goyal
Director
DIN: 00503570

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued, subscribed and paid up		
As at 1 April 2017	**1,00,000**	**10,000**
Changes during the year	–	–
As at 31 March 2018	**1,00,000**	**10,000**
Changes during the year	–	–
As at 31 March 2019	**1,00,000**	**10,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 1 April, 2017	18,492
Profit for the year	3,830
Balance as at 31 March, 2018	22,322
Profit for the year	2,456
Balance as at 31 March, 2019	**24,778**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 30 form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Dated : 25th April 2019

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

Motilal Oswal
Chairman
DIN : 00024503

Sunil Goyal
Director
DIN: 00503570

Place : Mumbai
Dated : 25th April 2019

(All amounts are in INR Hundred, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Trustee Company Limited ("MOTC" / the "Company") was incorporated on 14 November 2008. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company acts as the Trustee to Motilal Oswal Mutual Fund vide Trust Deed dated 21 May 2009. Security Exchange Board of India ("SEBI") has granted registration to Motilal Oswal Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide Registration No. MF/063/09/04 dated 29 December 2009.

The financial statements were approved for issue by the Company's Board of Directors on 25 April 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as "Indian GAAP" or "Previous GAAP")

These financial statements are the first financial statements of the company under Ind AS. Refer note 30 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

Accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

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

- Certain financial instruments are measured at fair values;

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle

(All amounts are in INR Hundred, unless otherwise stated)

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Use of estimates and judgments

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

2.2. Revenue Recognition

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

Revenue is measured at fair value of the consideration received or receivable.

(i) Trustee fees

Performance obligations are satisfied over a period of time and trustee fees are recognized at the specific rates / amount approved by the Board of Directors of the Company, within the limits specified under the Trust Deed and is applied on the assets under management of each scheme of Motilal Oswal Mutual Fund.

2.3. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful life
Computers	3 years

Derecognition:

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

(All amounts are in INR Hundred, unless otherwise stated)

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

2.5. Cash and cash equivalents

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

2.6. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(All amounts are in INR Hundred, unless otherwise stated)

Fair value of financial instruments

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 21.

2.7. Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

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

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

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

(All amounts are in INR Hundred, unless otherwise stated)

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.9. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10. Provisions and Contingencies :

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

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(All amounts are in INR Hundred, unless otherwise stated)

Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) **Basic earnings per share**

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

b) **Diluted earnings per share**

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

2.9. Rounding of amounts

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

2.10. Events after reporting date

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

2.11. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 1 April 2019. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value Through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI

(All amounts are in INR Hundred, unless otherwise stated)

criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

– Have a prepayment feature which results in a negative compensation.

– Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and

– The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Company expects the adoption of these amendments will have no material impact on its financial statements.

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Company's financial statements:

– Ind AS 23 Borrowing Costs

– Ind AS 28 Investments in Associate and Joint Ventures

– Ind AS 103 Business Combinations

– Ind AS 111 Joint Arrangements

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01-Apr-18	Additions	Deductions	As at 31-Mar-19	As at 01-Apr-18	Additions	Deductions	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
Computer	1,404	–	–	1,404	1,105	172	–	1,277	127	299
Total	**1,404**	**–**	**–**	**1,404**	**1,105**	**172**	**–**	**1,277**	**127**	**299**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Computer	1,404	–	–	1,404	591	513	–	1,105	299	813
Total	**1,404**	**–**	**–**	**1,404**	**591**	**513**	**–**	**1,105**	**299**	**813**

NOTE 5 : INVESTMENT

Particulars	Subsidiary / Others	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Quoted)							
Motilal Oswal MOSt Focused Multicap 35 Fund	Others	1,04,344.91	28,426	97,159.069	26,549	97,159.069	22,767
Total			**28,426**		**26,549**		**22,767**

NOTE 6 : NON-CURRENT TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Advance Tax and Tax Deducted at Source [(Net of Provision for Income Tax 31 March 2019 ₹ 91,357; 31 March 2018 - ₹ 1,06,579 ; 1 April 2017: ₹ Nil)]	202	692	563
	202	**692**	**563**

NOTE 7 : DEFERRED TAX ASSETS / (LIABILITY) (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred tax asset arising on account of :			
Timing difference	19	10	–
Net loss on mutual fund investment measured at FVTPL	7	–	–
Total deferred tax assets (A)	**26**	**10**	**–**
Deferred tax liability arising on account of:			
Timing difference	–	–	65
Total deferred tax liabilities (B)	**–**	**–**	**65**
Deferred tax assets / (liability) (net) (A-B)	**26**	**10**	**(65)**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 8 : TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Considered good - unsecured	1,061	917	662
	1,061	**917**	**662**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.
2) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 9 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Balances with banks			
In current accounts	4,837	3,494	3,799
	4,837	**3,494**	**3,799**

NOTE 10 : OTHER CURRENT ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Other	200	–	–
Prepaid expenses	–	–	20
Indirect tax credit receivable	356	807	670
	556	**807**	**690**

Note

1) The Company's financial assets include cash and cash equivalent and trade receivables. Financial assets are classified as being at FVTPL or as loans and receivables. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 11 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**	**10,000**
1. Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,00,000	10,000	1,00,000	10,000	1,00,000	10,000
	1,00,000	**10,000**	**1,00,000**	**10,000**	**1,00,000**	**10,000**

11.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	1,00,000	10,000	1,00,000	10,000	1,00,000	10,000
Add: Shares issued during the year	–	–	–	–	–	–
Balance at the end of the year	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**	**10,000**

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

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial services Limited	1,00,000	100%	1,00,000	100%	1,00,000	100%
	1,00,000	**100%**	**1,00,000**	**100%**	**1,00,000**	**100%**

11.3 Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial services Limited	1,00,000	100%	1,00,000	100%	1,00,000	100%

(All amounts are in INR Hundred, unless otherwise stated)

11.4 Rights, preferences and restriction attached to each class of shares

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. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

11.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceeding 31 March 2019

NOTE 12 : OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
a) Surplus in the Statement of Profit and Loss			
Balance at beginning of the year	22,322	18,492	12,277
Add: Transfer from Statement of Profit and Loss	2,456	3,830	6,215
Balance at the end of year	**24,778**	**22,322**	**18,492**

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the company over the years.

NOTE 13 : OTHER PAYABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Other payables	347	408	627
	347	**408**	**627**

NOTE 14 : OTHER CURRENT LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Withholding and other taxes payable	110	38	110
	110	**38**	**110**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 15 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Trustee fees	11,154	7,014
	11,154	**7,014**

NOTE 16 : OTHER INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Sundry balances written back	–	142
Interest on income tax refund	34	20
Net gain on mutual fund investment measured at FVTPL	–	3,782
	34	**3,944**

NOTE 17 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net loss on mutual fund investment measured at FVTPL	123	–
Legal and professional charges	606	588
Auditors' fees (Refer Note no. 24)	257	262
Directors' fees, allowances and expenses	6,500	5,503
Miscellaneous expenses	27	91
Membership & subscription expense	150	–
Total	**7,663**	**6,444**

NOTE 18.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Current tax expense		
Current tax for the year	913	245
Total current tax expense	**913**	**245**
Deferred taxes		
Change in deferred tax liabilities	(16)	(74)
Net deferred tax credit	**(16)**	**(74)**
Total income tax expense	**897**	**171**

NOTE 18.2 :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2019 and 31 March 2018:

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit / (loss) before income tax expense	**3,353**	**4,001**
Tax at the rate of 26% (for 31 March 2018 - 25.75%)	872	1,031
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	–	114
Net gain / (loss) on mutual fund investment measured at FVTPL	32	(974)
Deferred tax on account of :		
Change due to deferred tax	(7)	(0)
Income tax expense	**897**	**171**

NOTE 18.3 : NET DEFERRED TAX

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Deferred tax assets on account of:			
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	19	10	–
Unrealised gain / (loss)	7	–	–
Total deferred tax assets (A)	**26**	**10**	**–**
Deferred tax liability on account of :			
Timing difference on property, plant and equipment's as per books and as per Income Tax Act, 1961	–	–	65
Total deferred tax liabilities (B)	**–**	**–**	**65**
Net deferred tax (liability) / assets (A-B)	**26**	**10**	**(65)**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 18.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-19	Recognised through profit and loss	As at 31-Mar-18	Recognised through profit and loss	As at 1-Apr-17
Deferred tax assets on account of:					
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	19	9	10	10	–
Unrealised loss	7	7	–	–	–
Total deferred tax assets	**26**	**16**	**10**	**10**	**–**
Deferred tax liabilities on account of:					
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	–	–	(65)	65
Total deferred tax liabilities	**–**	**–**	**–**	**(65)**	**65**
Total deferred tax Assets / (liability) (net)	**26**	**16**	**10**	**75**	**(65)**

NOTE 19 : CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the busines and meets the capital requirement of SEBI regulations.

NOTE 20 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our statement of profit and loss for the year ended 31 March 2019 or our balance sheet as of 31 March 2019.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company acts as the trustee to Motilal Oswal Mutual Fund. The company earns trustee fees from Motilal Oswal Mutual Fund.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Type of service
	Trustee fees
Total Revenue from contracts with customers	**11,154**
Geographical Markets	
India	11,154
Outside India	–
Total Revenue from contracts with customers	**11,154**
Timing of revenue recognition	
Services transferred at a point in time	–
Services transferred over time	11,154
Total Revenue from contracts with customers	**11,154**

b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balance as on 31 March 2019 is ₹ 1,060.63 hundreds and on 31 March 2018 is ₹ 917.27 hundreds.

c) Performance obligations

The performance obligation of the Company is to act as trustee to the mutual fund schemes, which is completed as per the terms and conditions of the trust agreement.

NOTE 21 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets						
Cash and cash equivalents		4,837		3,494		3,799
Trade receivables		1,061		917		662
Investments	28,426		26,549		22,767	
Total Financial Assets	**28,426**	**5,898**	**26,549**	**4,411**	**22,767**	**4,461**
Financial Liabilities						
Other current financial liabilities		347		408		627
	–	**347**	**–**	**408**	**–**	**627**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

(All amounts are in INR Hundred, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of cash and cash equivalent, trade receivables, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in mutual funds only which have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note: During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 22 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, cash and cash equivalents that derive directly from its operations.

A Credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer Company follows the policy of receiving advance payment towards services. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Upto 3 months	1,061	917	662
3 - 6 months	–	–	–
6 - 12 months	–	–	–
More than 12 months	–	–	–
Total	**1,061**	**917**	**662**

(B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. other payables

(All amounts are in INR Hundred, unless otherwise stated)

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	347			347
Total	**347**	**–**	**–**	**347**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	408			408
Total	**408**	**–**	**–**	**408**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	627			627
Total	**627**	**–**	**–**	**627**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency."

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

(All amounts are in INR Hundred, unless otherwise stated)

Sensitivity	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17
Impact on profit before tax for 1% increase in NAV / price	284	265	228

NOTE 23 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 24 : AUDITORS' FEES

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Statutory audit fees	250	200
Out of pocket expenses	7	62
	257	**262**

NOTE 25 : SEGMENT INFORMATION:

The Company's principal activity is to acts as a Trustee for the schemes of Motilal Oswal Mutual Fund and primarily operated in India and regularly reviewed by Chief Operating decision maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment

NOTE 26 : EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit attributable to equity shareholders (in Rupees)	2,45,620	3,83,026
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Nominal value per share (in Rupees)	10	10
Earnings per share (Basic and diluted) (in Rupees)	**2.46**	**3.83**

NOTE 27 : RELATED PARTY DISCLOSURE:-

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of The Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Financial Services Limited

(ii) Ultimate holding company:

Passionate Investment Management Private Limited

(All amounts are in INR Hundred, unless otherwise stated)

(iii) Fellow subsidiaries:

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

(iv) Key Management Personnel (KMP)

(a) Executive directors

Mr. Motilal Oswal

(b) Non - executive directors

Mr. B. G. Daga
Mr. Nagesh Pinge (upto 25th March 2019)
Mr. Sunil Goyal

(v) Enterprises in which key managerial personnel have control

Motilal Oswal Foundation
Motilal Oswal HUF

(vi) Associate enterprises

Indian Reality Excellence Fund II LLP

b. Transactions and balances with related parties

Nature of transactions	Name of the Related party	Key Managerial Personnel / Relative of KMP (B)	
		Year ended 31-Mar-19	Year ended 31-Mar-18
Director sitting fees	Non - executive directors	6,500	5,502

c. Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	Key Managerial Personnel / Relative of KMP (B)		
		Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-17
Other current assets	Non - executive directors	200	–	–

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 28 : CONTINGENT LIABILITIES AND COMMITMENTS

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

NOTE 29 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2019.

NOTE 30 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

(a) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet as at April 1, 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(b) Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Revenue from contracts

Ind AS 115 establishes a comprehensive framework for accounting of Revenue from Contracts with Customers

The Company has adopted Ind AS 115 retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, subject to the practical expedients available under the new revenue standard.

The Company has opted for the following practical expedients available under the standard on initial application:

– The entity has not restated contracts that are completed contracts as on the date of initial application April 1, 2017.

– For all reporting periods presented before April 1, 2017, the Company need not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue

Ind AS mandatory exceptions

Estimates

"An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

a) FVPTL – financial instruments

b) Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement

(All amounts are in INR Hundred, unless otherwise stated)

exemption applies for financial liabilities as well. Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition principles of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	As at 31-Mar-18	As at 1-Apr-17
Equity as per previous GAAP	25,773	25,725
GAAP adjustments		
Gain on Fair Valuation of Investments	6,549	2,767
Total Ind AS adjustments	**6,549**	**2,767**
Equity as per Ind AS	**32,322**	**28,492**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	For the year ended 31-Mar-18
Net profit as per the erstwhile Indian GAAP (IGAAP)	**48**
GAAP adjustments	
Gain on fair valuation of investments	3,782
Total effect of transition to Ind AS	**3,782**
Net profit after tax (before OCI) as per Ind AS	3,830
Other comprehensive Income (net of tax)	–
Total Comprehensive Income after tax as per Ind AS	**3,830**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

There are no cash adjustments from previous GAAP to Ind AS.

Explanations to reconciliations

Impact on account of financial asset measured at FVTPL

Previous GAAP – Investment in mutual fund are classified as current and long-term investments. Current Investments are accounted at lower of cost or fair value and Non current investment are carried at cost.

Ind AS – Investment in Mutual Funds are financial assets. For the purposes of Ind AS 109, Mutual Fund investments will be accounted at fair value through profit and loss at each reporting date.

(All amounts are in INR Hundred, unless otherwise stated)

Consequent, to the change impact of ₹ 2,766.99 hundreds and ₹ 6,548.79 hundreds on equity was made on the transition date and as at 31 March 2018 respectively. Subsequently impact of ₹ 3,781.80 hundreds was made in the statement of profit and loss for the year ended 31 March 2018.

(d) Notes to first-time adoption:

Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, Mutual Funds, venture were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 6,548.79 hundreds as at March 31, 2018 (April 01, 2017 - ₹ 2,766.99 hundreds). Profit for the year ended March 31, 2018 increased by ₹ 3,781.80 hundreds.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Dated : 25th April 2019

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

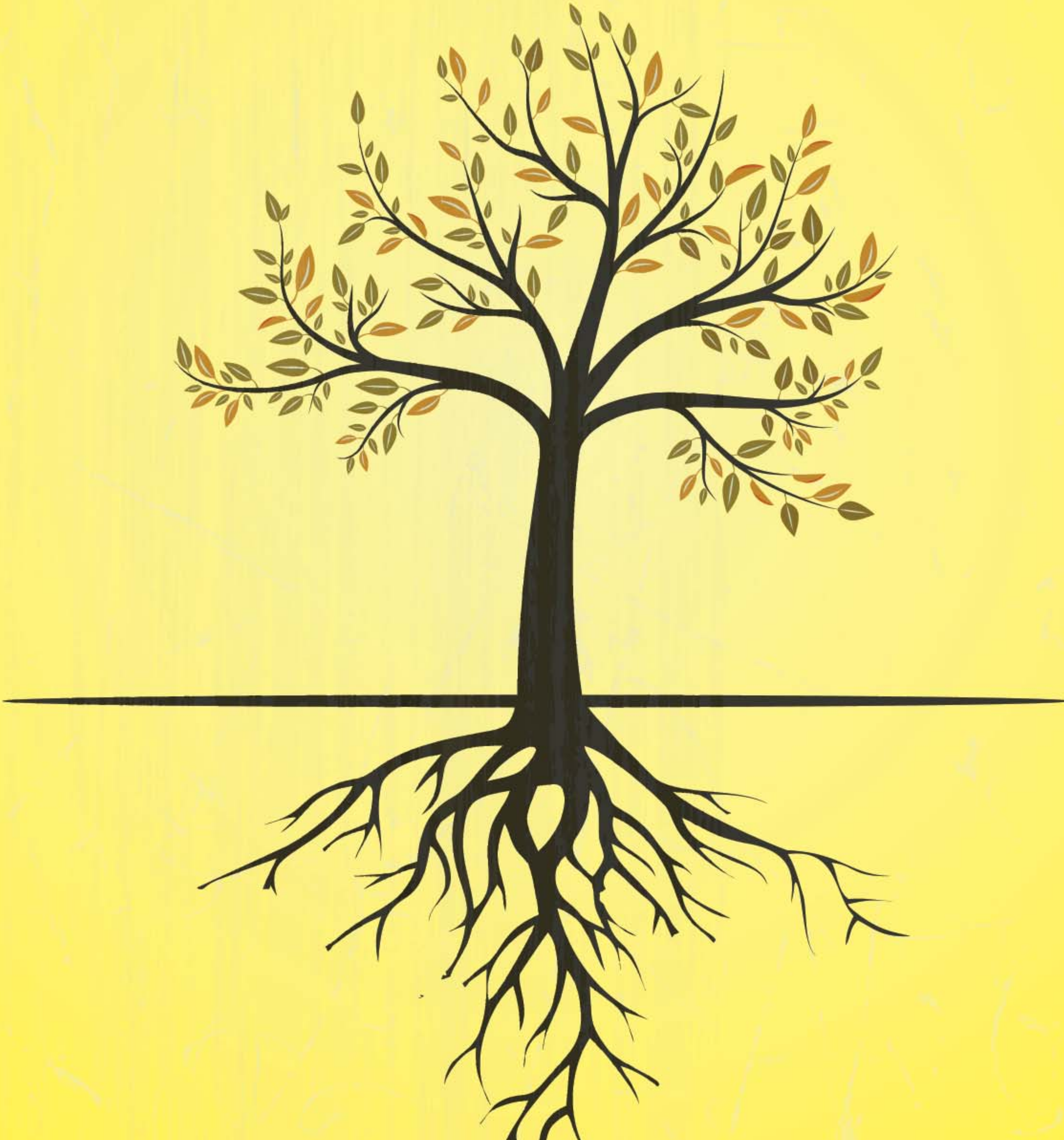
Motilal Oswal
Chairman
DIN : 00024503

Sunil Goyal
Director
DIN: 00503570

Place : Mumbai
Dated : 25th April 2019

Motilal Oswal Wealth Management Limited

Financial Statement 2018-19



To,

The Members Motilal Oswal Wealth Management Limited

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of Motilal Oswal Wealth Management Limited which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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".
   (g) With respect to 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 for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 9th May, 2019

ANNEXURE A TO THE AUDITORS' REPORT

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. The Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, direct and indirect taxes 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 direct and indirect taxes as at March 31, 2019 which have not been deposited on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.
14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 9th May, 2019

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Wealth Management Limited ('the Company') as of 31 March 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 9th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 1-Apr-17 (In ₹)
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	57,00,229	44,06,316	93,11,111
(b) Other bank balances	5	13,50,000	13,50,000	13,50,000
(c) Receivables	6			
(i) Trade receivables		19,44,89,492	17,86,54,808	16,07,36,765
(ii) Other receivables		5,55,000	1,91,354	2,26,110
(d) Loans	7	7,307	95,192	38,30,201
(e) Investments	10	63,06,50,609	62,24,52,982	32,24,79,686
(f) Other financial assets	8	2,45,79,563	77,39,705	1,04,06,394
2. Non-Financial Assets				
(a) Current tax assets (net)		1,53,66,753	72,97,836	–
(b) Deferred tax asset (net)	26	1,13,35,618	89,92,198	41,52,902
(c) Property, plant and equipment	11	4,62,62,608	3,18,21,470	2,84,31,321
(d) Intangible assets	11	31,04,626	5,12,344	16,45,260
(e) Other non-financial assets	9	1,18,29,823	1,33,67,400	3,57,61,249
TOTAL		**94,52,31,628**	**87,68,81,605**	**57,83,30,999**
I. LIABILITIES AND EQUITY				
Liabilities				
1. Financial Liabilities				
(a) Borrowings	12	3,00,00,000	3,35,00,000	4,75,00,000
(b) Other financial liabilities	13	3,03,42,927	8,79,04,734	5,67,95,582
2. Non-Financial Liabilities				
(a) Current tax liabilities (net)		–	–	16,56,290
(b) Provisions	14	9,26,44,293	12,64,06,597	10,98,56,232
(c) Other non-financial liabilities	15	3,17,77,965	2,27,31,495	2,43,40,432
3. Equity				
(a) Equity share capital	16	8,00,000	8,00,000	8,00,000
(b) Other equity	17	75,96,66,443	60,55,38,779	33,73,82,463
TOTAL		**94,52,31,628**	**87,68,81,605**	**57,83,30,999**

The accompanying notes form an integral part of the financial statements

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

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

Premal H. Gandhi
Partner
Membership No. : 111592
Place : Mumbai
Date : 9th May, 2019

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 9th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

	Note No.	For the Year ended 31-Mar-19 (In ₹)	For the Year ended 31-Mar-18 (In ₹)
INCOME			
(a) Revenue from operations			
Fees and commission income	18	1,07,48,66,582	97,72,92,516
Rental income		1,09,53,900	1,09,53,900
Interest income	19	20,02,004	5,80,026
Net gain on fair value change	20	1,56,43,532	4,67,62,712
Total Revenue from operations		**1,10,34,66,018**	**1,03,55,89,154**
(b) Other Income	21	4,66,518	4,76,226
Total Income (a+b)		**1,10,39,32,536**	**1,03,60,65,380**
EXPENSES			
Employee benefit Expenses	22	61,97,33,308	52,39,30,802
Finance Cost	23	44,20,967	35,06,294
Depreciation	11	59,32,735	56,33,368
Fees and commission expense	24	2,50,36,120	2,93,43,908
Other Expenses	25	23,29,13,119	10,86,80,689
Total Expenses		**88,80,36,249**	**67,10,95,061**
Profit before tax		**21,58,96,287**	**36,49,70,319**
Less: Tax expense			
Current tax		6,49,50,046	10,32,85,040
Deferred tax		(19,97,377)	(42,86,209)
Total tax expense	**26**	**6,29,52,669**	**9,89,98,831**
Profit for the period		**15,29,43,618**	**26,59,71,488**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Acturail Gain / (losses) on post retirement benefit plans		(11,88,332)	(18,99,338)
(b) Deferred tax impact on the above		3,46,042	5,53,087
Other comprehensive income / (loss)		(8,42,290)	(13,46,251)
Total comprehensive income		**15,21,01,328**	**26,46,25,237**
Earnings per share (Face value per share ₹ 1/-)	28		
Basic		190.13	330.78
Diluted		181.56	244.89

The accompanying notes form an integral part of the financial statements

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

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

Premal H. Gandhi
Partner
Membership No. : 111592
Place : Mumbai
Date : 9th May, 2019

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 9th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
(A) Equity share capital			
As at 1 April 2017	8,00,000	8,00,000	8,00,000
Changes in Equity Share capital during the year	–	–	–
As at 31 March 2018	8,00,000	8,00,000	8,00,000
Changes in Equity Share capital during the year	–	–	–
As at 31 March 2019	8,00,000	8,00,000	8,00,000

(B) Other Equity

(in ₹)

Particulars	31 March 2019				31 MARCH 2018				1 April 2017				Total		
	Reserve and surplus			Items of other comprehensive income	Reserve and surplus			Items of other comprehensive income	Reserve and surplus			Items of other comprehensive income	31 March 2019	31 March 2018	1 April 2017
	Securities premium	Share option outstanding account	Retained earnings	Remeasurements of net defined benefit plans	Securities premium	Share option outstanding account	Retained earnings	Remeasurements of net defined benefit plans	Securities premium	Share option outstanding account	Retained earnings	Remeasurements of net defined benefit plans			
Balance at the beginning of the reporting period	4,69,86,308	68,58,999	55,55,58,723	(38,65,250)	4,69,86,308	33,27,920	28,95,87,234	(25,18,999)	4,69,86,308	–	15,73,10,846	–	**60,55,38,779**	**33,73,82,463**	**20,42,97,154**
Addition during the year	–	20,26,335	–	–	–	35,31,079	–	–	–	33,27,920	–	–	**20,26,335**	**35,31,079**	**33,27,920**
Total comprehensive income for the year	–	–	15,29,43,618	(8,42,290)	–	–	26,59,71,488	(13,46,251)	–	–	13,22,76,389	(25,18,999)	**15,21,01,328**	**26,46,25,238**	**12,97,57,390**
Balance at the end of the reporting period	**4,69,86,308**	**88,85,333**	**70,85,02,340**	**(47,07,540)**	**4,69,86,308**	**68,58,999**	**55,55,58,723**	**(38,65,250)**	**4,69,86,308**	**33,27,920**	**28,95,87,234**	**(25,18,999)**	**75,96,66,442**	**60,55,38,779**	**33,73,82,463**

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

Premal H. Gandhi, *Partner*
Membership No. : 111592

Place : Mumbai
Date : 9th May, 2019

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

Ajay Menon, *Director*
DIN No: 00024589

Harsh Joshi, *Director*
DIN No: 02951058

Place : Mumbai
Date : 9th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	For the Year ended 31-Mar-19 (In ₹)	For the Year ended 31-Mar-18 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	**21,58,96,287**	**36,49,70,319**
Add / Less :		
1) ESOP Expenditure	20,26,336	35,31,079
2) (Profit) / Loss on Sale of Investment-Realised	(1,04,45,906)	(6,92,04,416)
3) (Profit) / Loss on Sale of Investment - Unrealised	(51,97,626)	2,24,41,704
4) Depreciation	59,32,735	56,33,368
5) Gratuity	89,13,609	71,79,713
OPERATING PROFIT	**21,71,25,434**	**33,45,51,766**
Adjustment For:		
1) (Increase) in receivables	(1,61,98,329)	(1,78,83,288)
2) Decrease in loans	87,885	37,35,009
3) (Increase) / Decrease in financial assets	(1,68,39,858)	26,66,689
4) Decrease in other non-financial assets	15,37,576	2,23,93,849
5) Increase / (Decrease) in borrowings	(35,00,000)	(1,40,00,000)
6) Increase / (Decrease) in other financial liabilities	(5,75,61,807)	3,11,09,152
7) Increase / (Decrease) in provisions	(4,38,64,245)	74,71,314
8) Increase / (Decrease) in other non-financial liabilities	90,46,470	(16,08,938)
CASH FLOW FROM OPERATIONS	**8,98,33,127**	**36,84,35,554**
Taxes Paid	**(7,30,18,965)**	**(11,22,39,164)**
NET CASH FLOW FROM OPERATIONS	1,68,14,162	25,61,96,390
CASH FLOW FROM INVESTING ACTIVITIES		
1) (Purchase) of Investments	(30,00,000)	(62,24,15,000)
2) Proceeds of sale of Investments	1,04,45,906	36,92,04,416
3) (Purchase) of Fixed Assets	(2,29,66,155)	(78,90,602)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(1,55,20,249)**	**(26,11,01,186)**
CASH FLOW FROM FINANCING ACTIVITIES	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**–**

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the Year ended 31-Mar-19 (In ₹)	For the Year ended 31-Mar-18 (In ₹)
NET CASH FLOW FOR THE YEAR	12,93,912	(49,04,796)
Cash and Bank Balances comprise of:		
Cash in hand	35,000	11,15,352
Scheduled bank - In Current Account	43,71,316	81,95,759
Total Cash & Cash Equivalents as at beginning of year	**44,06,316**	**93,11,111**
Cash and Bank Balances comprise of:		
Cash in hand	63,854	35,000
Scheduled bank - In Current Account	56,36,375	43,71,316
Total Cash & Cash Equivalents as at end of year	**57,00,228**	**44,06,316**

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow

As per our report of even date attached

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

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 9th May, 2019

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 9th May, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Wealth Management Limited (MOWML) was incorporated on March 6, 2002. The principal shareholder of the Company as at March 31, 2019 is Motilal Oswal Financial Services Limited (MOFSL). The company has license from SEBI Motilal Oswal Wealth Management Limited (Reg. No. INP000004409 date of Reg. Nov 29, 2012) for doing business of portfolio management services.

Company is carrying the business of distribution of all kinds of financial instruments including portfolio management services, mutual funds, alternative investment funds, private equity funds, unit linked policies, insurance policies and providing financial and investment advisory services and wealth management services in accordance with the applicable laws.

NOTE 2 : BASIS OF PREPARATION

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting periods have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind AS has been carried out from the erstwhile Accounting standards notified under the Act read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as ‘the Previous GAAP’). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and corresponding adjustments pertaining to comparative periods as presented in these financial statements have been restated / reclassified in order to conform to the current year presentation.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2019 based on the ‘Press Release’ issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance / clarifications / directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value(refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOWML’s functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.

(d) **Determination of the estimated useful lives of tangible assets :** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOWML are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

– The contractual rights to receive cash flows from the financial asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Dividend income

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

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authoritieson the taxable income for the year detmined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairement loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.8 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. 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.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of the company, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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

3.10 Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.11 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation / amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.13 First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of 01 April 2017 (transition date) by recognising all assets and liabilities whose recognistion is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly availed of the following optional exemptions while preparing its financial statements

(i) The Company has adopted the carrying value determined in accordance with previous GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2017.

(iii) The estimates as at 01 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with previous GAAP.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Cash on hand	63,854	35,000	11,15,352
Balance with bank			
Scheduled banks- In current accounts	56,36,375	43,71,316	81,95,759
TOTAL	**57,00,229**	**44,06,316**	**93,11,111**

NOTE 5 : OTHER BANK BALANCES

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Fixed Deposits with Bank (maturity more than 3 months)	13,50,000	13,50,000	13,50,000
TOTAL	**13,50,000**	**13,50,000**	**13,50,000**

NOTE 6 : RECEIVABLES

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
(i) Trade receivables			
Unsecured, Considered Good	19,39,96,614	17,86,54,808	15,95,21,173
Significant increase in credit risk	4,92,878	–	12,15,591
	19,44,89,492	**17,86,54,808**	**16,07,36,764**
(ii) Other receivables			
Unsecured, Considered Good	5,55,000	1,91,354	2,26,110
TOTAL	**19,50,44,492**	**17,88,46,162**	**16,09,62,874**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 7: LOANS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
At amortised cost			
Loans to employees	7,307	95,192	38,30,201
TOTAL	**7,307**	**95,192**	**38,30,201**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Rent deposits	44,95,803	73,66,800	99,86,730
Accrued interest	6,401	3,72,905	4,19,664
Others receivables	2,00,77,359	–	–
TOTAL	**2,45,79,563**	**77,39,705**	**1,04,06,394**

NOTE 9 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Unsecured, considered good			
Capital Advances	50,38,323	18,29,361	
Prepaid Expenses	26,78,547	40,63,704	33,48,183
Advance for expenses	33,51,182	74,33,101	1,22,76,384
Advances to employees	7,55,536	35,000	2,01,13,669
Balance with Government Authorities	6,235	6,234	23,013
TOTAL	**1,18,29,823**	**1,33,67,400**	**3,57,61,249**

NOTE 10 : INVESTMENTS

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-2017	
	Units	Amount In (₹)	Units	Amount In (₹)	Units	Amount In (₹)
I. Investments carried at cost						
Investments at equity instruments						
Investments in fellow subsidiaries – Unquoted						
Aspire Home Finance Corporation Limited	19,23,07,692	50,00,00,010	19,23,07,692	50,00,00,010	10	10
II. Mandatorily measured at FVTPL						
Investments in Mutual Funds (Equity) - Fully paid up – Unquoted						
Motilal Oswal Most Focused Multicap 35 Fund	–	–	–	–	1,37,61,951	32,24,79,676

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-2017	
	Units	Amount In (₹)	Units	Amount In (₹)	Units	Amount In (₹)
MOST FOCUS MIDCAP 30 FUND (Growth)	–	–	–	–	–	–
Motilal Oswal Most Focused Multicap 25 Fund	48,03,867	11,16,69,257	48,03,867	10,55,79,875	–	–
Investment in Alternative Investment Funds - Fully paid up – Unquoted						
Motilal Oswal Focused Multicap Opportunities Fund	9,14,381	99,10,157	9,14,381	96,83,299	–	–
Motilal Oswal Focused Emergence Fund	10,58,956	86,85,347	7,18,959	67,81,441	–	–
Motilal Oswal Focused Multicap Opportunities Fund (Carry Unit)	17,500	1,87,773	17,500	1,82,215	–	–
Motilal Oswal Focused Emergence Fund (Carry Unit)	24,000	1,98,065	24,000	2,26,142	–	–
Total Gross (A)		**63,06,50,609**		**62,24,52,983**		**32,24,79,686**

NOTE 11 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-04-18	Additions	As at 31-03-19	As at 1-04-18	Additions	As at 31-03-19	As at 31-03-19	As at 31-03-18
Tangible Assets								
Office Premises	4,47,76,849		4,47,76,849	2,02,91,916	11,20,607	2,14,12,523	2,33,64,326	2,44,84,933
Renovation of Leased Office Premises	36,54,870	80,64,640	1,17,19,510	11,96,094	7,80,867	19,76,961	97,42,550	24,58,776
Computer	86,28,675	27,29,048	1,13,57,723	48,43,249	22,11,326	70,54,576	43,03,147	37,85,426
Furniture	1,86,000	5,63,550	7,49,550	4,466	42,497	46,963	7,02,587	1,81,534
Electrical Equipment	3,510	2,60,000	2,63,510	1,665	10,567	12,232	2,51,278	1,845
Air Conditioner	42,166	13,82,320	14,24,486	41,785	33,740	75,525	13,48,961	381
Mobile	92,499	–	92,499	55,854	12,685	68,539	23,960	36,645
Office Equipments	3,84,007	10,66,548	14,50,556	2,32,829	2,13,258	4,46,087	10,04,468	1,51,178
Television	39,990	–	39,990	38,426	–	38,426	1,564	1,564
Network Equipments		1,02,360	1,02,360	–	6,731	6,731	95,629	–
Car	15,61,444	54,46,606	70,08,050	8,42,259	9,52,021	17,94,280	52,13,770	7,19,185
Scooter	–	2,31,083	2,31,083	–	20,719	20,719	2,10,364	–
Total (A)	**5,93,70,011**	**1,98,46,155**	**7,92,16,166**	**2,75,48,543**	**54,05,017**	**3,29,53,560**	**4,62,62,606**	**3,18,21,468**
Intangible Assets								
Commercial Rights	5,00,000		5,00,000	4,56,927	42,924	4,99,851	149	43,073
Computer Software	75,05,773	31,20,000	1,06,25,773	70,47,179	4,84,794	75,31,973	30,93,800	4,58,594
PMS Licence	1,00,000		1,00,000	89,323	–	89,323	10,677	10,677
Total (B)	**81,05,773**	**31,20,000**	**1,12,25,773**	**75,93,429**	**5,27,718**	**81,21,147**	**31,04,626**	**5,12,344**
Total (A+B)	**6,74,75,784**	**2,29,66,155**	**9,04,41,939**	**3,51,41,972**	**59,32,735**	**4,10,74,707**	**4,93,67,232**	**3,23,33,812**

Previous Year (in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-04-17 (Deemed cost)	Additions	As at 31-03-18	As at 1-04-17	Additions	As at 31-03-18	As at 31-03-18	As at 31-03-17
Tangible Assets								
Office Premises	4,47,76,849		4,47,76,849	1,91,65,148	11,26,769	2,02,91,916	2,44,84,933	2,56,11,701
Renovation of Leased Office Premises	10,59,494	25,95,376	36,54,870	7,06,153	4,89,941	11,96,094	24,58,776	3,53,341
Electrical Equipment	3,510		3,510	1,021	644	1,665	1,845	2,489
Air Conditioner	42,166		42,166	41,785	–	41,785	381	381
Mobile	65,000	27,499	92,499	33,315	22,539	55,854	36,645	31,685
Office Equipments	2,18,045	1,65,962	3,84,007	1,35,805	97,024	2,32,829	1,51,178	82,240
Television	39,990		39,990	38,426	–	38,426	1,564	1,564
Computer	41,04,175	45,24,500	86,28,675	28,02,082	20,41,167	48,43,249	37,85,426	13,02,093
Car	15,61,444		15,61,444	5,15,620	3,26,638	8,42,259	7,19,185	10,45,824
Furniture	–	1,86,000	1,86,000	–	4,466	4,466	1,81,534	–
Total (A)	**5,18,70,673**	**74,99,338**	**5,93,70,011**	**2,34,39,354**	**41,09,189**	**2,75,48,543**	**3,18,21,468**	**2,84,31,319**
Intangible Assets								
Commercial Rights	5,00,000		5,00,000	3,56,987	99,940	4,56,927	43,073	1,43,013
Computer Software	71,14,509	3,91,264	75,05,773	56,22,939	14,24,240	70,47,179	4,58,594	14,91,570
PMS Licence	1,00,000		1,00,000	89,323		89,323	10,677	10,677
Total (B)	**77,14,509**	**3,91,264**	**81,05,773**	**60,69,249**	**15,24,180**	**75,93,429**	**5,12,344**	**16,45,260**
Total (A+B)	**5,95,85,182**	**78,90,602**	**6,74,75,784**	**2,95,08,603**	**56,33,369**	**3,51,41,972**	**3,23,33,812**	**3,00,76,579**

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e 31st March 2015 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April 2017.

NOTE 12 : BORROWINGS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
At Amortised cost			
From related parties (Motilal Oswal Financial Services Ltd.)	3,00,00,000	3,35,00,000	4,75,00,000
TOTAL	**3,00,00,000**	**3,35,00,000**	**4,75,00,000**

NOTE 13 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Advance Received From Client	–	–	26,746
For Other Liabilities:			
Security Deposit (Against premises given on lease)	54,76,950	54,76,950	80,96,880
Other Payables	1,76,73,531	7,56,59,890	4,56,96,543
Other provisions (includes provision for expenses)	68,74,562	65,90,767	27,29,562
Interest payable	3,17,884	1,77,127	2,45,851
TOTAL	**3,03,42,927**	**8,79,04,734**	**5,67,95,582**

NOTE 14 : PROVISIONS

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Provision for employee benefits			
Provision for Gratuity	2,94,70,498	1,81,74,168	1,27,94,987
For Gratuity and benefits	50,39,597	83,14,767	26,07,728
Ex-Gratia	5,81,34,198	9,99,17,662	9,44,53,517
TOTAL	**9,26,44,293**	**12,64,06,597**	**10,98,56,232**

NOTE 15 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Withholding and other Taxes Payable	3,17,77,965	2,27,31,495	2,43,40,432
TOTAL	**3,17,77,965**	**2,27,31,495**	**2,43,40,432**

NOTE 16 : SHARE CAPITAL

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-2017	
	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)
AUTHORISED						
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000
	15,00,000	**15,00,000**	**15,00,000**	**15,00,000**	**15,00,000**	**15,00,000**
ISSUED, SUBSCRIBED & PAID UP						
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000
	8,00,000	**8,00,000**	**8,00,000**	**8,00,000**	**8,00,000**	**8,00,000**

16.1 Rights, preferences and restrictions attached to shares

Equity Shares :

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

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.2 Reconciliation of number of shares outstanding

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-2017	
	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)
Number of share at beginning	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000
Addition During the Year	–	–	–	–	–	–
At the end of the year	**8,00,000**	**8,00,000**	**8,00,000**	**8,00,000**	**8,00,000**	**8,00,000**

16.3 Shares holder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-2017	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding company)	7,99,940	99.99	7,99,940	99.99	7,99,940	99.99

16.4 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE : 17 OTHER EQUITY

	As at 31-Mar-19 In (₹)	As at 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
a) Securities Premium			
Balance at the beginning of the year	4,69,86,308	4,69,86,308	4,69,86,308
Balance at the end of year	**4,69,86,308**	**4,69,86,308**	**4,69,86,308**
b) Share option outstanding account			
Balance at the beginning of the year	68,58,999	33,27,920	–
Add: Addition during the year	20,26,335	35,31,079	33,27,920
Balance at the end of year	**88,85,334**	**68,58,999**	**33,27,920**
c) Retained earnings			
Balance at the beginning of the year	55,55,58,723	28,95,87,234	15,73,10,846
Add: Transfer from Statement of Profit and Loss	15,29,43,618	26,59,71,488	13,22,76,389
Balance at the end of year	**70,85,02,340**	**55,55,58,723**	**28,95,87,234**
d) Other comprehensive income			
Balance at the beginning of the year	(38,65,250)	(25,18,999)	–
Add: Transfer from Statement of Profit and Loss	(8,42,290)	(13,46,251)	(25,18,999)
Balance at the end of year	**(47,07,540)**	**(38,65,250)**	**(25,18,999)**
	75,96,66,443	**60,55,38,779**	**33,73,82,463**

Nature and purpose of Reserves

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Share option outstanding account

Share option outstanding account is used to reconise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the company.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains / loss on defined benefit plan.

NOTE 18 : FEES AND COMMISSION INCOME

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Brokerage Mutual Fund	23,38,27,521	21,73,87,261
AIF Fees Income	13,88,11,661	6,53,60,285
Portfolio Management Commission	42,86,67,821	44,99,02,583
Placement fee - Private equity funds	17,75,60,871	12,67,24,128
Commission and Referral Income	8,00,65,220	9,08,41,791
Advisory Fees	1,59,33,488	1,38,51,467
Setup Fee	–	1,32,25,000
TOTAL	**1,07,48,66,582**	**97,72,92,516**

NOTE 19 : INTEREST INCOME

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Interest income at amortised cost	20,02,004	5,80,026
TOTAL	**20,02,004**	**5,80,026**

NOTE 20 : NET GAIN / (LOSS) ON FAIR VALUE CHANGE

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
(i) On financial instruments designated at fair value through profit or loss	1,56,43,532	4,67,62,712
Fair Value changes gain / (loss):		
Realised	1,04,45,906	6,92,04,416
Unrealised	51,97,626	(2,24,41,704)
TOTAL	**1,56,43,532**	**4,67,62,712**

NOTE 21 : OTHER INCOME

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Miscellaneous Income	4,66,518	4,76,226
TOTAL	**4,66,518**	**4,76,226**

NOTE 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Salary and Bonus	57,53,86,089	46,52,66,043
Contribution to provident & other funds	1,17,03,160	74,64,809
Staff Welfare	56,40,390	91,35,902
Employee Stock option expense (refer note 39)	1,80,90,061	3,48,84,335
Gratuity (refer note 37)	89,13,609	71,79,713
TOTAL	**61,97,33,308**	**52,39,30,802**

NOTE 23 : FINANCE COST

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Interest on borrowings	44,20,967	35,06,294
TOTAL	**44,20,967**	**35,06,294**

NOTE 24 : FEES AND COMMISSION EXPENSE

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Brokerage Sharing with Intermediaries	2,50,36,120	2,93,43,908
TOTAL	**2,50,36,120**	**2,93,43,908**

NOTE 25 : OTHER EXPENSES

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Business Support	6,93,74,667	–
Rent (refer note 30)	6,00,76,562	1,47,33,600
Insurance	22,90,124	12,684
Marketing & Brand Promotion Expenses	1,40,66,878	2,53,21,710
Travelling Expenses and Conveyance	2,25,23,924	2,03,60,508
Printing & Stationery Expenses	80,15,870	74,19,186
Client Entertainment	84,80,552	1,03,37,768
Legal & Professional Fees	1,16,06,021	90,43,629
Data Processing Charges	65,39,372	51,02,047
Membership & Subscription Fees	11,30,879	11,23,046
Bad Debts	–	2,02,169
Communication Expenses	16,12,159	17,83,213
Power and Fuel	44,26,160	17,35,275
Software Charges	10,20,394	12,63,305
Training Expenses	48,44,352	6,09,363
Auditors Remuneration (refer note 27)	68,750	74,335
Rates and Taxes	9,36,538	6,02,206
Repairs And Maintenance	8,23,936	5,37,374
Donation (refer note 33)	58,67,746	33,22,088
Miscellaneous Expenses	92,08,235	50,97,184
TOTAL	**23,29,13,119**	**10,86,80,689**

NOTE : 26 TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Note : 26.1 Tax expense		
Current tax expense		
Current tax for the year	6,49,50,046	10,32,85,040
Total current tax expense	**6,49,50,046**	**10,32,85,040**
Deferred taxes		
Change in deferred tax liabilities	(19,97,377)	(42,86,209)
Net deferred tax expense	**(19,97,377)**	**(42,86,209)**
	6,29,52,669	**9,89,98,831**

Note : 26.2 Tax reconciliation (for profit and loss)

Particulars	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)
Profit / (loss) before income tax expense	**21,58,96,287**	**36,49,70,319**
Tax at the rate of 29.12% (for 31 March 2018 - 28.84%)	6,28,68,999	10,52,57,440
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt Income / Deduction on income	(13,49,953)	(2,05,74,463)
Expenses not deductible for tax purposes	14,33,624	1,23,85,950
Change due to deferred tax	–	(11,628)
Tax adjustment of previous years	–	19,41,532
	6,29,52,669	**9,89,98,831**
Income tax expense	**6,29,52,669**	**9,89,98,831**

Note : 26.3 Items of deferred tax asset / (liability)

	For the Year ended 31-Mar-19 In (₹)	For the Year ended 31-Mar-18 In (₹)	As at 1-Apr-2017 In (₹)
Deferred tax assets on account of:			
Difference between book depreciation and tax depreciation	3,40,089	4,96,027	–
Provision for Gratuity	1,00,49,340	77,13,578	44,42,143
Unrealised gain / loss on investments	9,46,190	7,82,593	
Total deferred tax assets (A)	**1,13,35,618**	**89,92,198**	**44,42,143**
Deferred tax liability on account of :			
Difference between book depreciation and tax depreciation	–	–	2,89,241
Total deferred tax liabilities (B)	**–**	**–**	**2,89,241**
Net deferred tax Assets / (Liability) (A-B)	**1,13,35,618**	**89,92,198**	**41,52,902**

NOTE 27 : REMUNERATION TO AUDITORS

	31-Mar-19 In (₹)	31-Mar-18 In (₹)
As Auditors:		
Audit Fees	68,750	74,335
In any other capacity, in respect of:		
Other Certification	–	–
Total	**68,750**	**74,335**

NOTE 28 : BASIC & DILUTED EARNINGS PER SHARE

	31-Mar-19 In (₹)	31-Mar-18 In (₹)
Net Profit attributable to equity shareholders [A] (₹)	15,21,01,328	26,46,25,237
Weighted Average Number of equity shares issued [B] (₹)	8,00,000	8,00,000
Nominal value per share (in Rupees)	1	1
Basic EPS [A/B] (₹)	**190.13**	**330.78**
Diluted EPS [A/B] (₹)	**181.56**	**244.69**

NOTE 29 : ACTIVITY IN FOREIGN CURRENCY

	31-Mar-19 In (₹)	31-Mar-18 In (₹)
Earnings in foreign currency		
Income from Advisory	74,85,917	1,19,25,709
Interest received from banks and others		
Total	**74,85,917**	**1,19,25,709**
Expenditure in foreign currency		
Overseas travel expenses	2,58,249	9,17,941
Courier Charges	34,595	–
Meeting Event And Seminar Expenses	94,699	–
Sponsorship Expenses - No TDS	5,67,050	–
Staff Welfare Expenses	3,08,587	37,000
Total	**12,63,180**	**9,54,941**

NOTE 30 : OPERATING LEASE

The Company has taken offices on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2019 aggregated ₹ 6,00,76,562/- (PY ₹ 1,47,33,600/-) which has been included under the head Other Expenses - Rent in the Statement of Profit or loss.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are NIL as on 31 March 2019

NOTE 31 : 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 32 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 79,53,907 (Previous Year : ₹ 2,13,284)

NOTE 33 : 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 ₹ 48,25,121 (Previous year : 27,25,074)

b) Amount spent during the period ended 31st March, 2019 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction / acquisition of any asset			
– Kalinga University (School construction project at Odisha)	43,47,214	–	43,47,214
b) On Purposes other than (a) above			
– Mangal Salunke (Medical Expense)	2,00,000	–	2,00,000
– Friends of Tribal Society (Education purpose)	10,06,280	–	10,06,280
– Isha Foundation (Education purpose)	3,75,000	–	3,75,000
Total	**59,28,494**	**–**	**59,28,494**

c) Amount spent during the period ended 31st March, 2018 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction / acquisition of any asset			
– Seva Sahayog (School Renovation)	2,00,000	–	2,00,000
b) On Purposes other than (a) above			
– Shraman Arogyam (Medical Treatment)	5,19,322	–	5,19,322
– Bharat Ke Veer (For the Purpose of Supporting Families of Martyred Soldiers)	6,00,000	–	6,00,000
– Kalinga Institute Of Social Sciences (Education)	13,62,537	–	13,62,537
– JITO Administrative Training Foundation (SEED Education)	5,38,229	–	5,38,229
Total	**32,20,088**	**–**	**32,20,088**

NOTE 34 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2019 COMPRISES OF:

Particulars	Opening balance as on 1-Apr-2018	Provided for the Year F.Y 18-19	Provision reversed / paid For the year F.Y 18-19	Closing balance as on 31-Mar-19
Ex-gratia	9,99,17,661	5,77,90,600	9,95,74,064	5,81,34,197
Provision for Gratuity	2,20,99,322	1,01,01,941	13,43,641	3,08,57,622
Other long term benefits	43,89,613	4,21,477	9,76,723	38,34,367
Leave Availment	6,83,268	10,13,939	6,83,268	10,13,939

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

NOTE 35 : CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTE 36 : RELATED PARTY DISCLOSURE

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 Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Limited
4. MOPE Investment Advisors Private Limited
5. Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
6. Motilal Oswal Asset Management Co. Limited
7. Motilal Oswal Trustee Co. Limited
8. Motilal Oswal Securities International Pvt. Limited
9. Motilal Oswal Capital Markets (Hongkong) Pvt. Limited
10. Motilal Oswal Capital Markets (Singapore) Pte. Limited
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. Limited
16. Motilal Oswal Capital Limited
17. Motilal Oswal Securities Limited (merged with Motilal Oswal Financial Services Limited)

Key managerial personnel

1. Ajay Menon – Director
2. Harsh Joshi – Director

II. Transactions with related parties: 31-03-2019

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Rent Expense / (Income)	Motilal Oswal Securities Limited		1,47,33,600		–	–	1,47,33,600
	Motilal Oswal Securities Limited		(1,09,53,900)		–	–	(1,09,53,900)
	Motilal Oswal Financial Services Limited	(1,09,53,900)				(1,09,53,900)	
	Motilal Oswal Financial Services Limited	5,74,91,700				5,74,91,700	

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Interest Expense / (Income)	Motilal Oswal Financial Services Limited		34,74,418		–	–	34,74,418
	Motilal Oswal Securities Limited		(4,39,418)		–	–	(4,39,418)
	Motilal Oswal Financial Services Limited	(19,06,043)				(19,06,043)	
	Motilal Oswal Financial Services Limited	9,04,340				9,04,340	
	Motilal Oswal Finvest Limited			31,54,641		31,54,641	
Advisory & Placement fees (Income) / Expense	MOPE Investment Advisors Pvt. Ltd.		–	(6,08,47,719)	(5,40,75,000)	(6,08,47,719)	(5,40,75,000)
	Motilal Oswal Asset Management Company Limited		–	29,27,998	52,13,599	29,27,998	52,13,599
	Motilal Oswal Real Estate Investment Advisors II Private Limited		–	(9,64,03,851)	(3,05,32,354)	(9,64,03,851)	(3,05,32,354)
	Aspire Home Finance Limited		–	(17,52,287)	–	(17,52,287)	–
Referral Fees (Income) Expense	Motilal Oswal Capital Markets Private Limited		–		–	–	–
	Motilal Oswal Investment Advisors Limited		–		–	–	–
	Motilal Oswal Capital Markets Private Limited		–		–	–	–
	Motilal Oswal Securities Limited					–	–
	Motilal Oswal Securities Limited		72,928			–	72,928
	Motilal Oswal Asset Management Company Limited		–		(1,67,44,312)	–	(1,67,44,312)
	Motilal Oswal Financial Services Limited	3,95,184				3,95,184	
Setup Fees	Motilal Oswal Asset Management Company Limited		–		(1,32,25,000)	–	(1,32,25,000)
	MOPE Investment Advisors Pvt. Ltd.			(6,77,966)	(47,88,136)	(6,77,966)	(47,88,136)
	Motilal Oswal Real Estate Investment Advisors II Private Limited			(1,60,54,250)		(1,60,54,250)	
Brokerage Mutual Fund (Income)	Motilal Oswal Asset Management Company Limited		–		(5,73,74,749)	–	(5,73,74,749)
	MOPE Investment Advisors Pvt. Ltd.				20,39,527	–	20,39,527
	Motilal Oswal Asset Management Company Limited			(3,52,65,877)	(4,19,65,507)	(3,52,65,877)	(4,19,65,507)
PMS Sharing (Income)	Motilal Oswal Asset Management Company Limited		–	(29,98,42,105)	(31,93,59,288)	(29,98,42,105)	(31,93,59,288)
	Motilal Oswal Securities Limited		31,781			–	31,781
	Aspire Home Finance Limited					–	
AIF Distribution Income	Motilal Oswal Asset Management Company Limited		–	(2,54,51,096)	–	(2,54,51,096)	–
Marketing Commission (Income) / Expense	Motilal Oswal Securities Limited		32,44,949			–	32,44,949
	Motilal Oswal Asset Management Company Limited		–	(1,00,000)	(16,42,588)	(1,00,000)	(16,42,588)
	MOPE Investment Advisors Pvt. Ltd.				(3,00,000)	–	(3,00,000)
	Motilal Oswal Real Estate Investment Advisors II Private Limited				(3,00,000)	–	(3,00,000)
	Motilal Oswal Securities Limited		1,30,435			–	1,30,435
Brokerage Commission (Income) / Expense	Motilal Oswal Securities Limited		(7,38,13,333)		–	–	(7,38,13,333)

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Motilal Oswal Financial Services Limited	(6,88,86,258)	–		–	(6,88,86,258)	–
	Motilal Oswal Financial Services Limited	14,830				14,830	
	MOPE Investment Advisors Pvt. Ltd.		–	3,59,062		3,59,062	–
Business Support Charges	Motilal Oswal Financial Services Limited	6,93,74,667				6,93,74,667	
Loan (Taken) / (Repayment) received for loan given	Motilal Oswal Financial Services Limited	43,88,00,000	62,64,00,000		–	43,88,00,000	62,64,00,000
	Motilal Oswal Securities Limited		(16,50,00,000)		–	–	(16,50,00,000)
	Motilal Oswal Finvest Limited			56,19,32,187		56,19,32,187	
Loan Given / Repayment of loan taken	Motilal Oswal Financial Services Limited	(44,23,00,000)	(64,04,00,000)		–	(44,23,00,000)	(64,04,00,000)
	Motilal Oswal Securities Limited		16,50,00,000		–	–	16,50,00,000
	Motilal Oswal Finvest Limited			(56,19,32,187)		(56,19,32,187)	
Maximum Balance	Motilal Oswal Financial Services Limited	4,00,00,000	12,54,00,000	8,26,32,187	–	12,26,32,187	12,54,00,000
	Motilal Oswal Securities Limited		11,00,00,000		–	–	11,00,00,000
Reimbursement of Expense	Motilal Oswal Financial Services Limited		67,71,886		–	–	67,71,886
	Motilal Oswal Securities Limited		29,76,105		–	–	29,76,105
Outstanding Balances:							
Trade Receivable / (Payables)	Motilal Oswal Asset Management Company Limited		–	3,78,77,387	5,90,73,984	3,78,77,387	5,90,73,984
	MOPE Investment Advisors Pvt. Ltd.		–	(3,68,177)	(4,88,784)	(3,68,177)	(4,88,784)
	Motilal Oswal Securities Limited		70,96,863		–	–	70,96,863
	Motilal Oswal Real Estate Investment Advisors II Private Limited			3,38,29,016	61,98,367	3,38,29,016	61,98,367
	Aspire Home Finance Limited			1,55,777	–	1,55,777	–
	Motilal Oswal Financial Services Limited	55,81,963	(46,200)			55,81,963	(46,200)
Payable for Expenses	Motilal Oswal Securities Limited		5,57,859		–	–	5,57,859
	Motilal Oswal Financial Services Limited	(17,97,870)	(19,88,930)		–	(17,97,870)	(19,88,930)
	Motilal Oswal Finvest Limited			(3,01,980)		(3,01,980)	
Deposit Rent Receivable/ (Payable)	Motilal Oswal Securities Limited	(54,76,950)	(54,76,950)		–	(54,76,950)	(54,76,950)
	Motilal Oswal Securities Limited		73,66,800			–	73,66,800
Loan Given / (Taken)	Motilal Oswal Financial Services Limited	(3,00,00,000)	(3,35,00,000)		–	(3,00,00,000)	(3,35,00,000)

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

NOTE 37 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

The following table set out the gratuity plan as required under IndAS 19.

(A) Defined contribution plan :

Provisions made for the year ended 31st March, 2019 comprises of:

Particulars	31-Mar-19	31-Mar-18	31-Mar-17
Employer's contribution to provident fund	1,08,55,168	68,30,535	46,50,879
Employer's contribution to ESIC	–	–	–
Employer's contribution to National Pension Scheme	2,98,219	1,81,512	–
	1,11,53,387	**70,12,047**	**46,50,879**

(B) Defined benefit plan

	Gratuity			Other Long Term Benefits		
I Assumptions as at	**31-Mar-19**	**31-Mar-18**	**31-Mar-17**	**31-Mar-19**	**31-Mar-18**	**31-Mar-17**
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.12%	6.85%	6.69%	7.12%	6.85%	6.69%
Rate of increase in compensation	11.00%	9.73%	8.00%			
Expected rate of return on plan assets (per annum)						
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 18.91%	PS: 0 to 37 : 19.61%	PS: 0 to 37 : 17.01%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28.16%
Expected average remaining service	4.14	3.98	4.55	1.26 to 1.27	2.52 to 2.55	2.49 to 2.55
II Changes in present value of obligations (PVO)						
PVO at beginning of period	2,21,08,303	1,34,43,493	72,19,093	–	–	–
Interest cost	14,68,399	8,85,213	5,24,106	–	–	–
Current Service Cost	74,36,229	45,20,906	25,89,763	36,52,473	23,41,618	19,59,222
Past Service Cost – (non vested benefits)	–	17,962	–	–	–	–
Past Service Cost - (vested benefits)	–	17,64,613	–	–	–	–
Benefits Paid	(13,43,641)	(4,23,222)	(4,43,362)	–	–	–
Contributions by plan participants	–	–	–			
Business Combinations	–	–	–			
Curtailments	–	–	–			
Settlements	–	–	–			
Actuarial (Gain)/Loss on obligation	11,88,332	18,99,338	35,53,893	–	–	–
PVO at end of period	3,08,57,622	2,21,08,303	1,34,43,493	36,52,473	23,41,618	19,59,222
III) Interest expense						
Interest cost	14,68,399	8,85,213	5,24,106			
IV) Fair value of plan assets						
Fair Value of Plan Assets at the beginning	–	–	–	–	–	–
Interest income	–	–	–	–	–	–

	Gratuity			Other Long Term Benefits		
V) Net Liability						
PVO at beginning of period	2,21,08,303	1,34,43,493	72,19,093			
Fair Value of the Assets at beginning report	–	–	–			
Net Liability	2,21,08,303	1,34,43,493	72,19,093			
VI) Net Interest						
Interest Expenses	14,68,399	8,85,213	5,24,106			
Interest Income	–	–	–			
Net Interest	14,68,399	8,85,213	5,24,106			
VII) Actual return on plan assets						
Less Interest income included above	–	–	–			
Return on plan assets excluding interest income	–	–	–			
VIII) Actuarial (Gain) / loss on obligation						
Due to Demographic Assumption	2,74,395	(7,13,796)				
Due to Financial Assumption	10,41,766	14,66,066				
Due to Experience	(1,27,829)	11,47,068				
Total Actuarial (Gain) / Loss	11,88,332	18,99,338	35,53,893			
IX) Fair Value of Plan Assets						
Opening Fair Value of Plan Asset	–	–	–			
Adjustment to Opening Fair Value of Plan Asset	–	–	–			
Return on Plan Assets excl. interest income	–	–	–			
Interest Income	–	–	–			
Contributions by Employer	13,43,641	4,23,222	4,43,362			
Contributions by Employee	–	–	–			
Benefits Paid	(13,43,641)	(4,23,222)	(4,43,362)			
Fair Value of Plan Assets at end	–	–				
X) Past Service Cost Recognised						
Past Service Cost- (non vested benefits)	8,981	17,962	–			
Past Service Cost -(vested benefits)	–	17,64,613	–			
Average remaining future service till vesting of the benefit	–	2	–			
Recognised Past service Cost- non vested benefits	8,981	8,981	–			
Recognised Past service Cost- vested benefits	–	17,64,613	–			
Unrecognised Past Service Cost- non vested benefits	–	8,981	–			

	Gratuity			Other Long Term Benefits		
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account						
PVO at end of period	3,08,57,622	2,21,08,303	1,34,43,493			
Fair Value of Plan Assets at end of period	–	–	–			
Funded Status	(3,08,57,622)	(2,21,08,303)	(1,34,43,493)			
Unrecognised past service cost - non vested benefits		8,981	–			
Net Asset / (Liability) recognized in the balance sheet	(3,08,57,622)	(2,20,99,322)	(1,34,43,493)			
XII) Expense recognised in the statement of profit and loss						
Current service cost	74,36,229	45,20,906	25,89,763	36,52,473	23,41,618	19,59,222
Net Interest	14,68,399	8,85,213	2,54,106			
Past service cost - (non vested benefits)	8,981	17,962	–			
Past service cost - (vested benefits)	–	17,64,613	–			
Curtailment Effect	–	–	–			
Settlement Effect	–	–	–			
Unrecognised past service cost - non vested benefits	–	(8,981)	–			
Actuarial (Gain) / Loss recognized for the period	–	18,99,338	35,53,893			
Expense recognized in the statement of profit and loss	89,13,609	90,79,051	66,67,762	36,52,473	23,41,618	19,59,222
XIII) Other Comprehensive Income (OCI)						
Actuarial (Gain) / Loss recognized for the period	11,88,332	–	35,53,893			
Asset limit effect	–	–	–			
Return on Plan Assets excluding net interest	–	–	–			
Unrecognized Actuarial (Gain) / Loss from previous period	–	–	–			
Total Actuarial (Gain) / Loss recognized in (OCI)	11,88,332	–	35,53,893			
XIV) Movement in liability recognized in balance sheet						
Opening net liability	2,20,99,322	1,34,43,493	72,19,093			
Adjustment to opening balance	–	–	–			
Expenses as above	89,13,609	90,79,051	66,67,762	36,52,473	23,41,618	19,59,222
Contribution paid	(13,43,641)	(4,23,222)	(4,43,362)			
Other Comprenehsive Income(OCI)	11,88,332	–	–			
Closing net liability	3,08,57,622	2,20,99,322	1,34,43,493	36,52,473	23,41,618	19,59,222

Particulars	Gratuity			Other long term benefits		
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
XV) Schedule III of The Companies Act 2013						
Current liability	38,33,238	46,89,551	26,07,728	25,50,000	7,30,759	–
Non-current liability	2,70,24,384	1,74,09,771	1,08,35,765	11,02,473	16,10,859	19,59,222
XVI) Projected Service Cost 31 Mar 2020	99,48,078					
XVII) Asset Information						
Cash and Cash Equivalents	–	–	–	–	–	–
Gratuity Fund ()	–	–	–	–	–	–
Debt Security – Government Bond	–	–	–	–	–	–
Equity Securities – Corporate debt securities	–	–	–	–	–	–
Other Insurance contracts	–	–	–	–	–	–
Property	–	–	–	–	–	–
Total Itemized Assets	–	–	–	–	–	–
	DR: Discount Rate		**ER : Salary escalation rate:**			
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**		
XVIII) Sensitivity Analysis						
PVO	2,93,50,055	3,25,15,445	3,20,32,631	2,97,18,226		
XIX) Expected Payout						
	Expected Outgo First	**Expected Outgo Second**	**Expected Outgo Third**	**Expected Outgo Fourth**	**Expected Outgo Fifth**	**Expected Outgo Six to ten years**
Payouts	38,33,238	43,73,540	40,58,260	40,59,880	39,58,305	14,86,11,311
XX) Asset Liability Comparisons						
Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	
PO at End of period	31,10,300	72,19,093	1,34,43,493	2,21,08,303	3,08,57,622	
Plan Assets						
Surplus / (Deficit)	(31,10,300)	(72,19,093)	(1,34,43,493)	(2,21,08,303)	(3,08,57,622)	
Experience adjustments on plan assets						

NOTE 38 : SEGMENT REPORTING

In accordance with Ind AS 108 on “Operating Segments” issued by the Institute of Chartered Accountants of India, the Company has determined business segment as under.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of “Asset management and advisory” and “Fund based activities”. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non-current investment of mutual funds.

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

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

(Amount in rupees)

Particulars	Fees and Commission Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue :								
External revenue	1,07,48,66,582	97,72,92,516	2,65,97,432	5,77,16,612	24,68,522	10,56,252	1,10,39,32,536	1,03,60,65,380
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**1,07,48,66,582**	**97,72,92,516**	**2,65,97,432**	**5,77,16,612**	**24,68,522**	**10,56,252**	**1,10,39,32,536**	**1,03,60,65,380**
Result :								
Segment result	19,03,65,260	30,87,91,261	2,65,30,478	5,74,62,977	24,68,522	10,56,252	21,93,64,260	36,73,10,490
Unallocated corporate expenses		–		–		–	59,36,496	33,96,423
Unallocated revenue		–		–		–	24,68,522	10,56,252
Operating profit							**21,58,96,287**	**36,49,70,319**
Tax expense :								
Current tax		–		–		–	6,49,50,046	10,32,85,040
Deferred tax		–		–		–	(19,97,377)	(42,86,209)
Profit after tax							**15,29,43,618**	**26,59,71,488**
Other information :								
Segment assets	28,78,78,648	23,81,38,588	63,06,50,609	62,24,52,983	2,67,02,371	1,62,90,034	94,52,31,628	87,68,81,605
Segment Liabilities	18,47,65,185	27,05,42,825	–	–	–	–	18,47,65,185	27,05,42,825
Capital Expenditure	2,29,66,155	78,90,602	–	–	–	–	2,29,66,155	78,90,602
Depreciation	59,32,735	56,33,368	–	–	–	–	59,32,735	56,33,368

NOTE 39 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

Details of Stock options

The company has One Stock option Schemes

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

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each and further the Board approved the grant of 7,800 Stock Options of Rupees 10 each to the employees of the Company.

Pursuant to approval of the members at its meeting dated February 20, 2017 for sub-dividion of face value of equity shares from Rupees 10 to Rupee 1 each, the total number of options alloted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each and total grant of 78,000 stock option of ₹ 1 each.

The activity in the (ESOS-I) during the year ended March 2019 and March 2018 is set below:

Particulars	For the Year Ended			
	31-Mar-19		31-Mar-18	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
The MOWML (ESOS-I) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the year	72,000	250.00	72,000	250.00
Add: Granted	6,000	815.00	–	NA
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	**78,000**	**293.46**	**72,000**	**250.00**
Exercisable at the end of the period	**13,200**	**250.00**	–	–

Employees' Stock Options Scheme (ESOS) :

During the year 6000 Employee Stock Options (Previous Year NIL) have been granted to the employees of the company.

Particulars	Scheme I
Date of grant	Various dates
Date of Board Approval	22-Apr-16
Date of Shareholder's approval	29-Apr-16
Number of options granted	78000
Method of Settlement	Equity Shares
Vesting Period	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life	
CY – Granted but not Vested	5.81 Years (Previous year : 3.43 Years)
CY – Vested but not exercised	3.00 Years (Previous year : NA)
Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA
Exercise Period	1 year to 3 years from the date of vesting and as per terms and conditions of scheme and grant
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and / or its holding / subsidiary, and thus the options would vest on passage of time. MOWML does not have any remuneration / compensation committee. Also no such performance based vesting is mentioned in the ESOP-1 Scheme
Weighted Average Fair Value of options as on grant date	642.70

Exercise Pricing Formula

Scheme I

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

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2018-19	2018-17
ESOP Expenses	1,80,90,061	3,48,84,335
Reserve and surplus - Share option outstanding account	88,85,334	68,58,999

NOTE: 40 FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2019		March 31, 2018		1 April 2017	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Cash and cash equivalents		57,00,228		44,06,316		93,11,111
Bank balance other than cash and cash equivalents above		13,50,000		13,50,000		13,50,000
Receivables						
(i) Trade receivables		19,44,89,492		17,86,54,808		16,07,36,765
(ii) Other receivables		5,55,000		1,91,354		2,26,110
Loans		7,307		95,192		38,30,201
Investments	13,06,50,599	50,00,00,010	12,24,52,972	50,00,00,010	32,24,79,676	10
Other financial assets		2,45,79,563		77,39,705		1,04,06,394
Total financial assets	**13,06,50,599**	**72,66,81,600**	**12,24,52,972**	**69,24,37,385**	**32,24,79,676**	**18,58,60,591**
Financial liabilities						
Other payables		1,76,73,531		7,56,59,890		4,56,96,543
Borrowings (Other than debt securities)		3,00,00,000		3,35,00,000		4,75,00,000
Deposits		54,76,950		54,76,950		80,96,880
Other financial liabilities		71,92,446		67,67,894		30,02,159
Total financial liabilities	**–**	**6,03,42,927**	**–**	**12,14,04,734**	**–**	**10,42,95,582**

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

(Amount in rupees)

Assets measured at fair value - recurring fair value measurements	As at 31 March 19		As at 31 March 18		As at 01 April 17	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial assets						
Financial investments at FVTPL						
– Mutual funds	11,16,69,257	–	10,55,79,875	–	32,24,79,676	–
– Alternative investment funds	1,89,81,342	–	1,68,73,098	–	–	–
Financial investments at FVOCI						
– Equity instruments held through portfolio management schemes	–	–	–	–	–	–
Total	**13,06,50,599**	**–**	**12,24,52,972**	**–**	**32,24,79,676**	**–**

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE: 41 FINANCIAL RISK MANAGEMENT

The company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due: (Amount in rupees)

Particulars	31-Mar-19	31-Mar-19	1 April 2017
Upto 3 months	19,30,26,037	17,84,61,087	14,52,72,028
3 - 6 months	9,70,577	1,93,721	1,44,79,147
6 - 12 months	4,92,878	–	9,24,495
More than 12 months		–	61,095
Total	**19,44,89,492**	**17,86,54,808**	**16,07,36,765**

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	1,76,73,531			1,76,73,531
Other current financial liabilities	3,71,92,446	54,76,950		4,26,69,396
Total	**5,48,65,977**	**54,76,950**	–	**6,03,42,927**

As at 31 March 2018 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	7,56,59,890			7,56,59,890
Other current financial liabilities	4,02,67,894	54,76,950		4,57,44,844
Total	**11,59,27,784**	**54,76,950**	–	**12,14,04,734**

As at 1 April 2017 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	4,56,96,543			4,56,96,543
Other current financial liabilities	5,05,02,159	80,96,880		5,85,99,039
Total	**9,61,98,702**	**80,96,880**	–	**10,42,95,582**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency."

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds ,classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

(Amount in rupees)

Sensitivity	31 March 2019	31 March 2018	31 March 2017
Impact on profit before tax for 1% increase in NAV / price	13,06,506	12,24,530	32,24,797

NOTE : 42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	March 31, 2019			March 31, 2018			1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	57,00,229		57,00,229	44,06,316		44,06,316	93,11,111		93,11,111
Other bank balances	13,50,000		13,50,000	13,50,000		13,50,000	13,50,000		13,50,000
Receivables									
(i) Trade receivables	19,44,89,492		19,44,89,492	17,86,54,808		17,86,54,808	16,07,36,765		16,07,36,765
(ii) Other receivables	5,55,000		5,55,000	1,91,354		1,91,354	2,26,110		2,26,110
Loans	7,307		7,307	95,192		95,192	38,30,201		38,30,201
Investments	–	63,06,50,609	63,06,50,609	–	62,24,52,982	62,24,52,982	–	32,24,79,686	32,24,79,686
Other financial assets	2,00,83,760	44,95,803	2,45,79,563	3,72,905	73,66,800	77,39,705	4,19,664	99,86,730	1,04,06,394

Particulars	March 31, 2019			March 31, 2018			1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets									
Current tax assets (Net)	1,53,66,753		1,53,66,753	72,97,836		72,97,836	–		–
Deferred tax assets (Net)	1,13,35,618		1,13,35,618	89,92,198		89,92,198	41,52,902		41,52,902
Property, plant and equipment	–	4,62,62,608	4,62,62,608	–	3,18,21,470	3,18,21,470	–	2,84,31,321	2,84,31,321
Other intangible assets	–	31,04,626	31,04,626	–	5,12,344	5,12,344	–	16,45,260	16,45,260
Other non-financial assets	7,55,536	1,10,74,286	1,18,29,822	35,000	1,33,32,400	1,33,67,400	2,01,13,669	1,56,47,580	3,57,61,249
Total assets	**24,96,43,695**	**69,55,87,933**	**94,52,31,627**	**20,13,95,609**	**67,54,85,996**	**87,68,81,605**	**20,01,40,422**	**37,81,90,577**	**57,83,30,999**
Financial liabilities									
Trade payables	1,76,73,531		1,76,73,531	7,56,59,890		7,56,59,890	4,56,96,543		4,56,96,543
Borrowings (Other than debt securities)	3,00,00,000		3,00,00,000	3,35,00,000		3,35,00,000	4,75,00,000		4,75,00,000
Deposits	–	54,76,950	54,76,950	–	54,76,950	54,76,950	–	80,96,880	80,96,880
Other financial liabilities	71,92,446		71,92,446	67,67,894		67,67,894	30,02,159		30,02,159
Non-financial Liabilities									
Income tax liabilities (Net)	–		–	–		–	16,56,291		16,56,291
Provisions	9,26,44,293		9,26,44,293	12,64,06,597		12,64,06,597	10,98,56,232		10,98,56,232
Other non-financial liabilities	3,17,77,965		3,17,77,965	2,27,31,495		2,27,31,495	2,43,40,432		2,43,40,432
Total liabilities	**17,92,88,235**	**54,76,950**	**18,47,65,185**	**26,50,65,875**	**54,76,950**	**27,05,42,825**	**23,20,51,656**	**80,96,880**	**24,01,48,536**

NOTE : 43 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2018 AND 1 APRIL 2017

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

(Amount in rupees)

Particulars	Year Ended 31 March 2018	Year Ended1 April 2017
Net worth under IGAAP	65,98,74,453	34,54,77,656
Summary of Ind AS adjustments		
Gain on Fair Valuation of Investments	37,972	2,24,79,676
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	(5,43,56,239)	(2,97,74,869)
Deferred tax impact on above adjustments	7,82,593	–
Total Ind AS adjustments	**(5,35,35,674)**	**(72,95,193)**
Net worth under Ind AS	**60,63,38,779**	**33,81,82,463**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(Amount in rupees)

Particulars	Year Ended 31 March 2018
Net profit as per the erstwhile Indian GAAP (IGAAP)	30,97,97,916
Add / (Less):	
Gain on fair valuation of investments	(2,24,41,704)
Increase in employee benefit expenses due to fair valuation of employee stock options	(2,35,13,568)
Deferred tax on above	2,29,506
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	
Total effect of transition to Ind AS	**(4,38,26,428)**
Net profit after tax (before OCI) as per Ind AS	
Other comprehensive Income (net of tax)	(13,46,251)
Total Comprehensive Income under Ind AS	**26,46,25,238**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

(Amount in rupees)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	27,31,22,657	(1,69,26,267)	25,61,96,390
Net cash flow from investing activities	(26,05,21,159)	(5,80,027)	(26,11,01,186)
Net cash flow from financing activities	(1,75,06,294)	1,75,06,294	–
Net increase / (decrease) in cash and cash equivalents	**(49,04,796)**	**(0)**	**(49,04,796)**
Cash and cash equivalents as at April 1, 2017	**93,11,111**	**–**	**93,11,111**
Cash and cash equivalents as at March 31, 2018	**44,06,316**		**44,06,315**

b) Notes to first-time adoption:

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2019. This increased the retained earnings by ₹ 37,972 as at March 31, 2018. Profit before tax for the year ended March 31, 2018 decreased by ₹ 2,24,41,704.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Employee stock option expense

Under the previous GAAP, the company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity where ESOPs has been granted from companies own schemes or crediting "payable to holding" where ESOPs has been granted from holding company to the employees of the company. Consequently the retained earnings is decreased by the ₹ 5,43,56,239 as at March 31, 2018. Profit before tax for the year ended March 31, 2018 has been decreased by ₹ 2,35,13,568 due to the decrease employee benefit expense.

iv) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit before tax for the year ended March 31, 2018 increased by INR 18,99,338. There is no impact on the total equity as at 31 March 2018.

v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 44 :

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

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

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 9th May, 2019

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

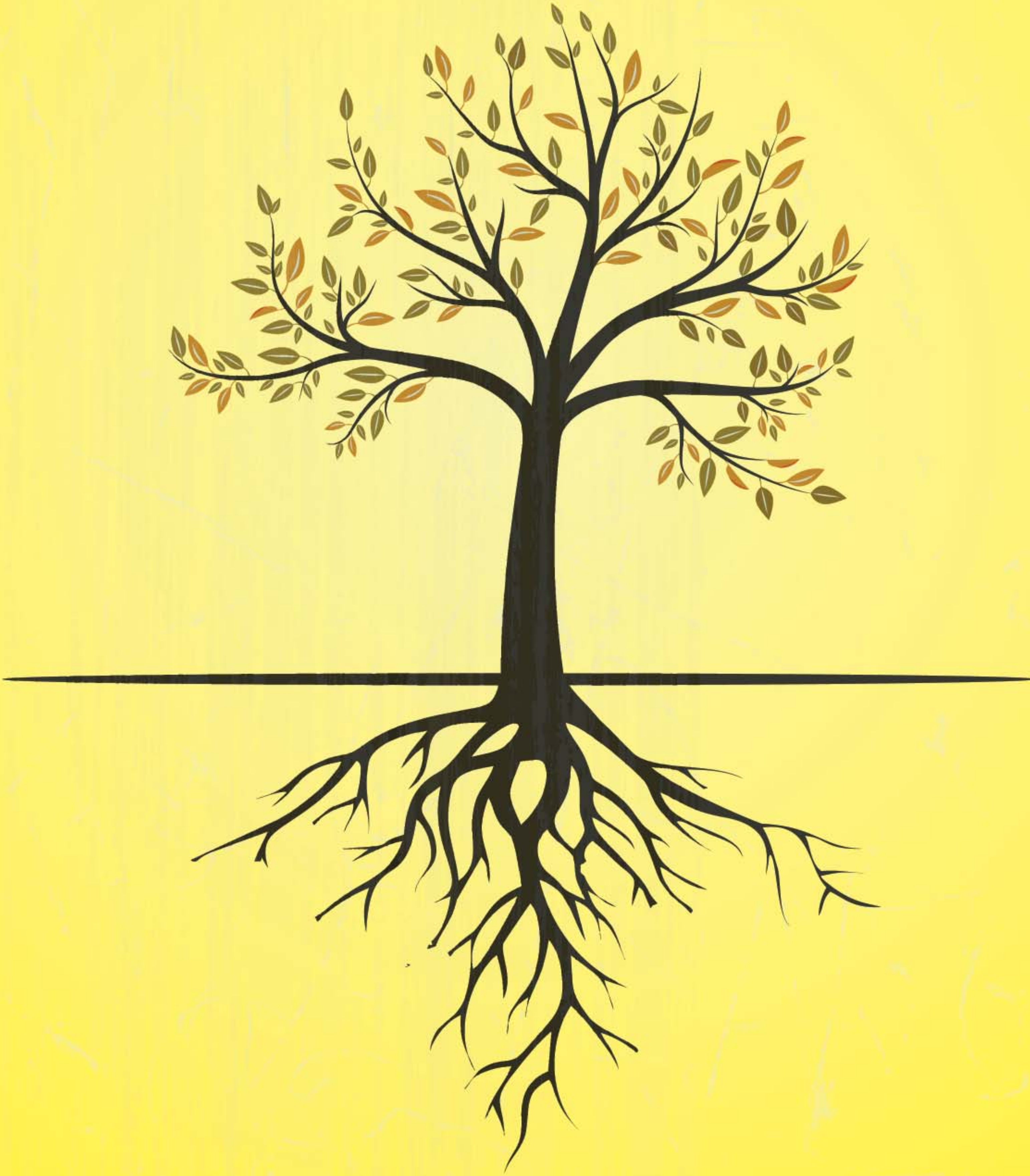
Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 9th May, 2019

MOPE Investment Advisors Private Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To the Members of **MOPE INVESTMENT ADVISORS PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of MOPE Investment Advisors Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 26 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 21 May 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2019 as per Annexure II expressed unmodified;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited, on the financial statements for the year ended 31 March 2019

ANNEXURE I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loan to a party covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) The schedule of repayment of the principal and payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments of the principal amount and the interest are regular; and

(c) there is no amount which is overdue for more than 90 days in respect of loans granted to the party.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,41,891	-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,73,309	-	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8,58,979	-	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution. The Company did not have any loans or borrowings from government or outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

Annexure II to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited on the financial statements for the year ended 31 March 2019

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of MOPE Investment Advisors Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the Audit of Internal Financial Controls

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

(All amounts are in INR Lakhs, unless otherwise stated)

BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	59	389	229
(b) Receivables				
(I) Trade receivables	5	2,565	638	18
(c) Loans	6	80	1	30
(d) Investments	7	3,342	4,020	4,845
(e) Other financial assets	8	–	139	139
Sub - total financial assets (A)		**6,046**	**5,187**	**5,262**
2. Non - financial assets				
(a) Current tax assets (net)	9	399	305	257
(b) Deferred tax assets (net)	10	8	205	115
(c) Property, plant and equipment	11(A)	15	37	52
(d) Other intangible assets	11(B)	0	0	0
(e) Other non - financial assets	12	3,210	1,435	165
Sub - total non - financial assets (B)		**3,632**	**1,982**	**590**
Total assets (A+B)		**9,678**	**7,169**	**5,852**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(I) Trade payables	13			
(i) total outstanding dues of micro enterprise and small enterprise				
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		236	12	–
(b) Borrowings (Other than debt securities)	14	1,225	899	330
(c) Other financial liabilities	15	46	84	53
Sub - total financial liabilities (A)		**1,507**	**995**	**383**
2. Non - financial liabilities				
(a) Provisions	16	1,474	539	234
(b) Other non - financial liabilities	17	918	1,434	1,071
Sub - total non - financial liabilities (B)		**2,392**	**1,973**	**1,305**
3. Equity:				
(a) Equity share capital	18	6	6	6
(b) Other equity	19	5,773	4,195	4,158
Sub - total equity (C)		**5,779**	**4,201**	**4,164**
Total Liabilities and equity (A+B+C)		**9,678**	**7,169**	**5,852**

The accompanying notes 1 to 46 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Motilal Oswal
Director
DIN No. 00024503

Place : Mumbai
Date : 10 May 2019

STATEMENT OF PROFIT AND LOSS

(All amounts are in INR Lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Note No.	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
REVENUE FROM OPERATIONS			
(i) Fees and commission income	20	5,997	4,231
(ii) Dividend income	21	–	5,387
(iii) Net gain on fair value change	22	49	360
1) Total revenue from operations		**6,046**	**9,978**
2) Other income	**23**	**270**	**333**
3) Total Income (1 + 2)		**6,316**	**10,311**
EXPENSES			
(i) Finance cost	24	64	68
(ii) Fees and commission expense	25	730	412
(iii) Employee benefits expense	26	2,376	2,312
(iv) Depreciation and amortisation expense	11	17	37
(v) Other expenses	27	850	797
4) Total expenses		**4,037**	**3,626**
5) Profit before tax (3 - 4)		**2,279**	**6,685**
TAX EXPENSE/(CREDIT):			
(i) Current tax	28	512	1,356
(ii) Deferred tax expense/(credit)	10	163	(90)
(iii) Short/(excess) provision for earlier years		18	(2)
Minimum alternate tax credit utilised/(entitlement)			
6) Total tax expenses		**693**	**1,264**
7) Profit for the period (5 - 6)		**1,586**	**5,421**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(11)	3
(b) Deferred tax impact on the above		3	(1)
8) Other comprehensive income		**(8)**	**2**
Total comprehensive income for the period (7 + 8)		**1,578**	**5,423**
Earnings per share (Nominal value of ₹ 10 each)			
Basic & Diluted (In Rupees)	36	2,695.71	9,214.97

The accompanying notes 1 to 46 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Motilal Oswal
Director
DIN No. 00024503

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR Lakhs, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**2,279**	**6,685**
Adjustment for:		
Depreciation and amortisation	17	37
Interest expenses	64	68
Profit on sale of fixed assets	(2)	–
Dividend income	–	(5,387)
Profit on sale of investment- realised gain	(6)	(24)
Unrealised gain	(43)	(336)
Partnership gain	(233)	(297)
Actuarial gain/(loss)	(11)	3
Operating profit before working capital changes	**2,065**	**750**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	(36)	24
2) Increase/(decrease) in non - financial liabilities	(516)	363
3) Increase/(decrease) in trade payables	223	12
4) (Increase)/decrease in trade receivables	(1,927)	(619)
5) (Increase)/decrease in financial assets - loans	(79)	29
6) (Increase)/decrease in other financial assets	139	(0)
7) (Increase)/decrease in other non - financial assets	(1,775)	(1,270)
8) Increase/(decrease) in provision	935	306
Cash generated used in operations	**(971)**	**(406)**
Income tax paid (net of refunds and including MAT credit utilised)	(586)	(1,403)
Net cash generated used in operating activities (A)	**(1,558)**	**(1,808)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2)	(22)
Proceeds from sale of fixed assets	9	–
Investment in subsidiary company	–	(90)
Purchase of long term investments	–	1,025
Investment in mutual fund	–	–
Proceed from sale of investments	727	250
Dividend received	–	5,387
Partnership gain	233	297
Net cash flow generated from investing activities (B)	**966**	**6,847**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of borrowings	7,690	5,654
Repayment of borrowings	(7,363)	(5,085)
Interest paid	(65)	(61)
Dividend paid	–	(5,387)
Net cash used in financing activities (C)	**261**	**(4,879)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(330)**	**160**
Cash and cash equivalent comprise of		
Cash on hand	1	4
Scheduled bank - In Current Account	388	225
Cash & cash equivalents as at beginning of the year	**389**	**229**
Cash & cash equivalents as at end of the year		
Cash on hand	1	1
Scheduled bank - in current account	58	388
Total cash & cash equivalents as at end of the year	**59**	**389**
Components of cash & cash equivalents (also refer note 5)		
Cash in hand	1	1
Balances with banks		
In current accounts	58	388
Total	**59**	**389**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Motilal Oswal
Director
DIN No. 00024503

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR Lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Equity Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2017	58,825	6
Changes during the year	–	–
As at 31 March 2018	**58,825**	**6**
Changes during the year	–	–
As at 31 March 2019	**58,825**	**6**

Other Equity

	Reserves and Surplus			Total		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	Surplus in the statement of profit and loss	Surplus in the statement of profit and loss	Surplus in the statement of profit and loss			
Balance at the beginning of the reporting period	4,194	4,158	4,169	4,194	4,158	4,169
Dividends	–	(5,387)	(5,709)	–	(5,387)	(5,709)
Profit during the year	1,578	5,423	5,698	1,578	5,423	5,698
Balance at the end of the reporting period	**5,772**	**4,194**	**4,158**	**5,772**	**4,194**	**4,158**

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Motilal Oswal
Director
DIN No. 00024503

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR Lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

MOPE Investment Advisors Private Limited ('the Company') is an Investment Manager and Venture Capital Advisor managing various funds including Business Excellence Funds, Realty Excellence Fund, etc. The Company is also engaged in providing financial, investment advisory services, management & 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. Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 10 May 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 30.

2.2. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

(All amounts are in INR Lakhs, unless otherwise stated)

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

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Management fee income

Management fees in respect of private equity funds are accounted on accrual basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(ii) Advisory, setup fee and referral fee

Advisory, setup fee and referral fee of private equity fund are accounted on accrual basis in accordance with the terms of contracts entered into between the Company and the counter party.

(iii) Profit and loss from partnership firm / LLP

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

(iv) Investment advisory fees

Investment advisory fee is recognized on an accrual basis in accordance with the terms of the contract with the clients.

(v) Interest income

Interest income is recognized using the effective interest rate.

(vi) Dividend income

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

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

(All amounts are in INR Lakhs, unless otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

2.6. Cash and cash equivalents

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

2.7. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(All amounts are in INR Lakhs, unless otherwise stated)

2.8. Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

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

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

(All amounts are in INR Lakhs, unless otherwise stated)

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

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

2.9. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.10. Offsetting financial instruments

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

2.11. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Assets	Useful life
Leasehold Improvements	Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.12. Intangible assets

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

(All amounts are in INR Lakhs, unless otherwise stated)

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

Assets	Useful life
Computer Software	5 years

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.13. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.14. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.15. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.16. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(All amounts are in INR Lakhs, unless otherwise stated)

gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

2.17. Dividends

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

2.18. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.19. Rounding of amounts

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

2.20. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 01 April 2019. The Company is currently evaluating the requirement of the amendment and its impact on the financial statements.

Amendments to existing Ind AS :

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

(All amounts are in INR Lakhs, unless otherwise stated)

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company expects the adoption of these amendments will have no material impact on its financial statements.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value Through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Company's financial statements:

- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associate and Joint Ventures
- Ind AS 103 Business Combinations
- Ind AS 111 Joint Arrangements

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) *Provision and contingent liability:* On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) *Allowance for impairment of financial asset:* Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) *Recognition of deferred tax assets:* Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(e) *Property, plant and equipment and Intangible Assets:* Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Cash on hand	1	1	4
Balance with banks			
In current accounts	58	388	225
	59	**389**	**229**

NOTE 5 : TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Considered good - unsecured	2,395	192	16
Significant increase in credit risk	170	446	2
	2,565	**638**	**18**

Note:

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

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

NOTE 6 : LOANS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Loans - At amortised cost			
(A) Others			
Loan to employees (Gross)	80	1	30
less : Impairment loss allowance	–	–	–
Total (A) Net	**80**	**1**	**30**
(B) Unsecured (Gross)	80	1	30
less : Impairment loss allowance	–	–	–
Total (B) Net	**80**	**1**	**30**
(C) (I) Loans in India			
(i) Public sector	–	–	–
(ii) Others	80	1	30
Total (C) (I) Gross	**80**	**1**	**30**
less : Impairment loss allowance	–	–	–
Total (C) (I) Net	**80**	**1**	**30**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
Investment - at Fair Value through Profit and Loss account (A)							
Investment in Partnership Firm							
India Realty Excellence Fund II LLP							
Opening Balance			1,551		2,429		1,895
Add : Contribution made during the year			–		–		
Add : Share of Profit			233		297		286
Add : Unrealised gain/(loss)			53		(132)		512
Less : Return/Receipts during the year			(693)		(1,043)		(264)
India Realty Excellence Fund II LLP	Others	2,000	1,144	2,000	1,551	2,000	2,429
Investment in Private Equity Funds							
India Reality Excellence Fund	Others	–	–	200	22	200	352
India Business Excellence Fund II	Others	1,35,500	2,040	1,35,500	2,044	1,35,500	1,501
Investment in Equity Instruments							
Shubham Housing Development Finance Co. Pvt . Ltd.	Others	15	0	15	0	15	0
Investment at amortised cost (B)							
Investment in Subsidiaries							
Equity							
India Business Excellence Management Company	Subsidiary	40,000	58	40,000	58	40,000	58
Motilal Oswal Real Estate Investment Advisors Private Limited	Subsidiary	10,00,000	100	10,00,000	100	1,00,000	10
Aspire Home Finance Corporation Limited	Fellow Subsidiary	10	0	10	0	10	0
Investment In Preference Instruments							
Motilal Oswal Real Estate Investment Advisors II Private Limited	Step Down Subsidiary	–	–	24,50,000	245	49,50,000	495
Total Gross (A+B)			**3,342**		**4,020**		**4,845**
(I) Investment outside India			58		58		58
(II) Investment in India			3,284		3,962		4,787
C) Total (I+II)			**3,342**		**4,020**		**4,845**
D) Less : Allowance for Impairment loss			–		–		–
E) Total Net (C-D)			**3,342**		**4,020**		**4,845**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Rent, electricity, and other deposits	–	139	139
	–	**139**	**139**

The Company's financial assets include cash and cash equivalents, investments, trade receivables and loans. Financial assets are classified as being at FVTPL. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 9 : CURRENT TAX ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Advance tax (net of provision)	399	305	257
	399	**305**	**257**

NOTE 10 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Deferred tax assets			
Provision for gratuity	12	16	12
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	31	31	27
Accrued income on investments in units of private equity funds	–	17	22
MAT credit receivable	935	605	144
Total deferred tax assets (A)	**978**	**669**	**205**
Deferred tax liability on account of :			
Amortization of distribution costs	852	351	–
Unrealised gain	118	113	90
	970	**464**	**90**
Net deferred tax Assets / (Liabilities) (A-B)	**8**	**205**	**115**

NOTE 11(A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Leasehold improvements	103	–	–	103	103		–	103	0	0
Computers	31	1		32	26	2	–	28	4	5
Furniture and fixtures	24	1	–	25	22	0		22	3	2
Electrical equipments	0		–	0	0	0	–	0	0	0
Office equipments	15		–	15	14	0	–	14	1	1
Vehicles	84		14	70	55	14	7	62	8	29
Total (A)	**257**	**2**	**14**	**245**	**220**	**16**	**7**	**229**	**16**	**37**

NOTE 11(B) : INTANGIBLE ASSETS

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Computer software	4	–	–	4	4	–	–	4	0	0
Total (B)	**4**	**–**	**–**	**4**	**4**	**–**	**–**	**4**	**0**	**0**
Total (A+B)	**261**	**2**	**14**	**249**	**224**	**16**	**7**	**233**	**16**	**37**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 11(A) : PROPERTY, PLANT AND EQUIPMENT

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Property, plant and equipment										
Leasehold improvements	103	–	–	103	103		–	103	0	0
Computers	24	7		31	21	4	–	26	5	2
Furniture and fixtures	24		–	24	22	0	–	22	2	2
Electrical equipments	0		–	0	0	0	–	0	0	0
Office equipments	15		–	15	14	0	–	14	1	1
Vehicles	70	15		84	23	32		55	29	46
Total (A)	**235**	**22**	**–**	**257**	**183**	**37**	**–**	**220**	**37**	**52**

NOTE 11(B) : INTANGIBLE ASSETS

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Intangible assets										
Computer software	4	–	–	4	4	–	–	4	0	0
Total (B)	**4**	**–**	**–**	**4**	**4**	**–**	**–**	**4**	**0**	**0**
Total (A+B)	**239**	**22**	**–**	**261**	**187**	**37**	**–**	**224**	**37**	**53**

NOTE 12 : OTHER NON - FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Prepaid expenses	3,021	1,302	103
Advances	79	5	16
Indirect tax credit receivable	110	128	46
	3,210	**1,435**	**165**

NOTE 13 : TRADE PAYABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Due to creditors other than micro enterprise and small enterprise			
Others (Refer note 33)	236	12	–
	236	**12**	**–**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Borrowings At Amortised cost			
Loans from related parties (unsecured)			
Motilal Oswal Financial Services Limited	1,225	899	330
	1,225	**899**	**330**

NOTE 15 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Other payables	22	59	35
Interest accrued and due on borrowings	7	9	2
Accrued salaries and benefits	0	0	9
Provision for expenses	17	16	7
	46	**84**	**53**

NOTE 16 : PROVISIONS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for employee benefits (refer note 35)			
Gratuity obligation	62	58	40
Heritage obligation	9	1	1
ExGratia payable	1,400	478	191
Compensated absences	3	2	2
	1,474	**539**	**234**

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Advance received from customers	883	1,420	1,014
Statutory dues payable	35	14	57
	918	**1,434**	**1,071**

NOTE 18 : SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity shares of ₹ 10 each (previous year ₹ 10 each)	5,00,000	50	5,00,000	50	5,00,000	50
Non convertible preference shares of ₹ 10 each (previous year ₹ 10 each)	5,00,000	50	5,00,000	50	5,00,000	50
	10,00,000	**100.00**	**10,00,000**	**100.00**	**10,00,000**	**100.00**
Issued, subscribed and paid up						
Equity Shares of ₹ 10 each fully paid up (previous year ₹ 10 each)	58,825	6	58,825	6	58,825	6
	58,825	**6**	**58,825**	**6**	**58,825**	**6**

(All amounts are in INR Lakhs, unless otherwise stated)

18.1 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. 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.

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 10 each and there are no preference shares issued and subscribed as at 31 March 2019 and 31 March 2018.

18.2 Reconciliation of number of shares outstanding

	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At beginning of the year	58,825	6	58,825	6	58,825	6
Additions during the year	–	–	–	–	–	–
At the end of the year	**58,825**	**6**	**58,825**	**6**	**58,825**	**6**

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

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding Company) *	50,000	85	50,000	85	50,000	85
Mr. Vishal Tulsyan	6,345	11	6,345	11	6,345	11

* including 1 share jointly held with Mr. Motilal Oswal and 1 share jointly held with Mr. Raamdeo Agarawal

18.4 Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	50,000	85	50,000	85	50,000	85

18.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2019.

NOTE 19 : OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Surplus in the statement of profit and loss			
Balance at the beginning of the year	4,195	4,158	4,169
Add: Transfer from Statement of Profit and Loss	1,578	5,423	5,698
Less: Dividend paid	–	(5,387)	(5,709)
Balance at the end of year	**5,773**	**4,195**	**4,158**

Nature and Purpose of Reserves

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss pertain to the accumulated earnings made by the company over the years.

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 20 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Advisory fees and Referral fees	935	2,142
Management fees	4,671	1,585
Setup fees	343	342
Recovery of out of pocket expenses	48	162
	5,997	**4,231**

NOTE 21 : DIVIDEND INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Dividend	–	5,387
	–	**5,387**

NOTE 22 : NET GAIN /(LOSS) ON FAIR VALUE CHANGE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net gain /(loss) on financial instruments at fair value through profit or loss		
Unrealised Gain	43	336
Realised Gain	6	24
	49	**360**

NOTE 23 : OTHER INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Rent income	35	35
Partnership gain	233	297
Miscellaneous Income	0	0
Profit on sale of fixed assets	2	–
	270	**333**

NOTE 24 : FINANCE COST

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest cost	64	68
	64	**68**

NOTE 25 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Placement fees	730	412
	730	**412**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Salary, bonus and allowances	2,300	2,228
Contribution to provident (also refer note 43)	31	24
Staff welfare expenses	31	34
Gratuity (also refer note 43)	14	26
	2,376	**2,312**

NOTE 27 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Business Support charges	180	–
Rates and taxes	0	0
Rent	257	279
Insurance	2	3
Computer repairs and maintenance	0	1
Legal and professional charges	142	231
Remuneration to auditors (refer note 34)	4	3
Marketing and brand promotion expenses	6	15
Printing and stationery	14	20
Power and fuel	19	33
Meeting and seminar expense	2	6
Communication expenses	4	5
Travelling expenses	130	107
Miscellaneous expenses	66	73
CSR donation (refer note 40)	20	21
	850	**797**

Note: The Company has entered into business support agreement with Motilal Oswal Financial Services Limited. Accordingly, the Company avails various business support services related to staff support, administration support and other related services. The Company shares the cost of all business support services obtained from Motilal Oswal Financial Services Limited which are not directly charged to Company.

NOTE 28.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(All amounts are in INR Lakhs, unless otherwise stated)

	Year ended 31-Mar-19	Year ended 31-Mar-18
Current tax expense		
Current tax for the year	530	1,354
Total current tax expense	**530**	**1,354**
Deferred taxes		
Change in deferred tax liabilities	163	(90)
Net deferred tax expense	**163**	**(90)**
	692	**1,264**

NOTE 28.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit before income tax expense	2,279	6,685
Tax at the rate of 27.82% (for 31 March 2018 - 28.84%)	634	1,928
Tax effect of:		
Tax adjustment of previous years	18	(2)
Expenses not deductible for tax purposes	4	4
Temporary tax difference	22	3
Tax at different rate	(8)	(673)
Change due to deferred tax	23	3
Income tax expense	**693**	**1,264**

NOTE 28.3 : NET DEFERRED TAX

	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 1-Apr-17
Deferred tax assets on account of:			
Provision for gratuity	12	16	12
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	31	31	27
Accrued income on investments in units of private equity funds	–	17	22
MAT credit receivable	935	605	144
Total deferred tax assets (A)	**978**	**669**	**205**
Deferred tax liability on account of :			
Amortization of distribution costs	852	351	–
Unrealised gain	118	113	90
Total deferred tax liabilities (B)	**970**	**464**	**90**
Net deferred tax Assets / (Liabilities) (A-B)	**8**	**205**	**115**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 28.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-19	Recognised through profit and loss	As at 31-Mar-18	Recognised through profit and loss	As at 1-Apr-17
Deferred tax assets on account of:					
Provision for gratuity	12	(4)	16	4	12
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	31	(1)	31	4	27
Accrued income on investments in units of private equity funds	–	(17)	17	(5)	22
MAT credit receivable	935	331	605	461	144
Total deferred tax assets	**978**	**309**	**669**	**464**	**205**
Deferred tax liabilities on account of:					
Amortization of distribution costs	852	501	351	351	–
Unrealised gain	118	5	113	23	90
Total deferred tax liabilities	**970**	**506**	**464**	**374**	**90**
Total deferred tax Assets/liability (net)	**8**	**(197)**	**205**	**90**	**115**

NOTE 29 : CAPITAL MANAGEMENT

A) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using net debt to equity ratio, which is net debt to total equity. Net debt includes borrowings (including accrued interest) net of cash and bank balances and total equity comprises of Equity share capital and retained earnings.

B) The capital composition is as follows:

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Net debt (A)	1,174	518	103
Total equity (B)	5,779	4,201	4,164
Net debt to equity ratio (A / B)	**20%**	**12%**	**2%**

NOTE 30 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31 March 19			As at 31 March 18			As at 1 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	59	–	59	389	–	389	229	–	229
Trade receivables	2,565	–	2,565	634	3	637	18	1	19
Loans	80	–	80	1	–	1	30	–	30
Investments	3,184	158	3,342	3,617	403	4,020	4,282	563	4,845
Other financial assets	–		–	139		139	139		139

(All amounts are in INR Lakhs, unless otherwise stated)

Assets	As at 31 March 19			As at 31 March 18			As at 1 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial assets									
Current tax assets (net)	–	399	399		305	305		257	257
Deferred tax assets (net)	–	8	8		205	205		115	115
Property, plant and equipment	–	15	15	–	37	37	–	52	52
Intangible assets under development	–	–	–	–	–	–	–		–
Other Intangible assets	–	0	0	–	0	0	–	0	0
Other non-financial assets	607	2,603	3,210	280	1,156	1,436	76	90	166
Total Assets	**6,496**	**3,183**	**9,679**	**5,060**	**2,109**	**7,169**	**4,774**	**1,078**	**5,852**
Liabilities									
Financial Liabilities									
Trade payables	236	–	236	12	–	12	–	–	–
Borrowings (Other than debt securities)	1,225	–	1,225	899		899	330		330
Other financial liabilities	46	–	46	84	–	84	53	–	53
Non Financial Liabilities									
Provisions	1,422	52	1,474	497	42	539	202	32	234
Other non financial liabilities	918	–	918	1,434	–	1,434	1,071	–	1,071
Total Liabilities	**3,847**	**52**	**3,899**	**2,926**	**42**	**2,968**	**1,656**	**32**	**1,688**

NOTE 31 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents	–	59	–	389	–	229
Trade receivables	–	2,565	–	638	–	18
Loans	–	80	–	1	–	30
Investments	3,184	157	3,617	403	4,282	564
Other financial assets	–	–	–	139	–	139
Total Financial Assets	**3,184**	**2,861**	**3,617**	**1,570**	**4,282**	**980**
Financial Liabilities						
Trade payables	–	236	–	12	–	–
Borrowings (Other than debt securities)	–	1,225	–	899	–	330
Other financial liabilities	–	46	–	84	–	53
	–	1,507	–	995	–	383

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

(All amounts are in INR Lakhs, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in private equity funds are based on the estimation of the fair value of Investee company by using Available Market Prices (AMP)and the Price of Recent Investments (PRI) method.

The carrying amounts of Cash and cash equivalent, trade receivables, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in private equity funds, investment in partnership firm and equity shares, which are categorised as per below as on 31 March 2019

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	1,144
Investment in Private Equity Funds	–	–	2,040
Investment in Equity Instruments	–	–	158

Investment includes investment in private equity funds, investment in partnership firm and equity shares, which are categorised as per below as on 31 March 2018

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	1,551
Investment in Private Equity Funds	–	–	2,066
Investment in Equity Instruments	–	–	403

Investment includes investment in private equity funds, investment in partnership firm and equity shares, which are categorised as per below as on 1 April 2017

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	2,429
Investment in Private Equity Funds	–	–	1,853
Investment in Equity Instruments	–	–	563

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

IV. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Total
As at April 1, 2017	**1,501**	**2,781**	**4282**
Additions	543	–	543
Disposals	–	(1,373)	–1373
Gains/(losses) recognised in statement of profit and loss	–	166	166
As at March 31, 2018	**2,044**	**1,573**	**3,617**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	**PE - Business Excellence Funds**	**PE - Real Estate Funds**	**Total**
Additions	–	–	–
Disposals	(4)	(715)	(719)
Gains/(losses) recognised in statement of profit and loss	–	286	286
As at March 31, 2019	**2,040**	**1,144**	**3184**

V. Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 01-Apr-17**
Fair value of instruments	3,184	3,617	4,282
Significant unobservable inputs			
Net worth of the fund at Fair value			
– decrease by 100 bps	32	36	43
– decrease by 100 bps	(32)	(36)	(43)

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 32 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

	As at 31-Mar-19	**As at 31-Mar-18**	**As at 01-Apr-17**
Upto 3 months	1,513	192	13
3 - 6 months	882	–	3
6 - 12 months	170	442	1
More than 12 months	–	3	1
Total	**2,565**	**637**	**18**

B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

(All amounts are in INR Lakhs, unless otherwise stated)

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	236			236
Borrowings (Other than Debt Securities)	1,225			1,225
Other financial liabilities	46			46
Total	**1,507**	**–**	**–**	**1,507**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	12			12
Borrowings (Other than Debt Securities)	899			899
Other financial liabilities	84			84
Total	**995**	**–**	**–**	**995**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	–			–
Borrowings (Other than Debt Securities)	330			330
Other financial liabilities	53			53
Total	**383**	**–**	**–**	**383**

C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk as it has borrowings and interest rate may fluctuate through adverse movement in interest rate.

(iii) Price risk

The Company is exposed to price risk from its investment in private equity funds and investment in partnership firm, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on

(All amounts are in INR Lakhs, unless otherwise stated)

the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 31-Mar-17**
Impact on profit before tax for 1% increase in NAV/price	32	36	43

NOTE 33 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Sensitivity	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 31-Mar-17**
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 34 : REMUNERATION TO AUDITORS

Particulars	**For the year ended 31-Mar-19**	**For the year ended 31-Mar-18**
Statutory audit	4	3
Out of pocket expenses	0	0
Total	**4**	**3**

NOTE 35 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2019

Particulars	Opening balance as at 01 April 2018	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2019
Gratuity	58	14	10	62
Heritage	1	7	–	9
Ex-gratia	478	1,400	478	1,400
Compensated absences	2	3	2	3
Total	**539**	**1,424**	**490**	**1,473**

For the year ended 31 March 2018

Particulars	Opening balance as at 01 April 2018	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2019
Gratuity	40	25	7	58
Heritage	1	–	0	1
Ex-gratia	191	1,662	1,375	478
Compensated absences	2	6	6	2
Total	**234**	**1,693**	**1,388**	**539**

NOTE 36 : EARNINGS PER SHARE :

Particulars	**For the year ended 31-Mar-19**	**For the year ended 31-Mar-18**
Profit attributable to equity shareholders [A]	1,586	5,421
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share ₹ 10 each) [B]	58,825	58,825
Basic earnings per share [A] / [B] (Rupees)	**2,695.71**	**9,214.97**

(All amounts are in INR Lakhs, unless otherwise stated)

NOTE 37 : SEGMENT REPORTING

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

NOTE 38 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Travelling and conveyance expenses	10	11
Total	**10**	**11**

NOTE 39 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR :

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note 1)	13	13
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account	1	–

1) Demand in respect of Income tax matters for which appeal is pending is ₹ 12.74 lakh (Previous Year ₹ 12.74 lakh).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 believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

2) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

NOTE 40 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2018-19.

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

(a) Break-up of various heads of expenses included in the line item 'CSR expenditure'

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Donation for education	3	–
Donation for empowerment tribals and rural people	2	–
Donation for construction of school	4	–
Donation for school construction project at Odisha	10	4
Donation for education and empowerment to old age people	2	–
Donation for medical treatment for sadhu and sadhvi	–	14
Donation for SEED Education	–	4

(All amounts are in INR Lakhs, unless otherwise stated)

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 16.41 lakh (Previous year : 17.50 lakh)
2) Amount spent during the year

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	20	–	20

Particulars (previous year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	21	–	21

Above includes a contribution of ₹ 20.27 lakh (Previous year ₹ 21.01 lakh) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures".

NOTE 41 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2019

NOTE 42 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(i) List of related parties and their relationship

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
– Motilal Oswal Real Estate Investment Advisors II Private Limited

Fellow subsidiaries

– Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Fincap Private Limited (Formerly known as Insurance Brokers Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Asset Management Company Limited
– Motilal Oswal Investment Advisory Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Markets (Singapore) Pte. Limited
– Aspire Home Finance Corporation Limited
– Motilal Oswal Asset Management (Mauritius) Private Limited
– Motilal Oswal Capital Limited
– Nagori Agro & Cattle Feeds Private Limited

(All amounts are in INR Lakhs, unless otherwise stated)

Associates

– India Realty Excellence Fund II LLP

Enterprises in which key management personnel have control

– OSAG Enterprises LLP

Key management personnel

(a) Managing director and Chief Executive Officer

– Mr.Vishal Tulsyan

(b) Non - executive directors

– Mr. Raamdeo Agarawal

– Mr. Motilal Oswal

Enterprises in which key management personnel and their relatives exercise significant Influence

– Motilal Oswal Foundation (Trust)

(ii) Transactions with related parties: 31 March 2019

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Marketing commission expense	Motilal Oswal Wealth Management Ltd	–	3	–	–	–	–	–	3
Business Support Service	Motilal Oswal Financial Services Limited	180	–	–	–	–	–	180	–
Referral Fees	Motilal Oswal Wealth Management Ltd	4	20	–	–	–	–	4	20
Profit From IREF II LLP(Partnership Firm)	India Reality Excellence Fund II LLP	–	–	–	–	233	297	233	297
Placement fees (IBEF III)	Motilal Oswal Wealth Management Ltd	92	541	–	–	–	–	92	541
	Motilal Oswal Financial Services Limited	113	585	–	–	–	–	113	585
Setup fees (IBEF III)	Motilal Oswal Wealth Management Ltd	7	48	–	–	–	–	7	48
	Motilal Oswal Financial Services Limited	197	252	–	–	–	–	197	252
Advisory fees	India Business Excellence Management Company	931	2,121	–	–	–	–	931	2,121
Dividend Paid	Motilal Oswal Financial Services Limited	–	4,578	–	–	–	–	–	4,578
	Mr.Vishal Tulsyan	–	–	–	581	–	–	–	581
Interest Expense	Motilal Oswal Finvest Limited	35	–	–	–	–	–	35	–
	Motilal Oswal Financial Services Limited	29	68	–	–	–	–	29	68
Rent Income and Expense	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	35	35	–	–	–	–	35	35
	Motilal Oswal Financial Services Limited	257	279	–	–	–	–	257	279
Dividend Income	India Business Excellence Management Company	–	5,387	–	–	–	–	–	5,387
PMS sharing expense	Motilal Oswal Wealth Management Ltd	15	–	–	–	–	–	15	–

(All amounts are in INR Lakhs, unless otherwise stated)

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Reimbursement of expense	Motilal Oswal Financial Services Limited	34	56	–	–	–	–	34	56
Donation	Motilal Oswal Foundation (Trust)	–	–	20	21	–	–	20	21
Loan (Taken)	Motilal Oswal Financial Services Limited	2,992	5,724	–	–	–	–	2,992	5,724
	Motilal Oswal Finvest Limited	4,698	–	–	–	–	–	4,698	
Repayment of Loan Taken	Motilal Oswal Financial Services Limited	2,665	5,155	–	–	–	–	2,665	5,155
Repayment of Loan Taken	Motilal Oswal Finvest Limited	4,698	–	–	–	–	–	4,698	–
Loan taken (Maximum balance)	Motilal Oswal Finvest Limited	2,449	–	–	–	–	–	2,449	–
	Motilal Oswal Financial Services Limited	1,225	1,151	–	–	–	–	1,225	1,151
Loan given	Mr.Vishal Tulsyan	30	–	–	–	–	–	30	–
Employee compensation - Managerial remuneration	Mr.Vishal Tulsyan	–	–	159	114	–	–	159	114

Note : As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(iii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)			Key Managerial Personnel / Relative of KMP (B)		
		2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Outstanding Balances:							
Loan/Interest Payables	Motilal Oswal Financial Services Limited	1,225	907	332	–	–	–
	Motilal Oswal Finvest Limited	7	–	–	–	–	–
Rent / MOT cost	Motilal Oswal Financial Services Limited	9	15	–	–	–	–
Trade payable/ receivable	India Business Excellence Management Co	190	442	–	–	–	–
	Motilal Oswal Financial Services Limited	6	5	–	–	–	–
	India Business Excellence Management Co	883	525	1,014	–	–	–
	Motilal Oswal Wealth Management Ltd	4	5	2	–	–	–
Other receivable	Motilal Oswal Foundation (Trust	2	–	–	–	–	–
Other payable	Motilal Oswal Securities Limited	–	–	17	–	–	–
Rent Deposit Receivable	Motilal Oswal Financial Services Limited	–	139	139	–	–	–
Loan receivable	Mr.Vishal Tulsyan	–	–	–	30	–	–

(All amounts are in INR Lakhs, unless otherwise stated)

Investment in related parties:

Transaction	Name of the related party	2018-19	2017-18	2016-17
Investment	India Business Excellence Management Co	58	58	58
	Motilal Oswal Real Estate Investment Advisors Private Limited	100	100	10
	Aspire Home Finance Corporation Limited	0	0	0
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	245	495
	India Realty Excellence Fund II LLP	710	1,171	1,917

NOTE 43 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

Defined contribution plan:

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

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Employers’ contribution to provident fund	31	24

Defined benefit plan:

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, under Ind AS 19 “Employee benefits” and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	Particulars	Gratuity (unfunded)			Other long-term benefits		
		For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17
I)	**Actuarial assumptions**						
	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Discount Rate (per annum)	7.12%	6.85%	6.96%	7.12%	6.85%	6.96%
	Rate of escalation in salary (per annum)	15.00%	8.72%	11.00%	–	–	–
	Expected rate of return on plan assets (per annum)	–	–	–			
	Employee Attrition Rate (Past Service)	PS: 0 to 37 : 22.43%	PS: 0 to 37 : 22.95%	PS: 0 to 37 : 18.4%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
	Expected average remaining service	3.37	3.3	4.28	1.26 to 1.27	2.54 to 2.55	2.52 to 6.77
II)	**Changes in present value of obligations (PVO)**						
	PVO at beginning of period	58	40	38	–	–	–
	Interest cost	3	2	3	–	–	–
	Current service cost	10	7	6	9	1	1
	Past service cost - (non vested benefits)	–	0	–	–	–	–
	Past service cost - (vested benefits)	–	19	–	–	–	–
	Benefits paid	–21	–7	–5	–	–	–
	Actuarial (Gain)/Loss on obligation	11	–3	–1	–	–	–

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars		Gratuity (unfunded)			Other long-term benefits		
		For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17
	PVO at end of period	62	58	40	9	1	1
III)	**Interest expense**						
	Interest cost	3	2	3	–	–	–
IV)	**Fair value of plan assets**						
	Fair Value of Plan Assets at the beginning	–	–	–	–	–	–
	Interest income	–	–	–	–	–	–
V)	**Net Liability**						
	PVO at beginning of period	58	40	38	–	–	–
	Fair Value of the Assets at beginning report	–	–	–	–	–	–
	Net Liability at the beginning of the period	58	40	38	–	–	–
VI)	**Net Interest**						
	Interest expenses	3	2	3	–	–	–
	Interest income	–	–	–	–	–	–
	Net Interest	3	2	3	–	–	–
VII)	**Actual return on plan assets**						
	Less Interest income included above	–	–	–	–	–	–
	Return on plan assets excluding interest income	–	–	–	–	–	–
VIII)	**Actuarial (Gain)/loss on obligation**						
	Due to Demographic Assumption	0	–0	–	–	–	–
	Due to Financial Assumption	6	–3	–1	–	–	–
	Due to Experience	5	–0	–	–	–	–
	Total Actuarial (Gain)/Loss	11	–3	–1	–	–	–
IX)	**Fair Value of Plan Assets**						
	Opening Fair Value of Plan Asset	–	–	–	–	–	–
	Adjustment to Opening Fair Value of Plan Asset	–	–	–	–	–	–
	Return on Plan Assets excl. interest income	–	–	–	–	–	–
	Interest Income	–	–	–	–	–	–
	Contributions by Employer	21	7	5	–	–	–
	Contributions by Employee	–	–	–	–	–	–
	Benefits Paid	–21	–7	–5	–	–	–
	Fair Value of Plan Assets at end	–	–	–	–	–	–
X)	**Past Service Cost Recognised**						
	Past Service Cost- (non vested benefits)	0	0	–	–	–	–
	Past Service Cost - (vested benefits)	–	19	–	–	–	–

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars		Gratuity (unfunded)			Other long-term benefits		
		For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17
	Average remaining future service till vesting of the benefit	–	3	–	–	–	–
	Recognised Past service Cost - non vested benefits	0	0	–	–	–	–
	Recognised Past service Cost - vested benefits	–	19	–	–	–	–
	Unrecognised Past Service Cost - non vested benefits	–	0	–	–	–	–
XI)	**Amounts to be recognized in the balance sheet and statement of profit & loss account**						
	PVO at end of period	62	58	40	–	–	–
	Fair Value of Plan Assets at end of period	–	–	–	–	–	–
	Funded Status	–62	–58	–40	–	–	–
	Unrecognised Past Service Cost - non vested benefits	–	0	–	–	–	–
	Net Asset/(Liability) recognized in the balance sheet	–62	–58	–40	–	–	–
XII)	**Expense recognised in the statement of profit and loss**						
	Current service cost	10	7	6	9	1	1
	Net Interest	3	2	3	–	–	–
	Past service cost - (non vested benefits)	0	0	–	–	–	–
	Past service cost - (vested benefits)	–	19	–	–	–	–
	Curtailment Effect	–	–	–	–	–	–
	Settlement Effect	–	–	–	–	–	–
	Unrecognised past service cost - non vested benefits	–	–0	–	–	–	–
	Actuarial (Gain)/Loss recognized for the period	–	–3	–1	–	–	–
	Expense recognized in the statement of profit and loss	14	26	8	9	1	1
XIII)	**Other Comprehensive Income (OCI)**						
	Actuarial (Gain)/Loss recognized for the period	11	–3	–1	–	–	–
	Asset limit effect	–	–	–	–	–	–
	Return on Plan Assets excluding net interest	–	–	–	–	–	–
	Unrecognized Actuarial (Gain)/ Loss from previous period	–	–	–	–	–	–
	Total Actuarial (Gain)/Loss recognized in (OCI)	11	–3	–1	–	–	–

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars		Gratuity (unfunded)			Other long-term benefits		
		For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 01-Apr-17
XIV)	**Movement in liability recognized in balance sheet**						
	Opening net liability	58	40	38	–	–	–
	Adjustment to opening balance	–	–	–	–	–	–
	Expenses as above	14	26	8	9	1	1
	Contribution paid	–21	–7	–5	–	–	–
	Other Comprehensive Income (OCI)	11	–3	–1	–	–	–
	Closing net liability	62	58	40	9	1	1
XV)	**Projected Service Cost 31 Mar 2020**	13	–	–	–	–	–
XVI)	**Asset Information**						
	Cash and Cash Equivalents	–	–	–	–	–	–
	Gratuity Fund ()	–	–	–	–	–	–
	Debt Security - Government Bond	–	–	–	–	–	–
	Equity Securities - Corporate debt securities	–	–	–	–	–	–
	Other Insurance contracts	–	–	–	–	–	–
	Property	–	–	–	–	–	–
	Total Itemized Assets	–	–	–	–	–	–

XVII) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	60	65	63	61

XVIII) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	12	10	10	9	8	24

XIX) Asset Liability Comparisons

Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019
PO at End of period	41	38	40	58	62
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	-41	-38	-40	-58	-62
Experience adjustments on plan assets	–	–	–	–	–

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(All amounts are in INR Lakhs, unless otherwise stated)

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our statement of profit and loss for the year ended 31 March 2019 or our balance sheet as of 31 March 2019.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service		
	Investment management fees	Referral fees	Investment advisory/sub advisory services – Offshore
Total Revenue from contracts with customers	4,671	4	931
Geographical Markets			
India	4,671	4	–
Outside India	–	–	931
Total Revenue from contracts with customers	**4,671**	**4**	**931**
Timing of revenue recognition			
Services transferred at a point in time	–	–	–
Services transferred over time	4,671	4	931
Total Revenue from contracts with customers	**4,671**	**4**	**931**

b) Contract balances

Trade receivable are non-interest bearing balances.

Trade payable includes amount payable to distributors against revenue sharing. The outstanding balance as on 31 March 19: ₹ 235.73 lakh 31 March 18: ₹ 12.40 lakh.

c) Performance obligations

The performance obligation of the Company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement.

NOTE 45 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(All amounts are in INR Lakhs, unless otherwise stated)

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note	For the year ended 31-Mar-18	For the year ended 01-Apr-17
Net worth under IGAAP		**3,234**	**3,511**
GAAP adjustments:			
Gain on Fair Valuation of Investments	b(i)	1,079	743
Deferred tax impact on above adjustments	b(ii)	(113)	(90)
Total GAAP adjustments		**966**	**653**
Net worth under Ind AS		**4,201**	**4,164**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note	For the year ended 31-Mar-18
Net profit as per the erstwhile Indian GAAP (IGAAP)		**5,110**
GAAP adjustments:		
Gain on fair valuation of investments	b(i)	336
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	b(iii)	(3)
Deferred tax on above	b(ii)	(22)
Total effect of transition to IND AS		**311**
Net profit after tax (before OCI) as per Ind AS		**5,421**
Other comprehensive Income (net of tax)	b(iv)	2
Total Comprehensive Income under Ind AS		**5,423**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

All the adjustments on account of Ind As are non - cash in nature hence, there is no impact on statement of cash flow.

Explanations to reconciliations

Impact on account of financial asset measured at FVTPL

Previous GAAP – Investment in private equity funds are classified as current and non current investments. Current Investments are accounted at lower of cost or fair value and Non current investment are carried at cost.

Ind AS – Investment in private equity funds are financial assets. For the purposes of Ind AS 109, private equity fund investments will be accounted at fair value through profit and loss at each reporting date.

Consequent, to the change impact of ₹ 1078.86 lakh and ₹ 742.78 lakh on equity was made on the transition date and as at 31 March 2018 respectively. Subsequently impact of ₹ 336.08 lakh was made in the statement of profit and loss for the year ended 31 March 2018.

Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Previous GAAP – Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS – Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial gain of ₹ 3.23 lakh has been reclassified to OCI during the year ended 31 March 2019.

b) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

(All amounts are in INR Lakhs, unless otherwise stated)

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 1078.86 lakh as at March 31, 2018 (April 01, 2017 ₹ 742.78 lakh). Profit for the year ended March 31, 2018 increased by ₹ 336.08 lakh.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 decreased by INR 3.23 lakh. There is no impact on the total equity as at 31 March 2018.

iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 46 :

Amounts below ₹ 0.50 lakhs have been rounded off and shown as "0".

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

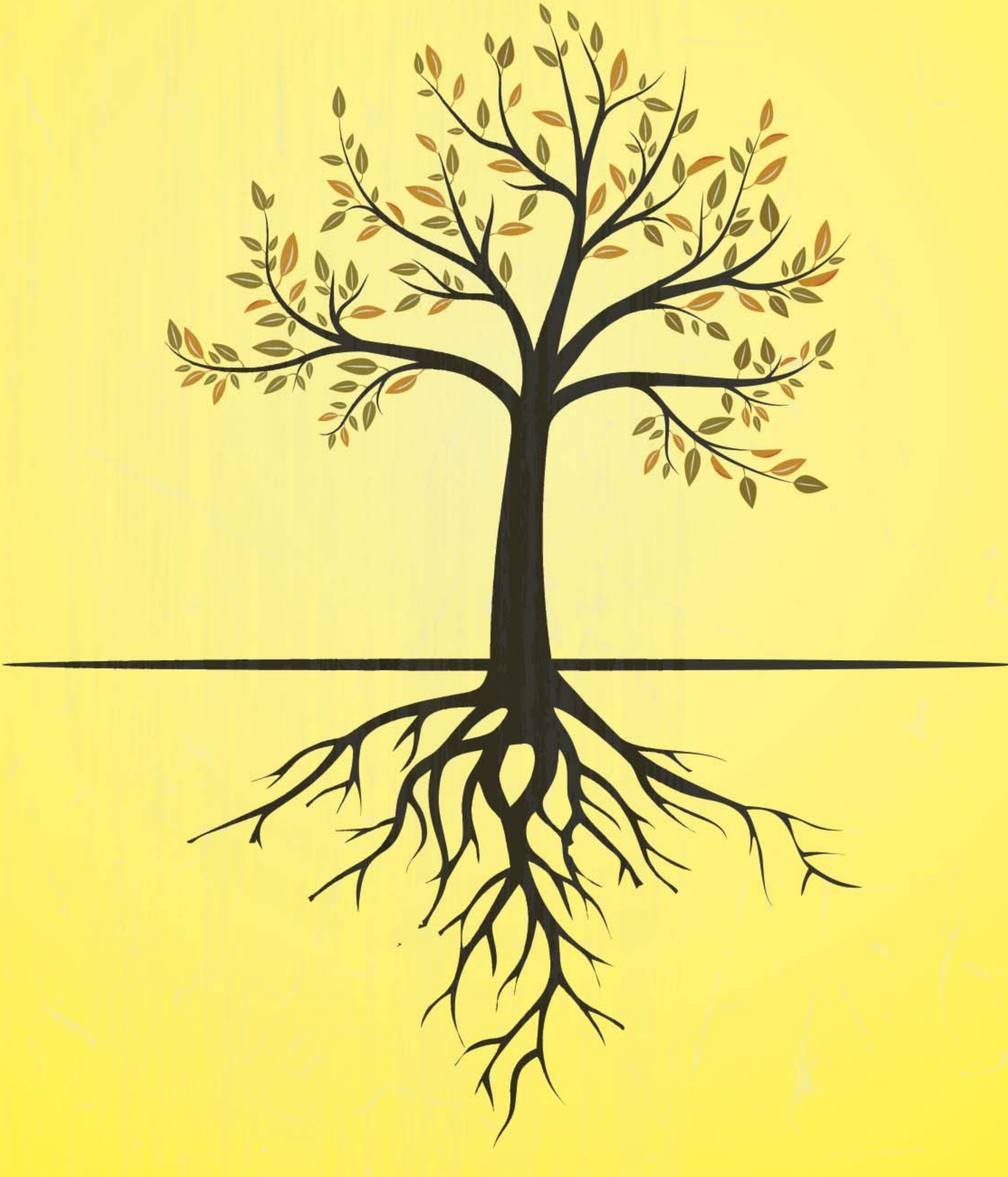
Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Motilal Oswal
Director
DIN No. 00024503

Place : Mumbai
Date : 10 May 2019

Motilal Oswal Real Estate Investment Advisors Private Limited

Financial Statement 2018-19



To the Members of Motilal Oswal Real Estate Investment Advisors Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Real Estate Investment Advisors Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 26 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 21 May 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2019 as per Annexure II expressed unmodified;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

h) the Company does not have any pending litigation which would impact its financial position as at 31 March 2019.;

   i. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   ii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

   iii. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Palce: Mumbai
Date: 11 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors Private Limited, on the financial statements for the year ended 31 March 2019

ANNEXURE I

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

(i) (a) The Company does not have any Property, plant and equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Palce: Mumbai
Date: 11 May 2019

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Real Estate Investment Advisors Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Palce: Mumbai
Date: 11 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at 31-March-19	As at 31-March-18	As at 1-April-17
I. ASSETS				
A. Non-current assets				
a) Financial assets				
Investments	4	11,420	1,686	2,142
Total non - current assets (A)		**11,420**	**1,686**	**2,142**
B. Current assets				
a) Financial assets				
(i) Cash and cash equivalents	5	1,217	11,885	3,888
Other current assets	6	934	878	959
Total Current assets (B)		**2,151**	**12,763**	**4,847**
Total assets (A+B)		**13,571**	**14,449**	**6,989**
II. EQUITY AND LIABILITIES				
A. Equity:				
Equity share capital	7	1,00,000	1,00,000	10,000
Other equity	8	(86,685)	(85,921)	(74,338)
Total equity (A)		**13,315**	**14,079**	**(64,338)**
B. Liabilities				
1. Non-current liabilities				
a) Financial liabilities				
(i) Borrowings (other than debt securities)	9	–	–	62,673
Deferred tax liabilities (net)	10	18	20	27
Total non - current liability (B)		**18**	**20**	**62,700**
2. Current liabilities				
a) Financial liabilities				
(i) Trade payables				
– Total outstanding dues of micro enterprise and small enterprise (refer note 20)		–	–	–
– Total outstanding dues of creditors other than micro enterprise and small enterprise		–	–	–
(ii) Other financial liabilities	11	287	330	8,475
Other current liabilities	12	(49)	20	152
Total current liability (C)		**238**	**350**	**8,627**
Total equity and liabilities (A+B+C)		**13,571**	**14,449**	**6,989**

Summary of significant policies and other explanatory information

The accompanying notes 1 to 26 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 11 May 2019

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-18
REVENUE			
1) Other income	13	98	165
		98	165
2) Total income		**98**	**165**
EXPENSES			
(i) Finance cost	14	–	8,920
(ii) Other expenses	15	837	2,759
3) Total expenses		**837**	**11,679**
4) Profit/(loss) before tax (2 - 3)		**(739)**	**(11,514)**
Tax expense/(credit):			
(i) Current tax	16	–	–
(ii) Deferred tax expense/(credit)	16	(2)	(7)
(iii) Income tax for earlier years		27	76
5) Total tax expenses		**25**	**69**
6) Profit/(loss) after tax (5 - 6)		**(764)**	**(11,583)**
7) Other comprehensive income		**–**	**–**
Total comprehensive income/ (loss) for the year (6 + 7)		**(764)**	**(11,583)**
Earnings per equity share			
Basic and diluted (in Rupees)	22	(0.08)	(10.31)
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 26 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 11 May 2019

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued subscribed and paid up		
As at 1 April 2017	**1,00,000**	**10,000**
Changes during the year	9,00,000	90,000
As at 31 March 2018	**10,00,000**	**1,00,000**
Changes during the year	–	–
As at 31 March 2019	**10,00,000**	**1,00,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 1 April, 2017	(74,338)
Profit for the year	(11,583)
Balance as at 31 March 2018	(85,921)
Profit for the year	(764)
Balance as at 31 March 2019	**(86,685)**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 26 form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 11 May 2019

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

CASH FLOW STATEMENT

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CASH FLOWS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(739)**	**(11,514)**
Adjustment for		
Interest expense	–	8,920
Partnership gain from IREF II LLP	(98)	(165)
Unrealised (gain)/loss on mutual fund	17	69
Operating profit/(loss) before working capital changes	**(820)**	**(2,690)**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in other current liabilities	(69)	(132)
2) Increase/(decrease) in financial liabilities	(42)	(769)
3) (Increase)/decrease in other current assets	(56)	71
Net changes in working capital	**(167)**	**(830)**
Cash used in operating activities	**(987)**	**(3,521)**
Income taxes paid (net of refunds)	(28)	(65)
Net cash flow (used in) operating activities	**(1,015)**	**(3,586)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in mutual fund units	(10,000)	–
Partnership gain from IREF II LLP	98	165
Return from IREF II LLP	249	387
Net cash flow generated from investing activities	**(9,653)**	**552**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	–	19,200
Loan repaid	–	(81,873)
Proceeds from issue of equity shares	–	90,000
Interest paid	–	(16,296)
Net cash flow used in financing activities	**–**	**11,031**
Net increase in cash and cash equivalents {(A) + (B) + (C)}	**(10,668)**	**7,997**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Cash and cash equivalents as at beginning of the year	11,885	3,888
Cash on hand	200	200
Scheduled Bank - In Current Account	1,017	11,685
Cash and cash equivalents as at end of the year	**1,217**	**11,885**
Components of cash & cash equivalents (also refer note 5)		
Cash in hand	200	200
Balances with banks		
in current accounts	1,017	11,685
Total	**1,217**	**11,885**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 11 May 2019

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Real Estate Investment Advisors Private Limited (the Company} was incorporated on 13 September 2013. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company is the Managing Partner of India Realty Excellence Fund II LLP (Fund), where it has the exclusive powers to manage and cause the Fund Activities to be managed for and on behalf of the Fund, in accordance with the LLP Agreement dated 29 January 2014 entered between Fund, the Company and Motilal Oswal Securities Limited. It shall also recommend the portfolio investments and divestments to the Investment Committee of the fund, which will be responsible for the investment and divestment decisions of the Fund. All the powers and authority conferred upon the Company under the LLP Agreement shall be exercised at its discretion without requiring any further consent or approval of the other partners.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 27 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(All amounts are in INR lakhs, unless otherwise stated)

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Profit and loss from partnership firm / LLP

Performance obligations are satisfied over a period of time and Profit and loss from partnership firm / LLP are accounted as per terms of respective Partnership / LLP agreement.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.5. Cash and cash equivalents

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

(All amounts are in INR lakhs, unless otherwise stated)

2.6. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 17.

2.7. Financial assets

(i) Classification and subsequent measurement

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

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

Equity instruments

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

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such

(All amounts are in INR lakhs, unless otherwise stated)

election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

(All amounts are in INR lakhs, unless otherwise stated)

2.9. Offsetting financial instruments

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

2.10. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.12. Rounding of amounts

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

2.13. Events after reporting date

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

2.14. Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 1 April 2019. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(All amounts are in INR lakhs, unless otherwise stated)

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 4 : INVESTMENT

Particulars	Subsidiary / Others	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
Investment - at amortised cost (A)							
Investment in Subsidiaries							
Motilal Oswal Real Estate Investment Advisors II Private Limited	Subsidiary	9,000	900	9,000	900	9,000	900
Investment - at FVTPL - (B)							
Investment in Partnership Firm							
Investment in IREF II LLP	Others	1	564	1	786	1	1,242
Investment in Mutual Fund measure at FVTPL (Quoted) (C)							
Most Focused 35 Direct Growth		36546.502	9,956	–	–	–	–
Total (A+B+C)			**11,420**		**1,686**		**2,142**

NOTE 5 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Balance with banks			
In current accounts	1,017	11,685	1,888
Cash on hand			
Cash on hand	200	200	2,000
	1,217	**11,885**	**3,888**

NOTE 6 : OTHER CURRENT ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Prepaid expenses	–	16	58
Balances with government authorities	934	862	886
Other Receivable	–	–	16
	934	**878**	**959**

Note

The Company's financial asset include cash and cash equivalents

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 7 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**	**1,00,000**	**10,000**
Issued, Subscribed & Fully Paid Up						
Equity Shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,00,000	1,00,000	10,00,000	1,00,000	1,00,000	10,000
Total	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**	**1,00,000**	**10,000**

7.1 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

7.2 Reconciliation of number of shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	10,00,000	1,00,000	1,00,000	10,000	1,00,000	10,000
Add: share issued during the year	–	–	9,00,000	90,000	–	–
Balance at the end of the year	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**	**1,00,000**	**10,000**

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

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	10,00,000	100%	1,00,000	100%

7.4 Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	10,00,000	100%	1,00,000	100%

7.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buybacks of shares during five years immediately preceding 31 March 2019

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 8 : OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Surplus in Statement of Profit and Loss			
Balance at beginning of the year	(85,921)	(74,338)	(50,228)
Add: Transfer from Statement of Profit and Loss	(764)	(11,583)	(24,110)
Balance at the end of year	**(86,685)**	**(85,921)**	**(74,338)**

Nature and Purpose of Reserves

Surplus in statement of profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

NOTE 9 : BORROWINGS (Other than Debt Securities)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Borrowings	–	16	58
Loans from related parties (unsecured)	–	–	62,673
	–	**–**	**62,673**

NOTE 10 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred tax liability arising on account of:			
Net gain investment measured at FVTPL	18	20	27
	18	**20**	**27**

NOTE 11 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Creditors for expenses	35	330	102
Interest due and accrued on unsecured loan	–	–	7,375
Provision for expenses	252	–	998
	287	**330**	**8,475**

NOTE 12 : OTHER CURRENT LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Withholding and other taxes payable	(49)	20	152
	(49)	**20**	**152**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 13 : OTHER INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Share of Profit from IREF II LLP	98	165
	98	**165**

NOTE 14 : FINANCE COST

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest cost	–	8,920
Total	**–**	**8,920**

NOTE 15 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net loss on investment measured at FVTPL	17	69
Auditors fees (also refer note 21)	293	276
Legal and professional charges	106	2,068
Rent	120	120
Rates and taxes	16	166
Miscellaneous expenses	285	61
Total	**837**	**2,759**

NOTE 16.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Current tax expense		
Current tax for the year	–	–
Tax adjustment in respect of earlier years	27	76
Total current tax expense	**27**	**76**
Deferred taxes		
Change in deferred tax liabilities	(2)	(7)
Net deferred tax expense	**(2)**	**(7)**
Total income tax expense	**25**	**69**

NOTE 16.2 :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2019 and 31 March 2018:

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit/(loss) before income tax expense	**(739)**	**(11,514)**
Tax at the rate of 26% (for 31 March 2018 - 25.75%)	–	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	27	76
Deferred tax on account of - Net gain on Investment measured at FVTPL	(2)	(7)
Income tax expense	**25**	**69**

NOTE 16.3 : NET DEFERRED TAX

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Deferred tax liability on account of :			
Net gain on Investment measure at FVTPL	18	20	27
Total deferred tax liabilities	**18**	**20**	**27**

NOTE 16.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-19	Recognised through profit and loss	As at 31-Mar-18	Recognised through profit and loss	As at 1-Apr-17
Deferred tax liabilities on account of:					
Net gain on Investment measure at FVTPL	18	(2)	20	(7)	27
Total deferred tax liabilities	18	(2)	20	(7)	27
Total deferred tax Assets/liability (net)	**18**	**(2)**	**20**	**(7)**	**27**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 17 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents		1,217		11,885		3,888
Investments	10,520	900	786	900	1,242	900
Total Financial Assets	**10,520**	**2,117**	**786**	**12,785**	**1,242**	**4,788**
Financial Liabilities						
Borrowings (Other than debt securities)	–	–		–		62,673
Other financial liabilities		287		330	–	8,474
	–	**287**	**–**	**330**	**–**	**71,147**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in private equity funds are based on the estimation of the fair value of Investee company by using Available Market Prices (AMP)and the Price of Recent Investments (PRI) method.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in partnership firm and investment in mutual funds. Investment in mutual fund is categorised into level 1 of fair value hierarchy.

Private equity fund investment have been categorised into level 3 of fair value hierarchy.

(All amounts are in INR lakhs, unless otherwise stated)

Investment in private equity funds are categorised as per below as on 31 March 2019

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	564

Investment in private equity funds are categorised as per below as on 31 March 2018

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	786

Investment in private equity funds are categorised as per below as on 31 March 2017

Particulars	Level 1	Level 2	Level 3
Investment in Partnership Firm	–	–	1,242

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

IV. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	Amount
As at April 1, 2017	**1,242**
Additions	–
Disposals	(552)
Gains/(losses) recognised in statement of profit and loss	96
As at March 31, 2018	**786**
Additions	–
Disposals	(347)
Gains/(losses) recognised in statement of profit and loss	125
As at March 31, 2019	**564**

V. Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

Sensitivity analysis

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fair value of instruments	564	786	1,242
Significant unobservable inputs			
Net worth of the fund at Fair value			
– increase by 100 bps	6	8	12
– decrease by 100 bps	(6)	(8)	(12)

Note: During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 18 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A. Credit risk

The company is not exposed to credit risk as it is not having trade receivables

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Other payables.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities	287			287
Total	**287**	**–**	**–**	**287**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities	330			330
Total	**330**	**–**	**–**	**330**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings (Other than debt securities)	**62,673**			**62,673**
Financial Liabilities	8,474			8,474
Total	**71,147**	**–**	**–**	**71,147**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(All amounts are in INR lakhs, unless otherwise stated)

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2019	31 March 2018	1 April 2017
Impact on profit before tax for 1% increase in NAV/price	105	8	12

NOTE 19 : CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

NOTE 20 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 21 : AUDITORS' FEES

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
As Auditors:		
Statutory audit	280	276
Out of pocket expenses	13	–
Total	**293**	**276**

NOTE 22 : EARNINGS PER SHARE

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit attributable to equity shareholders [A]	(765)	(11,583)
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share ₹ 10 each) [B]	10,00,000	1,12,329
Earning per shares (Basic and diluted)	**(0.08)**	**(10.31)**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 23 : SEGMENT INFORMATION

The Company's principal activity is to acts as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating decision maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

NOTE 24 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(A) List of related parties and their relationship

(i) Ultimate holding company

- Passionate Investment Management Private Limited

(ii) Intermediate holding company

- Motilal Oswal Financial Services Limited

(iii) Holding company

- MOPE Investment Advisors Private Limited

(iv) Fellow subsidiaries

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

(v) Subsidiaries

- Motilal Oswal Real Estate Investment Advisors II Private Limited

(vi) Associate

- India Reality Excellence Fund II LLP

(vii) Key managerial personnel

- Motilal Oswal - Director
- Raamdeo Agarawal – Director
- Vishal Tulsyan - Director

(viii)Enterprises in which key managerial personnel have control

- OSAG Enterprises LLP

(All amounts are in INR lakhs, unless otherwise stated)

(B) Transactions with related parties

Nature of transaction	Name of the related party	Holding company/Subsidiary	
		Year ended 31-Mar-19	Year ended 31-Mar-18
Interest expense	Motilal Oswal Financial Services Limited	–	8,920
Profit From LLP (Income)	India Reality Excellence Fund II LLP	98	165
Return of capital	India Reality Excellence Fund II LLP	249	387
Rent expense	Motilal Oswal Financial Services Limited	120	120
Loans taken	Motilal Oswal Financial Services Limited	–	19,200
Loans taken repaid	Motilal Oswal Financial Services Limited	–	81,873
Loan taken (maximum balance)	Motilal Oswal Financial Services Limited	–	81,873

Outstanding balances

Nature of transactions	Name of the related party	Holding company/Subsidiary/Associates		
		Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-17
Short - term borrowings including interest accrued and due	Motilal Oswal Financial Services Limited	–	–	70,048
Investments	Motilal Oswal Real Estate Investment Advisors II Private Limited	900	900	900
IREF II LLP	564	786	1242	

NOTE 25 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

(a) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

(b) Ind AS mandatory exemptions

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

a) FVPTL – financial instruments

b) Impairment of financial assets based on expected credit loss model."

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective

(All amounts are in INR lakhs, unless otherwise stated)

interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well. Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition principles of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note	As at 31-Mar-18	As at 1-Apr-17
Equity as per previous GAAP		13,906	(64,572)
GAAP adjustments			
Gain on Fair Valuation of Investments	d(i)	193	262
Deferred tax impact on above adjustments	d(ii)	(20)	(27)
Total Ind AS adjustments		**173**	**235**
Equity as per Ind AS		**14,079**	**(64,338)**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note	For the year ended 31-Mar-18
Net profit as per the erstwhile Indian GAAP (IGAAP)		**(11,521)**
GAAP adjustments		
Gain on fair valuation of investments	d(i)	(69)
Deferred tax on above	d(ii)	7
Total effect of transition to Ind AS		**(62)**
Net profit after tax (before OCI) as per Ind AS		(11,583)
Other comprehensive Income (net of tax)		–
Total Comprehensive Income under Ind AS		**(11,583)**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

There are no cash adjustments from previous GAAP to Ind AS.

Explanations to reconciliations

Impact on account of financial asset measured at FVTPL

Previous GAAP – Investment in private equity funds are classified as current and non current investments. Current

(All amounts are in INR lakhs, unless otherwise stated)

Investments are accounted at lower of cost or fair value and Non current investment are carried at cost.

Ind AS – Investment in private equity funds are financial assets. For the purposes of Ind AS 109, mutual fund investments will be accounted at fair value through profit and loss at each reporting date.

Consequent, to the change impact of ₹ 262 hundred and ₹ 193 hundred on equity was made on the transition date and as at 31 March 2018 respectively. Subsequently impact of ₹ 69 hundred was made in the statement of profit and loss for the year ended 31 March 2018.

(d) Notes to first-time adoption:

Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 193 hundred as at March 31, 2018 (April 01, 2017 - ₹ 262 hundred). Profit for the year ended March 31, 2018 decreased by ₹ 69 hundred.

Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

NOTE 26 :

Amounts below ₹ 50 have been rounded off and shown as “0”.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 11 May 2019

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

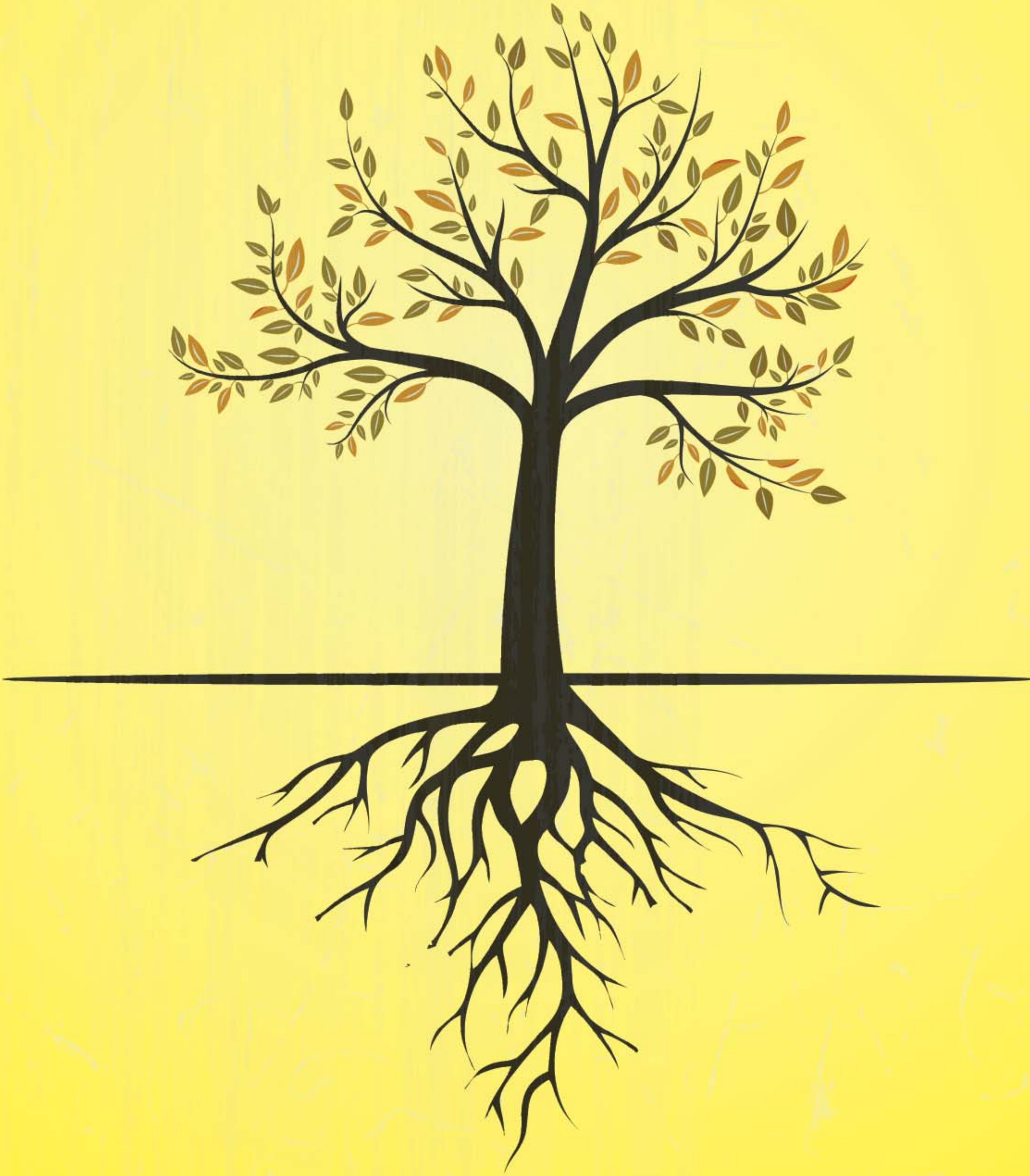
Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

Motilal Oswal Real Estate Investment Advisors II Private Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To the Members of **Motilal Oswal Real Estate Investment Advisors II Private Limited**

Report on the Audit of the Financial Statements

Opinion

1. 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 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

   Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 26 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 21 May 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2019 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

ANNEXURE I

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited, on the financial statements for the year ended 31 March 2019

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution. The Company did not have any loans or borrowings from government or outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

ANNEXURE II

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited on the financial statements for the year ended 31 March 2019

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Real Estate Investment Advisors II Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the Audit of Internal Financial Controls

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at 31-March-19	As at 31-March-18	As at 1-April-17
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	11	34	41
(b) Receivables				
Trade receivables	5	1,410	532	586
(c) Loans	6	35	35	35
(d) Investments	7	0	0	0
(e) Other financial assets	8	3	2	72
Sub - total financial assets (A)		**1,459**	**603**	**734**
2. Non-financial assets				
(a) Current tax assets (net)	9	220	248	404
(b) Deferred tax assets (net)	10	–	64	118
(c) Property, Plant and Equipment	11	4	2	2
(d) Other non - financial assets	12	1,994	469	534
Sub - total non - financial assets (B)		**2,218**	**783**	**1,058**
Total assets (A+B)		**3,677**	**1,386**	**1,792**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(I) Trade payables	13			
(i) total outstanding dues of micro enterprise and small enterprise				
(i) total outstanding dues of creditors other than micro enterprise and small enterprise		1,261	112	165
(b) Borrowings (Other than Debt Securities)	14	50	489	1,145
(c) Other financial liabilities	15	20	24	13
Sub - total financial liabilities (A)		**1,331**	**625**	**1,323**
2. Non - financial liabilities				
(a) Provisions	16	337	205	277
(b) Deferred tax liabilities (net)	10	47	–	–
(c) Other non - financial liabilities	17	693	28	11
Sub - total non-financial liabilities (B)		**1,077**	**233**	**288**

BALANCE SHEET *(Contd..)*

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31-March-19	As at 31-March-18	As at 1-April-17
3. Equity:				
(a) Equity share capital	18	1	1	1
(b) Other equity	19	1,268	527	180
Sub - total equity (C)		**1,269**	**528**	**181**
Total Liabilities and equity (A+B+C)		**3,677**	**1,386**	**1,792**

The accompanying notes 1 to 45 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Note No.	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-18
REVENUE FROM OPERATIONS			
(a) Fees and commission income	20	3,470	2,085
(b) Net gain on fair value change	21	27	–
1) Total revenue from operations		**3,497**	**2,085**
2) Other income	22	31	25
3) Total Income (1 + 2)		**3,528**	**2,110**
EXPENSES			
(a) Finance costs	23	29	87
(b) Fees and commission expense	24	1,212	633
(c) Employee benefits expense	25	701	497
(d) Depreciation	11	1	1
(e) Other expenses	26	325	191
4) Total expenses		**2,268**	**1,409**
5) Profit before tax (3 - 4)		**1,260**	**701**
TAX EXPENSE/(CREDIT)			
(a) Current tax	27	272	148
(b) Deferred tax expense/(credit)	27	110	55
(c) Income tax for earlier years		1	(1)
6) Total tax expenses		**383**	**202**
7) Profit for the period (5 - 6)		**877**	**499**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		2	(2)
(b) Deferred tax impact on the above		(1)	1
8) Other comprehensive income		**1**	**(2)**
Total comprehensive income for the period (7 + 8)		**878**	**497**
Earnings per share (₹ 10 each)	35		
Basic and Diluted		8,768.10	4,987.79

The accompanying notes 1 to 45 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

CASH FLOW STATEMENT

(All amounts are in INR lakhs, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,260**	**701**
Adjustment for:		
Depreciation	1	1
Interest expenses	29	87
Gratuity	13	21
Actuarial gain/(loss)	2	(2)
Realised gain	(27)	–
Operating profit before working capital changes	**1,278**	**808**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	(4)	12
3) Increase/(decrease) in non - financial liabilities	665	16
4) Increase/(decrease) in trade payables	1,149	(53)
5) (Increase)/decrease in trade receivables	(878)	54
6) (Increase)/decrease in other financial assets	(0)	69
7) (Increase)/decrease in other non - financial assets	(1,525)	65
8) Increase/(decrease) in provision	119	(93)
8) Increase/(decrease) liability component of compound financial instruments	(94)	(72)
Cash generated from/ (used in) operations	**710**	**806**
Income tax paid (net of refunds and including MAT credit utilised)	(245)	9
Net cash generated from/ (used in) operating activities (A)	**465**	**815**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4)	(1)
purchase of mutual fund units	(83,200)	–
Proceeds from sale of mutual fund	83,227	–
Net cash flow used in/ (generated from) investing activities (B)	**23**	**(1)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from borrowings	1,134	1,275
Redemption of preference shares	(137)	(151)
Repayment borrowings	(1,479)	(1,859)
Interest paid	(29)	(87)
Net cash flow used in/ (generated from) financing activities (C)	**(511)**	**(822)**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(23)**	**(8)**
Cash & Cash Equivalents comprise of Cash & cash equivalents as at beginning of the year	0	4
Scheduled Bank - In Current Account	34	38
Cash & Cash Equivalents as at beginning of the year	**34**	**42**
Cash & Cash Equivalents as at end of the year		
Cash on hand	0	0
Scheduled Bank - In Current Account	11	34
Cash & Cash Equivalents as at end of the year	**11**	**34**

Notes:

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

(ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

EQUITY SHARE CAPITAL

Particulars	Equity share capital		8% Non cumulative preference shares*		Total
	Number of shares	Amount	Number of shares	Amount	
As at 1 April 2017	**10,000**	**1**	**49,50,000**	**495**	**496**
Changes during the year	–	–	(25,00,000)	(250)	(250)
As at 31 March 2018	**10,000**	**1**	**24,50,000**	**245**	**246**
Changes during the year	–	–	(24,50,000)	(245)	(245)
As at 31 March 2019	**10,000**	**1**	**–**	**–**	**1**

OTHER EQUITY

Particulars	Reserves and Surplus								Total		
	31 March 2019			31 March 2018		1 April 2017			31 March 2019	31 March 2018	1 April 2017
	Capital redemption reserve	Other reserve-Preference share equity component	Surplus in the statement of profit and loss	Capital redemption reserve	Other reserve-Preference share equity component	Surplus in the statement of profit and loss	Other reserve-Preference share equity component	Surplus/ (deficit) in the statement of profit and loss			
Balance at the beginning of the reporting period	250	234	43	–	385	(204)	–	(374)	**527**	**180**	**(374)**
Transfer during the year	–	–	–	–	–	–	385	–	**–**	**–**	**385**
Redemption of preference shares during the year	245	(137)	(245)	250	(151)	(250)		–	**(137)**	**(151)**	**–**
Profit during the year	–	–	878	–	–	497	–	170	**878**	**497**	**170**
Balance at the end of the reporting period	**495**	**97**	**676**	**250**	**234**	**43**	**385**	**(204)**	**1,268**	**527**	**180**

* The Company has measured these preference shares as compound financial instruments and accordingly equity and liability component was recognised for the year ended 31 March 2018 and 31 march 2017. (Refer note 14 and 19)

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Real Estate Investment Advisors II Private Limited (the Company) was incorporated on

7 March 2014. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company is an Investment Manager and Venture Capital Advisor for managing funds like Realty Excellence Fund II a fund launched by India Realty Excellence Fund II LLP and Realty Excellence Fund III a fund launched by India Realty Excellence Fund III. The Company is also engaged in providing financial, investment advisory services, management & facilitation services and identifying investment opportunities etc.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.-

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 29.

(iv) Use of estimates and judgements

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

(All amounts are in INR lakhs, unless otherwise stated)

2.2. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Management fee income

Performance obligations are satisfied over a period of time and management fees in respect of private equity funds are recognized on monthly basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(ii) Advisory, setup fee and referral fee

Performance obligations are satisfied over a period of time and Advisory, setup fee and referral fee of private equity fund are recognized on monthly basis in accordance with the terms of contracts entered into between the Company and the counter party.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or

(All amounts are in INR lakhs, unless otherwise stated)

less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

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

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 30.

Financial assets

(i) Classification and subsequent measurement

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

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

Equity instruments

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

(All amounts are in INR lakhs, unless otherwise stated)

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

(All amounts are in INR lakhs, unless otherwise stated)

2.7. Offsetting financial instruments

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

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 201 Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Computers	3 years

Derecognition:

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

2.9. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

(All amounts are in INR lakhs, unless otherwise stated)

2.10. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.12. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

(All amounts are in INR lakhs, unless otherwise stated)

2.13. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

2.14. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.15. Rounding of amounts

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

2.16. Events after reporting date

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

2.17. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 01 April 2019. The Company is currently evaluating the requirement of the amendment and its impact on the financial statements.

Amendments to existing Ind AS :

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

(All amounts are in INR lakhs, unless otherwise stated)

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company expects the adoption of these amendments will have no material impact on its financial statements.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value Through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

– Have a prepayment feature which results in a negative compensation.

– Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and

– The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Company's financial statements:

– Ind AS 23 Borrowing Costs

– Ind AS 28 Investments in Associate and Joint Ventures

– Ind AS 103 Business Combinations

– Ind AS 111 Joint Arrangements

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability - On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset - Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Property, plant and equipment and Intangible Assets - Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash on hand	0	0	4
Balance with banks	–	–	–
In current accounts	11	34	37
	11	34	41
TOTAL	**11**	**34**	**41**

NOTE 5 : RECEIVABLES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(I) Trade receivables			
Considered good - unsecured	1,410	532	586
TOTAL	**1,410**	**532**	**586**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

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

NOTE 6 : LOANS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loan at amortised cost			
(A) Others			
Loan to employees (Gross)	35	35	35
less : Impairment loss allowance	–	–	–
Total (A) Net	**35**	**35**	**35**
(B) Unsecured (Gross)	35	35	35
less : Impairment loss allowance	–	–	–
Total (B) Net	**35**	**35**	**35**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(C) (I) Loans in India			
(i) Public sector	–	–	–
(ii) Others	35	35	35
Total (C) (I) Gross	**35**	**35**	**35**
less : Impairment loss allowance	–	–	–
Total (C) (I) Net	**35**	**35**	**35**

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Units	Amount	Units	Amount	Units	Amount
Investment - at amortised cost (A)							
Investment in Subsidiaries							
Aspire Home Finance Corporation Limited	Fellow Subsidiary	10	0	10	0	10	0
Total Gross (A)			**0**		**0**		**0**
(i) Investment outside India			–		–		–
(ii) Investment in India			0		0		0
Total (B)			**0**		**0**		**0**
Less : Allowance for Impairment loss (C)			–		–		–
Total Net D = (A-C)			**0**		**0**		**0**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Other	3	2	72
TOTAL	**3**	**2**	**72**

Note

The Company's financial assets include cash and cash equivalent, trade receivables, investment and loans. Financial assets are classified as being at FVTPL. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

NOTE 9 : CURRENT TAX ASSET

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance tax (Net of provision for tax)	220	248	404
TOTAL	**220**	**248**	**404**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 10 : DEFERRED TAX ASSET/ LIABILITIES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax liability on account of :			
Amortization of distribution costs	567	126	126
Total deferred tax liabilities (A)	**567**	**126**	**126**
Deferred tax assets on account of:			
Provision for gratuity	15	11	7
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	2	2
Carry forward losses	63	–	167
Unabsorbed Depreciation	–	–	0
MAT credit entitlement	441	177	68
Total deferred tax assets (B)	**520**	**190**	**244**
Net deferred tax Liability/ (Assets) (A-B)	**47**	**(64)**	**(118)**

NOTE 11 : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Computers	4	4	–	7	2	1	–	3	4	2
Total	**4**	**4**	**–**	**7**	**2**	**1**	**–**	**3**	**4**	**2**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Computers	2	1	–	4	1	1	–	2	2	2
Total	**2**	**1**	**–**	**4**	**1**	**1**	**–**	**2**	**2**	**2**

NOTE 12 : OTHER NON - FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Prepaid expenses	1,951	469	465
Advance for capital expense	43	–	32
Indirect tax credit receivable	–	–	37
	–	–	–
TOTAL	**1,994**	**469**	**534**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 13 : TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Due to creditors other than micro enterprise and small enterprise			
Other	1,261	112	165
(Refer note 32)			
TOTAL	**1,261**	**112**	**165**

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Borrowings at amortised cost			
8% Non Cumulative Preference Shares	–	94	166
Loans from related party (unsecured)			
Motilal Oswal Financial Services Limited	50	395	979
TOTAL	**50**	**489**	**1,145**

Note

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of borrowing and interest.

NOTE 15 : OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Accrued salaries and benefits	–	–	1
Other payables	14	18	6
Interest accrued and due	0	1	1
Provision for expenses	6	5	5
TOTAL	**20**	**24**	**13**

NOTE 16 : PROVISIONS

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits (refer note 34)			
Gratuity obligation	52	41	20
Heritage obligation	7	3	4
ExGratia payable	276	160	252
Compensatory absences	2	1	1
TOTAL	**337**	**205**	**277**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 17 : OTHER NON - FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Withholding and other taxes payable	35	28	11
Advance received from customer	658	–	–
TOTAL	**693**	**28**	**11**

NOTE 18 : SHARE CAPITAL AS AT 31 MARCH 2019

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	50,000	5	50,000	5	50,000	5
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)*	49,50,000	495	49,50,000	495	49,50,000	495
TOTAL	**50,00,000**	**500**	**50,00,000**	**500**	**50,00,000**	**500**
Issued, Subscribed & Paid Up						
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,000	1	10,000	1	10,000	1
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)*	–	–	24,50,000	245	49,50,000	495
TOTAL	**10,000**	**1**	**24,60,000**	**246**	**49,60,000**	**496**

18.1 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. In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

8% Non Cumulative Preference Shares*

(i) During the year ended 31 March, 2019 the Company redeemed 2,450,000, 8% non redeemable preference shares of face value of ₹ 10 each fully paid up for cash.

(ii) During the year ended 31 March, 2018 the Company redeemed 2,500,000, 8% non redeemable preference shares of face value of ₹ 10 each fully paid up for cash.

(All amounts are in INR lakhs, unless otherwise stated)

18.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
At beginning of the year	10,000	1	10,000	1	10,000	1
Additions during the year	–	–	–	–	–	–
At the end of the year	**10,000**	**1**	**10,000**	**1**	**10,000**	**1**
8% Non Cumulative Preference shares*						
At beginning of the year	24,50,000	245	49,50,000	495	49,50,000	495
Additions during the year	–	–	–	–	–	–
Redemption during the year	24,50,000	245	25,00,000	250	–	–
At the end of the year	**–**	**–**	**24,50,000**	**245**	**49,50,000**	**495**

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

Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares						
Sharad Mittal	750	7.5%	750	7.5%	750	7.5%
Motilal Oswal Real Estate Investment Advisors Private Limited and its Nominee	9,000	90%	9,000	90%	9,000	90%

18.4 Shares held by holding company

Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Motilal Oswal Real Estate Investment Advisors Private Limited (Equity shares)	9,000	1	9,000	1	9,000	1
Motilal Oswal Real Estate Investment Advisors Private Limited (Preference shares)*	–	–	24,50,000	100	49,50,000	100

18.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2019.

* The Company has measured these preference shares as compound financial instruments and accordingly equity and liability component was recognised for the year ended 31 March 2018 and 31 march 2017. (Refer note 14 and 19)

NOTE 19 : OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	43	(204)	(374)
Add: Transfer from Statement of Profit and Loss	878	497	170
Less: Transfer to Capital redemption reserve	(245)	(250)	–
Balance at the end of year	**676**	**43**	**(204)**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
b) Capital redemption reserve			
Balance at the beginning of the year	250	–	–
Add: Transfer from Profit and Loss	245	250	–
Balance at the end of year	**495**	**250**	**–**
c) Equity component of compound financial instruments			
Balance at the beginning of the year	234	385	–
Add: Transfer during the year	(137)	(151)	385
Balance at the end of year	**97**	**234**	**385**
TOTAL	**1,268**	**527**	**180**

NOTE 20 : FEES AND COMMISSION INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Referral fee received	–	77
Management fees	2,234	1,076
Advisory fees - fund	408	687
Setup fees	595	184
Other operating revenue	233	61
TOTAL	**3,470**	**2,085**

NOTE 21 : NET GAIN/(LOSS) ON FAIR VALUE CHANGE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Realised Gain	27	–
TOTAL	**27**	**–**

NOTE 22 : OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Miscellaneous income	–	9
Interest on income tax refund	31	16
TOTAL	**31**	**25**

NOTE 23 : FINANCE COST

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowing measured at amortised cost	15	60
Interest Expense - Preference shares	14	27
TOTAL	**29**	**87**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 24 : FEES AND COMMISSION EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Placement fees	1,212	633
TOTAL	**1,212**	**633**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, bonus and allowances	670	465
Contribution to provident funds (refer note 41)	10	10
Staff welfare expenses	8	1
Gratuity (refer note 41)	13	21
TOTAL	**701**	**497**

NOTE 26 : OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Business Support charges	120	–
Auditor's remuneration (refer note 33)	3	2
Legal and professional charges	50	71
Rent	35	35
Marketing and brand promotion expenses	–	4
Membership and subscription	24	11
Meeting and seminar expenses	8	19
Printing and stationery	19	2
Travelling and conveyance expenses	51	33
Miscellaneous expenses	6	14
CSR Expenses (refer note 38)	9	–
TOTAL	**325**	**191**

Note: The Company has entered into business support agreement with Motilal Oswal Financial Services Limited. Accordingly, the Company avails various business support services related to staff support, administration support and other related services. The Company shares the cost of all business support services obtained from Motilal Oswal Financial Services Limited which are not directly charged to Company.

NOTE 27.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation

(All amounts are in INR lakhs, unless otherwise stated)

to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current tax for the year	273	147
Total current tax expense	273	147
Deferred taxes		
Change in deferred tax liabilities	110	55
Net deferred tax expense	**110**	**55**
Total	**383**	**202**

NOTE 27.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) before income tax expense	**1,260**	**701**
Tax at the rate of 29.12% (for 31 March 2018 - 27.5525%)	367	193
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	1	(1)
Expenses not deductible for tax purposes	1	–
Temporary tax difference	14	9
Tax at different rate	–	1
Income tax expense	**383**	**202**

NOTE 27.3 : DEFERRED TAX LIABILITY ON ACCOUNT OF :

	31 March 2019	31 March 2018	1 April 2017
Amortization of distribution costs	567	126	126
IND AS adjustments			
Total deferred tax liabilities (A)	**567**	**126**	**126**
Deferred tax assets on account of:			
Provision for gratuity	15	11	7
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	2	2
Carry forward losses	63		167
Unabsorbed Depreciation			0
MAT credit entitlement	441	177	68
Total deferred tax assets (B)	**520**	**190**	**244**
Net deferred tax Liability/ (Assets) (A-B)	**47**	**(64)**	**(118)**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 27.4 : DEFERRED TAX

Deferred tax related to the following:

	As at 31 March 2019	Recognised through profit and loss	As at 31 March 2018	Recognised through profit and loss	As at 1 April 2017
Deferred tax liabilities on account of:					
Amortization of distribution costs	567	441	126	1	126
IND AS adjustments		–	–	–	–
Total deferred tax liabilities	**567**	**441**	**126**	**1**	**126**
Deferred tax assets on account of:					
Provision for gratuity	15	4	11	5	7
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	(1)	2	(0)	2
Carry forward losses	63	63	–	(167)	167
Unabsorbed Depreciation	–	–	–	(0)	0
MAT credit entitlement	441	264	177	109	68
Total deferred tax assets	**520**	**330**	**190**	**(54)**	**244**
Total deferred tax Assets/liability (net)	**47**	**110**	**(63)**	**55**	**(118)**

NOTE 28 CAPITAL MANAGEMENT

A Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using net debt to equity ratio, which is net debt to total equity.

(i) Net debt includes borrowings (including accrued interest) and liability component of compound financial instruments net of cash and bank balances.

(ii) Total equity comprises of Equity share capital and other equity.

B The capital composition is as follows:

Particulars	31 March 2019	31 March 2018	1 April 2017
Net debt (A)	39	455	1,104
Total equity (B)	1,269	528	181
Gearing ratio (A / B)	**3.08%**	**86.26%**	**608.49%**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 29 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March 19			31 March 18			31 March 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	11		11	34	–	34	41	–	41
Trade receivables	1,410		1,410	532	–	532	586		586
Loans	35		35	35		35	35		35
Investments	–	0	0		0	0		0	0
Other financial assets	3		3	2		2	72		72
Non-Financial assets									
Current tax assets (net)		220	220		248	248		404	404
Deferred tax assets (net)		–	–		64	64		118	118
Property, plant and equipment		4	4		2	2		2	2
Other non-financial assets	539	1,455	1,994	142	327	469	182	352	534
Total Assets	**1,998**	**1,679**	**3,677**	**745**	**641**	**1,386**	**916**	**876**	**1,792**
Liabilities									
Financial Liabilities									
Trade payables	1,261		1,261	112		112	156	9	165
Borrowings (Other than debt securities)	50		50	489		489	1,145		1,145
Other financial liabilities	20		20	24		24	13		13
Non Financial Liabilities									
Provisions	285	52	337	166	39	205	256	21	277
Deferred tax liabilities		47	47			–			–
Other non financial liabilities	693	–	693	28		28	11		11
Total Liabilities	**2,309**	**99**	**2,408**	**819**	**39**	**858**	**1,581**	**30**	**1,611**

NOTE 30 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2019		31 March 2018		1 April 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents	–	11	–	34	–	41
Trade receivables	–	1,410	–	532	–	586
Loans	–	35	–	35	–	35
Investments	–	0	–	0	–	0
Other financial assets	–	3	–	2	–	72
Total Financial Assets	**–**	**1,459**	**–**	**603**	**–**	**734**
Financial Liabilities						
Trade payables	–	1,261	–	112	–	165
Borrowings	–	50	–	489	–	1,145
Other financial liabilities	–	20	–	24	–	13
Total Financial Liabilities	**–**	**1,331**	**–**	**625**	**–**	**1,323**

(All amounts are in INR lakhs, unless otherwise stated)

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The carrying amounts of Cash and cash equivalent, trade receivables, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 31 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

(All amounts are in INR lakhs, unless otherwise stated)

Age of receivables that are past due:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Upto 3 months	1,390	531	586
3 - 6 months	20	–	–
6 - 12 months	–	1	–
More than 12 months	–	–	–
Total	**1,410**	**532**	**586**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	1,261			1,261
Borrowings	50			50
Other financial liabilities	20			20
Total	**1,331**	**–**	**–**	**1,331**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	112			112
Borrowings	489			489
Other financial liabilities	24			24
Total	**625**	**–**	**–**	**625**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	156	9		165
Borrowings	1,145			1,145
Other financial liabilities	13			13
Total	**1,314**	**9**	**–**	**1,323**

(All amounts are in INR lakhs, unless otherwise stated)

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk as it has borrowings and interest rate may fluctuate through adverse movement in interest rate.

(iii) Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Company.

The company is not exposed to price risk.

NOTE 32 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	31 March 2019	31 March 2018	1 April 2017
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 33 : AUDITOR'S REMUNERATION

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit	3	2
Out of pocket expenses	0	0
Total	**3**	**2**

NOTE 34 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2019

Particulars	Opening balance as at 01 April 2018	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2019
Ex-gratia	160	276	160	276
Gratuity	41	11	–	52
Compensated absences	1	2	1	2
Heritage club	3	4	–	7
Total	**205**	**294**	**161**	**337**

(All amounts are in INR lakhs, unless otherwise stated)

For the year ended 31 March 2018

Particulars	Opening balance as at 1 April 2017	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2018
Ex-gratia	252	160	252	160
Gratuity	20	21	–	41
Compensated absences	1	5	5	1
Heritage club	4	3	4	3
Total	**277**	**189**	**261**	**205**

NOTE 35 : EARNINGS PER SHARE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders [A]	877	499
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share ₹ 10 each) [B]	10,000	10,000
Basic and diluted earnings per share [A] / [B] (Rupees)	**8,768.10**	**4,987.79**

NOTE 36 : SEGMENT INFORMATION

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

NOTE 37 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Travelling and conveyance expenses	2	0
Lodging and boarding expenses	1	0
Placement fees	–	80
Legal and professional fees	1	–
Membership fees	2	–
Total	**6**	**81**

NOTE 38 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2018-19

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

(All amounts are in INR lakhs, unless otherwise stated)

(a) Break-up of various heads of expenses included in the line item 'CSR expenditure'

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Donation for empowerment tribal and rural people	2	–
Donation for construction of school	7	–

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 6.87 lakhs (Previous year : Nil)

2) Amount spent during the year

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	9	–	9
Total	**9**	**–**	**9**

Above includes a contribution of ₹ 9.17 lakhs (Previous year Nil) to Motilal Oswal Foundation which is classified as related party under Ind AS 24 - " Related Party Disclosures".

NOTE 39 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2019

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

1) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

NOTE 41 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:

Defined contribution plan:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employers' contribution to provident fund	10	10

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20.00 lakhs.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
I) Actuarial assumptions						
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	7.12%	6.85%	6.96%	7.12%		6.69%
Rate of escalation in salary (per annum)	18.00%	13.98%	11.00%			–
Expected rate of return on plan assets (per annum)	–	–	–			–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 11.43%	PS: 0 to 37 : 8.1%	PS: 0 to 37 : 15.34%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
Expected average remaining service	7.08	9.53	5.29	1.27	2.55 to 2.56	2.53 to 2.56
II) Changes in present value of obligations (PVO)						
PVO at beginning of period	42	20	11	–	–	–
Interest cost	3	1	1	–	–	–
Current service cost	8	8	5	7	3	4
Past service cost - (non vested benefits)	–	3	–	–	–	–
Past service cost - (vested benefits)	–	8	–	–	–	–
Benefits paid	–	–	–	–	–	–
Contributions by plan participants	–	–	–	–	–	–
Business Combinations	–	–	–	–	–	–
Curtailments	–	–	–	–	–	–
Settlements	–	–	–	–	–	–
Actuarial (Gain)/Loss on obligation	(2)	2	4	–	–	–
PVO at end of period	52	42	20	7	3	4
III) Interest expense						
Interest cost	3	1	1	–	–	–
IV) fair value of plan assets						
Fair Value of Plan Assets at the beginning	–	–	–	–	–	–
Interest income	–	–	–	–	–	–
V) Net Liability						
PVO at beginning of period	42	20	11	–	–	–
Fair Value of the Assets at beginning report	–	–	–	–	–	–
Net Liability at the beginning of the period	42	20	11	–	–	–
VI) Net Interest						
Interest Expenses	3	1	1	–	–	–
Interest Income	–	–	–	–	–	–
Net Interest	3	1	1	–	–	–
VII) Actual return on plan assets						
Less Interest income included above	–	–	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
VIII) Actuarial (Gain)/loss on obligation						
Due to Demographic Assumption	(1)	3	–	–	–	–
Due to Financial Assumption	4	4	4	–	–	–
Due to Experience	(6)	(4)	–	–	–	–
Total Actuarial (Gain)/Loss	(2)	2	4	–	–	–
IX) Fair Value of Plan Assets						
Opening Fair Value of Plan Asset	–	–	–	–	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–	–	–	–	–
Return on Plan Assets excl. interest income	–	–	–	–	–	–
Interest Income	–	–	–	–	–	–
Contributions by Employer	–	–	–	–	–	–
Contributions by Employee	–	–	–	–	–	–
Benefits Paid	–	–	–	–	–	–
Fair Value of Plan Assets at end	–	–	–	–	–	–
X) Past Service Cost Recognised						
Past Service Cost – (non vested benefits)	2	3	–	–	–	–
Past Service Cost –(vested benefits)	–	8	–	–	–	–
Average remaining future service till vesting of the benefit	–	2	–	–	–	–
Recognised Past service Cost – non vested benefits	2	2	–	–	–	–
Recognised Past service Cost– vested benefits	–	8	–	–	–	–
Unrecognised Past Service Cost – non vested benefits	–	2	–	–	–	–
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account						
PVO at end of period	52	42	20	–	–	–
Fair Value of Plan Assets at end of period	–	–	–	–	–	–
Funded Status	(52)	(42)	(20)	–	–	–
Unrecognised Past Service Cost – non vested benefits	–	2	–	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(52)	(41)	(20)	–	–	–
XII) Expense recognised in the statement of profit and loss						
Current service cost	8	8	5	7	3	4
Net Interest	3	1	1	–	–	–
Past service cost - (non vested benefits)	2	3	–	–	–	–
Past service cost - (vested benefits)	–	8	–	–	–	–
Curtailment Effect	–	–	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
Settlement Effect	–	–	–	–	–	–
Unrecognised past service cost - non vested benefits	–	(2)	–	–	–	–
Actuarial (Gain)/Loss recognized for the period	–	2	4	–	–	–
Expense recognized in the statement of profit and loss	13	21	9	7	3	4
XIII) Other Comprehensive Income (OCI)						
Actuarial (Gain)/Loss recognized for the period	(2)	2	4	–	–	–
Asset limit effect	–	–	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–	–	–	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(2)	2	4	–	–	–
XIV) Movement in liability recognized in balance sheet						
Opening net liability	41	20	11	–	–	–
Adjustment to opening balance	–			–	–	–
Expenses as above	13	21	9	7	3	4
Contribution paid	–	–	–	–	–	–
Other Comprehensive Income (OCI)	(2)	–	–	–	–	–
Closing net liability	52	41	20	7	3	4
XV) Projected Service Cost 31 Mar 2020	**9**	**–**	**–**	**–**	**–**	**–**
XVI) Asset Information						
Cash and Cash Equivalents	–	–	–	–	–	–
Gratuity Fund ()	–	–	–	–	–	–
Debt Security – Government Bond	–	–	–	–	–	–
Equity Securities – Corporate debt securities	–	–	–	–	–	–
Other Insurance contracts	–	–	–	–	–	–
Property	–	–	–	–	–	–
Total Itemized Assets						
XVII) Sensitivity Analysis						

Particulars	DR: Discount Rate		ER : Salary escalation rate:			
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%		
PVO	48	56	53	51		

Year	Expected					Expected Outgo
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Six to ten years
Payouts	4	4	5	5	5	27

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 1 April 2017
XIX) Asset Liability Comparisons						
Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	
PO at End of period	8	11	20	42	52	
Plan Assets	–	–	–	–	–	
Surplus / (Deficit)	(8)	(11)	(20)	(42)	(52)	
Experience adjustments on plan assets	–	–	–	–	–	

NOTE 42 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(i) List of related parties and their relationship

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 Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)

– Motilal Oswal Trustee Company Limited

– Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)

– Motilal Oswal Commodities Broker Private Limited

– Motilal Oswal Investment Advisors Limited

– Motilal Oswal Wealth Management Limited

– Motilal Oswal Securities International Private Limited

– Motilal Oswal Capital Market (Hongkong) Private Limited

– Motilal Oswal Capital Markets (Singapore) Pte. Limited

– Aspire Home Finance Corporation Limited

– India Business Excellence Management Company

– Motilal Oswal Asset Management Company Limited

– Motilal Oswal Asset Management (Mauritius) Company Private Limited

– OSAG Enterprises LLP (Enterprise over which ultimate holding company has control)

– Nagori Agro & Cattle Feeds Private Limited

Key management personnel

Non - executive directors

– Mr. Motilal Oswal

– Mr. Navin Agarwal

– Mr. Vishal Tulsyan

Enterprises in which key management personnel and their relatives exercise significant Influence

– Motilal Oswal Foundation (Trust)

(All amounts are in INR lakhs, unless otherwise stated)

(ii) Transactions with related parties

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2019	Year ended 31 March 2018
Rent Paid	MOPE Investment Advisors Private Limited	35	35
Referral fees (received)	Motilal Oswal Financial Services Limited	–	(77)
Placement fees	Motilal Oswal Wealth Management Limited	312	305
Motilal Oswal Financial Services Limited		87	159
Referral fees	Motilal Oswal Wealth Management Limited	1	–
Motilal Oswal Financial Services Limited		46	–
Set up fees	Motilal Oswal Wealth Management Limited	161	–
Motilal Oswal Financial Services Limited		137	–
Business Support Charges	Motilal Oswal Financial Services Limited	120	–
Donation	Motilal Oswal Foundation (Trust)	9	–
Interest Paid	Motilal Oswal Financial Services Limited	12	60
Motilal Oswal Finvest Limited		3	–
Marketing and brand promotion expenses	Motilal Oswal Wealth Management Limited	–	3
Loans Taken	Motilal Oswal Financial Services Limited	(523)	(1,275)
Motilal Oswal Finvest Limited		(410)	–
Loans Repaid	Motilal Oswal Financial Services Limited	868	1,859
Motilal Oswal Finvest Limited		410	–
Loan Taken Maximum Balance	Motilal Oswal Financial Services Limited	395	1,188
Motilal Oswal Finvest Limited		195	–
Investment Maximum Balance	Aspire Home Finance Corporation Limited	0	0

(ii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding company/Fellow subsidiary		
		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loan payable	Motilal Oswal Financial Services Limited	(50)	(395)	(979)
Interest payable	Motilal Oswal Financial Services Limited	–	(1)	(1)
Interest payable	Motilal Oswal Finvest Limited	(0)	–	–
Trade payable	Motilal Oswal Wealth Management Limited	(338)	(62)	(35)
Trade payable	Motilal Oswal Financial Services Limited	(452)	(0)	(38)
Investment	Aspire Home Finance Corporation Limited	0	0	0

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

NOTE 43 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(All amounts are in INR lakhs, unless otherwise stated)

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our statement of profit and loss for the year ended 31 March 2019 or our balance sheet as of 31 March 2019.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service	
	Investment management fees	Advisory fees
Total Revenue from contracts with customers	**2,234**	**408**
Geographical Markets		
India	2,234	408
Outside India	–	–
Total Revenue from contracts with customers	**2,234**	**408**
Timing of revenue recognition		
Services transferred at a point in time		
Services transferred over time	2,234	408
Total Revenue from contracts with customers	**2,234**	**408**

b) Contract balances

Trade receivable are non-interest bearing balances.

Trade payable includes amount payable to distributors against revenue sharing. The outstanding balance as on 31 March 19 : ₹ 1261.31 lakhs, 31 March 18: ₹ 112.01 lakhs.

c) Performance obligations

The performance obligation of the company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement.

NOTE 44 : DISCLOSURE PURSUANT TO IND AS 101 “FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS”

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(All amounts are in INR lakhs, unless otherwise stated)

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note	For the year ended 31 March 2018	For the year ended 1 April 2017
Net worth under IGAAP		**622**	**348**
		–	**–**
Net worth under IGAAP		622	348
		–	–
GAAP adjustments:		–	–
Preference share capital transferred to Liability	b (i)	(245)	(495)
Increase in reserve due to Preference share equity component	b (i)	234	385
Interest Expense on Preference share liability	b (i)	(83)	(56)
Total GAAP adjustments		**(94)**	**(166)**
Net worth under Ind AS		**528**	**181**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note	For the year ended 31 March 2018
Net profit as per the erstwhile Indian GAAP (IGAAP)		**524**
GAAP adjustments:		0
Interest expense on preference share	b (i)	(27)
Reclassification of net actuarial loss/(gain) on employee defined benefit obligation to Other Comprehensive Income (OCI)	b (ii)	2
Deferred tax adjustments on above	b (iii)	(1)
Total effect of transition to Ind AS		**(25)**
Net profit after tax (before OCI) as per Ind AS		**499**
Other comprehensive Income (net of tax)	b (iv)	(2)
Total Comprehensive Income under Ind AS		**497**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2019

All the adjustments on account of Ind As are non - cash in nature hence, there is no impact on statement of cash flow.

Explanations to reconciliations

Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Previous GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial loss of ₹ 2.07 lakhs has been reclassified to OCI during the year ended 31 March 2018.

b) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

(All amounts are in INR lakhs, unless otherwise stated)

i) Valuation of preference shares

The Company has issued certain hybrid instrument which is classified as financial liability under Ind AS 32. When allocating the initial carrying amount of a compound financial instrument to equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component.

ii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 increased by ₹ 2.07 lakhs. There is no impact on the total equity as at 31 March 2018.

iii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 45 :

Amounts below ₹ 0.50 lakhs have been rounded off and shown as "0".

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

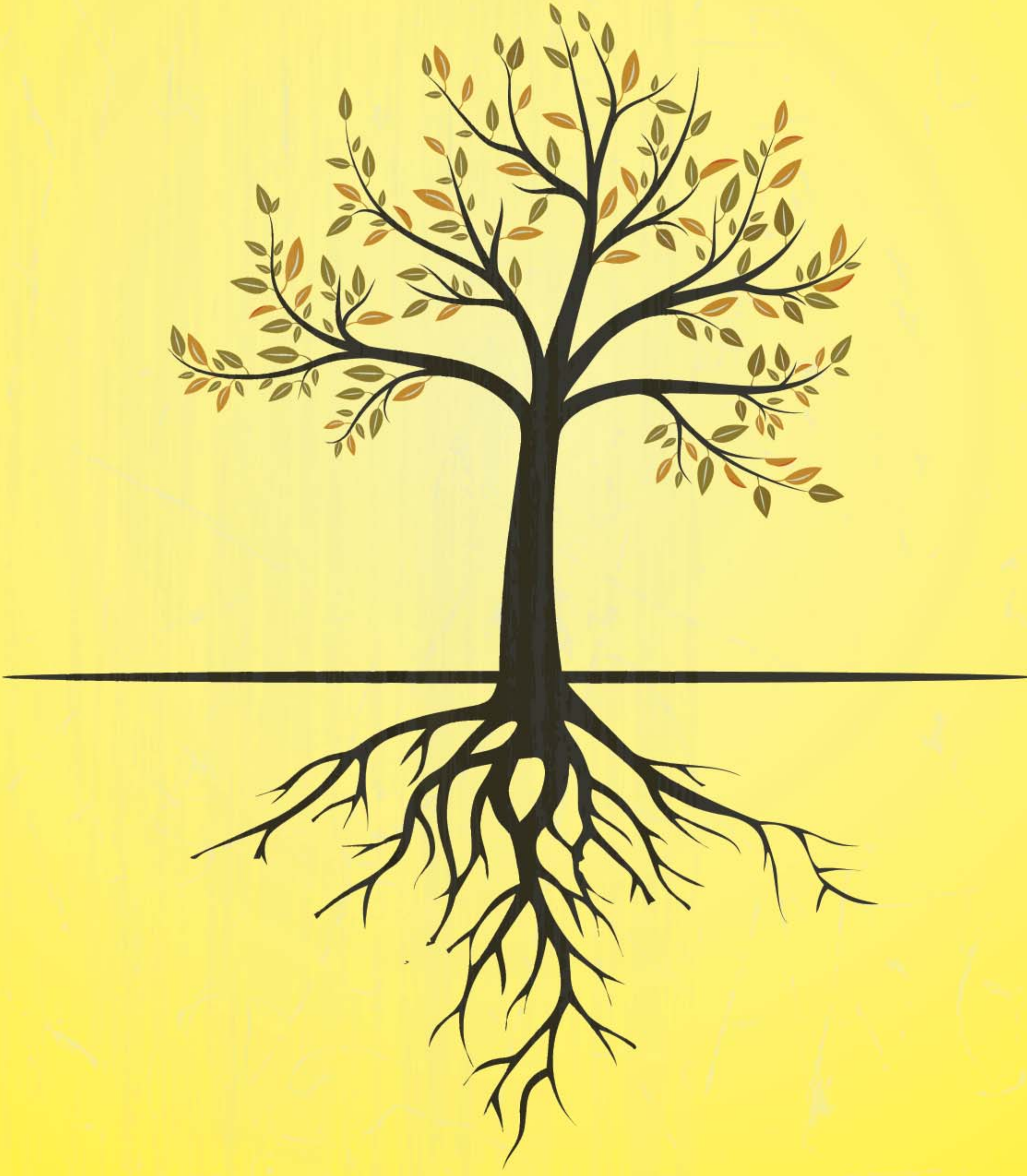
Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 10 May 2019

MOTILAL OSWAL HOME FINANCE LIMITED

(Formerly known as Aspire Home Finance Corporation Limited)

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To the Members of Motilal Oswal Home Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Motilal Oswal Home Finance Limited (the "Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Transition date accounting policies</td></tr>
<tr><td colspan="2">Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 2 (i) to the Financial Statements: Transition date choices and application"</td></tr>
<tr><td>Adoption of new accounting framework (Ind AS)
Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.
The following are the major impact areas for the Company upon transition:
– Classification and measurement of financial assets and financial liabilities
– Measurement of loan losses (expected credit losses)
– Accounting for loan fees and costs
The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.
We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</td><td>Our key audit procedures included:
Design / controls
• Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.
Substantive tests
• Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101.
• Understood the methodology implemented by management to give impact on the transition.
• Assessed the accuracy of the computations.
• Assessed areas of significant estimates and management judgment in line with principles under Ind AS.
• Compared the industry practice for various assumptions used by management in areas such as expected credit loss model, classification of financial instruments, etc.</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances to customers **Charge: INR 62,47,84,646 for year ended 31 March 2019** **Provision: INR 1,75,00,81,082 at 31 March 2019**	
Refer to the accounting policies in "Note 3.1 (iii) to the Financial Statements: Impairment", "Note 2(iv)(b) to the Financial Statements: Significant Accounting Policies- use of estimates" and "Note 7 to the Financial Statements: Loans"	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: – Loan staging criteria – Calculation of probability of default / loss given default – Consideration of probability weighted scenarios and forward looking macro-economic factors There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	Our audit procedures included: **Design / controls** • Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. • Understood management's new / revised processes, systems and controls implemented in relation to impairment allowance process. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • We used our modelling specialist to test the model methodology and reasonableness of assumptions used. • Tested management review controls over measurement of impairment allowances and disclosures in financial statements. **Substantives tests** • We focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations were tested through re-performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, economic factors, the period of historical loss rates used, loss emergence periods and the valuation of recovery assets and collateral.

Key audit matter	How the matter was addressed in our audit
Information technology	
Information Technology (IT) systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses one system for its overall financial reporting. During the previous year, we had identified that certain controls over the Company's user access rights management and change management processes required improvements. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures to assess the IT system access management included the following: **General IT controls / user access management** • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.

Key audit matter	How the matter was addressed in our audit
	• For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. Based on the procedures performed above, we continue to identify areas where the Company's general IT controls need improvement, particularly in relation to user access rights change management. As a consequence, a range of other procedures were performed as follows: • where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed. • additional substantive testing was performed on specific year-end reconciliations (i.e. bank account reconciliations). • a list of users' access permissions was obtained and manually compared to other access lists where segregation of duties was deemed to be of higher risk, for example users having access to core systems.

Other Information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises management's discussion & analysis, the Board of Directors' report and additional disclosures as required under various directions issued by the National Housing Bank included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. These other information are expected to be made available to us after the date of this auditor's report.

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

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

Management's responsibility for the Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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 litigation as at 31 March 2019 on its financial position in its financial statements - Refer Note 36 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
10 May 2019

Motilal Oswal Home Finance Limited

Annexure A to the Independent Auditor's Report of even date on financial statements

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are being verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed upon such verification.

c. According the information and explanations given to us and on the basis of our examination of the records of the Company, we have observed that there are no immovable properties in the name of the Company.

(ii) The Company is a Housing Finance Company ('HFC'); accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees during the year under section 185 and section 186 of the Act. Accordingly, the provision of clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there has been slight delay during the year in depositing of dues relating to professional tax with the relevant authority. As explained to us the Company did not have any dues on account of sales tax, duty of customs, value added tax or duty of excise for the year ended 31 March 2019.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, service tax, and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, by the Company except as mentioned below:

Name of Statute	Nature of Dues	Amount	Relevant period	Forum
Income Tax Act, 1961	Income Tax	₹ 626,160	Assessment Year 2016-17	CIT Appeal

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders. The Company did not have any outstanding borrowings from Government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of issuance of non-convertible debentures and term loans, by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with provisions of section 42 of the Act with regard to issuance of equity shares and non-convertible debenture on private placement basis during the year and the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
10 May 2019

Annexure B to the Independent Auditor's Report of even date on the financial statements of Motilal Oswal Home Finance Limited for the year ended 31 March 2019

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

Opinion

We have audited the internal financial controls with reference to financial statements of Motilal Oswal Home Finance Limited (the "Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
10 May 2019

BALANCE SHEET

(Currency : ₹)

Particulars		Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. ASSETS					
(I) Financial Assets					
(a) Cash and cash equivalents		4	**799,662,881**	848,468,220	1,569,006,631
(b) Bank balances other than (a) above		5	**25,884,255**	27,678,177	78,595,440
(c) Receivables		6			
(i) Trade receivables			**24,485,264**	75,995,786	90,438,343
(d) Loans		7	**42,131,000,807**	47,290,162,536	40,602,202,838
(e) Investments		8	**506,381,148**	–	2,799,563,604
(f) Other Financial assets		9	**572,103,731**	461,251,200	124,678,882
Total Financial assets	**(A)**		**44,059,518,086**	**48,703,555,919**	**45,264,485,738**
(II) Non-financial Assets					
(a) Current tax assets (Net)		10	**22,083,110**	1,192,567	1,467,884
(b) Deferred tax assets (Net)		11	**1,198,720,187**	465,852,238	293,595,896
(c) Property, Plant and Equipment		12	**109,844,774**	110,402,942	98,851,493
(d) Other Intangible assets		13	**32,046,419**	22,357,169	12,775,436
(e) Other Non-financial assets		14	**258,609,201**	243,666,080	46,806,566
Total Non- Financial Assets	**(B)**		**1,621,303,691**	**843,470,996**	**453,497,275**
Total Assets	**(C) = (A) +(B)**		**45,680,821,777**	**49,547,026,915**	**45,717,983,013**
II. LIABILITIES AND EQUITY					
(I) Financial liabilities					
(a) Payables		15			
(I) Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises			**–**	–	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			**34,604,477**	19,000,798	129,547,242
(II) Other Payables					
(i) total outstanding dues of micro enterprises and small enterprises			**–**	–	5,005,697
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			**–**	–	–
(b) Debt Securities		16	**20,361,100,798**	20,851,572,120	21,806,646,231
(c) Borrowings (Other than Debt Securities)		17	**15,505,541,789**	18,714,038,084	15,929,721,769
(d) Other Financial liabilities		18	**1,457,011,450**	2,292,860,754	1,881,790,832
Total Financial liabilities	**(D)**		**37,358,258,514**	**41,877,471,756**	**39,752,711,771**

BALANCE SHEET *(Contd..)*

(Currency : ₹)

Particulars		Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(II) Non-Financial Liabilities					
(a) Current tax liabilities (Net)		19	**–**	142,169	330,533
(b) Provisions		20	**27,561,373**	36,895,669	70,722,565
(c) Other Non-financial liabilities		21	**28,948,170**	25,791,338	16,190,686
Total Non-Financial Liabilities	**(E)**		**56,509,543**	**62,829,176**	**87,243,784**
(III) EQUITY					
(a) Equity Share capital		22	**6,008,692,515**	5,206,570,515	4,825,019,030
(b) Other Equity		23	**2,257,361,205**	2,400,155,468	1,053,008,428
Total Equity	**(F)**		**8,266,053,720**	**7,606,725,983**	**5,878,027,458**
TOTAL LIABILITIES AND EQUITY (G) = (D)+(E)+(F)			**45,680,821,777**	**49,547,026,915**	**45,717,983,013**
Significant accounting policies		3			
Notes to Financial statements		4-50			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Vaibhav Shah
Partner
Membership No: 117377

Sanjay Athalye
Managing Director & CEO
DIN: 07650678

Navin Agarwal
Director
DIN: 00024561

Shivani Chouhan
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Mumbai
10 May 2019

Mumbai
10 May 2019

STATEMENT OF PROFIT AND LOSS

(Currency : ₹)

Particulars		Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations		24		
Interest Income			**6,285,769,691**	6,332,812,700
Net gains on fair value changes (Realised / Unrealised)			**62,641,190**	148,780,725
Fees and commission Income			**135,726,090**	223,727,587
Total Revenue from operations	**(I)**		**6,484,136,971**	**6,705,321,012**
Other income		25		
Dividend			**–**	2,199,590
Total Other Income	**(II)**		**–**	**2,199,590**
Total Income	**III = (I+II)**		**6,484,136,971**	**6,707,520,602**
Expenses				
Finance cost		26	**4,040,645,741**	4,102,019,134
Employee benefits expenses		27	**637,248,930**	503,381,151
Depreciation and amortization expenses		12	**44,900,619**	64,098,946
Impairment on financial instruments		28	**624,784,646**	656,535,326
Other expenses		29	**3,252,119,349**	1,133,724,277
Total Expenses	**(IV)**		**8,599,699,285**	**6,459,758,834**
Profit / (Loss) before tax	**(III-IV)**		**(2,115,562,314)**	**247,761,768**
Less: Tax expense :		30		
(1) Current tax			**(7,529,715)**	232,713,798
(2) Deferred tax			**(739,206,993)**	(177,085,955)
Profit / (Loss) for the year			**(1,368,825,606)**	**192,133,925**
Other comprehensive income		31		
(A) Items that will not be reclassified to profit & loss				
(i) Actuarial gain / (loss) on post retirement benefit plans			**18,111,556**	13,821,009
Tax impact on the above			**(6,339,044)**	(4,829,613)
Other comprehensive income			**11,772,512**	8,991,396
Total comprehensive income for the year			**(1,357,053,094)**	**201,125,321**
Earnings per share:		32		
Basic			**(0.25)**	0.04
Diluted			**(0.25)**	0.04
Face value per share			**1**	1
Significant accounting policies		3		
Notes to Financial statements		4-50		

(Currency : ₹)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
10 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Sanjay Athalye
Managing Director & CEO
DIN: 07650678

Navin Agarwal
Director
DIN: 00024561

Shivani Chouhan
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Mumbai
10 May 2019

STATEMENT OF CASH FLOWS

(Currency : ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax:	**(2,115,562,314)**	**247,761,768**
Adjustments :		
Depreciation and amortisation	**44,900,619**	64,098,946
Net (gain) / loss on sale of property, plant and equipments	**543,510**	
Employee share option Scheme	**12,985,632**	8,014,818
Net (gain) / loss on financial asset measured at FVTPL	**(62,641,190)**	(148,780,725)
Impairment for financial instruments	**624,784,646**	656,535,326
Bad Debts written off	**2,898,381,374**	715,253,649
Operating profit before working capital changes	**1,403,392,276**	**1,542,883,782**
Adjustments for (increase) / decrease in operating assets:		
(Increase) / Decrease in Other Bank Balances	**1,793,922**	50,917,263
(Increase) / Decrease in Trade receivables	**51,510,522**	14,442,558
(Increase) / Decrease in Loans	**1,635,995,709**	(8,059,748,673)
(Increase) / Decrease in Other financial assets	**(110,852,531)**	(336,572,318)
(Increase) / Decrease in Other non-financial assets	**(14,943,122)**	(196,859,513)
Increase / (Decrease) in Debt securities issued	**(490,471,322)**	(955,074,110)
Increase / (Decrease) in Borrowings other than debt securities	**(3,208,496,294)**	2,784,316,314
Increase / (Decrease) in Non-financial liabilities	**3,156,832**	9,600,652
Increase / (Decrease) in Other Financial Liability - Interest accrued but not due on borrowings and Book Overdraft	**(835,849,304)**	411,069,922
Increase / (Decrease) in Provision for expenses	**8,777,260**	(20,005,887)
Increase / (Decrease) in Trade payables	**15,603,678**	(115,552,137)
Cash generated from operations	**(2,943,774,650)**	(6,413,465,930)
Less : Income taxes paid (net of refunds)	**13,502,997**	232,626,845
Net cash inflow / (outflow) from operating activities	**(1,553,885,371)**	**(5,103,208,993)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of property, plant and equipments	**446,220**	
Sale of investment measured at FVTPL		1,308,753
Purchase of property, plant and equipments	**(55,021,430)**	(85,232,128)
(Purchase) / Sale of mutual funds and bonds	**(443,739,958)**	2,947,035,572
Net cash inflow / (outflow) from investing activities	**(498,315,168)**	**2,863,112,197**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	**802,122,000**	381,551,485
Share Premium on issue of share capital	**1,201,273,200**	1,138,006,900
Increase / (decrease) in Non-controlling interest		
Net cash inflow / (outflow) from financing activities	**2,003,395,200**	**1,519,558,385**
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES	**(48,805,339)**	**(720,538,411)**
Add : Cash and cash equivalents at beginning of the year	**848,468,220**	1,569,006,631
Cash and cash equivalents at end of the year	**799,662,881**	**848,468,220**

(Currency : ₹)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Vaibhav Shah
Partner
Membership No: 117377

Sanjay Athalye
Managing Director & CEO
DIN: 07650678

Navin Agarwal
Director
DIN: 00024561

Shivani Chouhan
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Mumbai
10 May 2019

Mumbai
10 May 2019

STATEMENT OF CHANGES IN EQUITY

(Currency : ₹)

A. Equity share capital

	Number	Amount
Balance as at 1 April 2017	**4,825,019,030**	**4,825,019,030**
Changes in equity share capital during 2017-18	**381,551,485**	**381,551,485**
Balance as at 31 March 2018	**5,206,570,515**	**5,206,570,515**
Balance as at 1 April 2018	**5,206,570,515**	**5,206,570,515**
Changes in equity share capital during 2018-19	**802,122,000**	**802,122,000**
Balance as at 31 March 2019	**6,008,692,515**	**6,008,692,515**

B. Other equity

Particulars	Other Equity					Total equity attributable to equity holders of the Company
	Reserves & Surplus					
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Other comprehensive income	Retained earnings	
Balance as at April 1, 2018	**1,403,412,321**	**377,067,230**	**11,966,000**	**5,277,265**	**602,432,652**	**2,400,155,468**
Profit for the period	–	–	–	–	(1,368,825,606)	(1,368,825,606)
Acturial gain / Loss during the year (Net of Taxes)	–	–	–	11,772,511	–	11,772,511
Total comprehensive income for the period	**1,403,412,321**	**377,067,230**	**11,966,000**	**17,049,776**	**(766,392,954)**	**1,043,102,373**
Transfer to general reserve	–	–	–	–	–	–
Exercise of stock options (refer note no. 2.9)	–	–	12,985,632	–	–	12,985,632
Securities Premium issued during the year	1,202,018,721	–	–	–	–	1,202,018,721
Transfer of Share Premium on account of issue of shares	–	–	(745,521)	–	–	(745,521)
Balance as at 31 March 2019	**2,605,431,042**	**377,067,230**	**24,206,111**	**17,049,776**	**(766,392,954)**	**2,257,361,205**

Particulars	Other Equity					Total equity attributable to equity holders of the Company
	Reserves & Surplus					
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Other comprehensive income	Retained Earnings	
Balance as at April 1, 2017	**262,685,335**	**248,524,983**	**6,671,267**	**(3,714,131)**	**538,840,974**	**1,053,008,428**
Profit for the period	–	–	–	–	192,133,925	192,133,925
Acturial Gain / Loss during the year (Net of Taxes)	–	–	–	8,991,396	–	8,991,396
Total comprehensive income for the period	**262,685,335**	**248,524,983**	**6,671,267**	**5,277,265**	**730,974,899**	**1,254,133,749**
Transfer to general reserve	–	–	–	–	–	–
Add: Trf. to Special Reserve u/s 29c of the NHB Act, 1987	–	128,542,247	–	–	(128,542,247)	–
ESOS excersied	–	–	8,014,819	–	–	8,014,819
Securities Premium issued during the year	1,140,726,986	–	–	–	–	1,140,726,986
Transfer of Share Premium on account of issue of shares	–	–	(2,720,086)	–	–	(2,720,086)
Balance as at March 31, 2018	**1,403,412,321**	**377,067,230**	**11,966,000**	**5,277,265**	**602,432,652**	**2,400,155,468**

STATEMENT OF CHANGES IN EQUITY *(Contd..)*

(Currency : ₹)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

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Shivani Chouhan
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Mumbai
10 May 2019

Mumbai
10 May 2019

(Currency : ₹)

Summary of Significant Accounting Policies and Other Explanatory Information

Note 1 : Corporate information

Motilal Oswal Home Finance Limited (“MOHFL” or “the Company”) was incorporated in India on 01 October 2013. The Company is registered with the National Housing Bank under section 29A of the National Housing Bank Act, 1987 with effect from 19 May 2014.

MOHFL is primarily engaged into providing loans for purchase or construction of residential houses.

Note 2 : Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting periods have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind AS has been carried out from the erstwhile Accounting standards notified under the Act read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended), guidelines issued by the National Housing Board (‘the NHB’) and other generally accepted accounting principles in India (collectively referred to as ‘the Previous GAAP’). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and corresponding adjustments pertaining to comparative periods as presented in these financial statements have been restated / reclassified in order to conform to the current year presentation.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2019 based on the ‘Press Release’ issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance / clarifications / directions issued by the NHB or other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value(refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOHFL’s functional and presentation currency.

(iv) Use of estimates and judgments.

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third

(Currency : ₹)

parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Allowance for impairment of financial asset:** The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(c) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11.

(d) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.

(e) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(f) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 40 .

(g) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(h) **Effective interest rate:** The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioural life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

(i) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous

(Currency : ₹)

assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note 3 : Summary of Significant Accounting Policies

3.1 Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

(Currency : ₹)

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOHFL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on a collective basis, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration

(Currency : ₹)

of a financial asset. The company categorises financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

(iv) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(Currency : ₹)

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Repossessed collateral

Repossessed collateral represents non-financial assets acquired by the Company in settlement of overdue loans. Any collateral obtained as a result of foreclosure is not recognized as a separate asset unless it is acquired by the Company in settlement of overdue loans.

3.3 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Recognition of Interest income and other charges

(a) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly

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discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(b) Other financial charges

Cheque bouncing charges, late payment charges, foreclosure charges and application money are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

(iii) Dividend income

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

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year detmined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.5 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.7 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairement loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below

Assets	Estimated Useful life
Computers	3 Years
Furniture & Fixtures	10 Years
Motor car	8 Years
Office equipments	10 years

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.8 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.9 Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement

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of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. 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.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the “Scheme”) has been established by the Company. The Scheme provides that employees of Motilal Oswal Home Finance Limited and group companies as well, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.10 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(Currency : ₹)

(b) Diluted earnings per share

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

3.11 Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.12 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation / amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.13 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14 First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of 01 April 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly availed of the following optional exemptions while preparing its financial statements.

(i) The Company has adopted the carrying value determined in accordance with previous GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2017.

(iii) The estimates as at 01 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with previous GAAP.

(Currency : ₹)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 4 : Cash and cash equivalents			
Cash on hand	**19,585,192**	37,149,990	–
Balance with banks :			
In current account	**780,077,689**	811,318,230	1,569,006,631
	799,662,881	**848,468,220**	**1,569,006,631**

1. There are no Earmarked balances with banks.
2. There are no balances with banks held as margin money or security against the borrowings, guarantees, other commitments.
3. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 5 : Bank balances other than (4) above			
Deposit	**25,884,255**	27,678,177	78,595,440
	25,884,255	**27,678,177**	**78,595,440**

Note- The above deposit is lien with State Bank of Mauritius, against term loan.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 6 : Trade and other receivables			
Trade Receivables			
Considered good - unsecured	**24,485,264**	75,995,786	90,438,343
	24,485,264	**75,995,786**	**90,438,343**

1. There are no trade receivable which have significant increase in credit risk or which are credit impaired.
2. There are no debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 7 : Loans - At amortised cost			
(A) Home Loans	**43,881,081,889**	48,415,458,973	41,070,963,949
Less : Impairment loss allowance	**1,750,081,082**	1,125,296,437	468,761,111
	42,131,000,807	**47,290,162,536**	**40,602,202,838**
(B) (i) Secured by tangible assets	**43,881,081,889**	48,415,458,973	41,070,963,949
(ii) unsecured	**–**	–	–
Less : Impairment loss allowance	**1,750,081,082**	1,125,296,437	468,761,111
Total (B)	**42,131,000,807**	**47,290,162,536**	**40,602,202,838**

(Currency : ₹)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
C) (I) Loans in India			
(i) Public sector	**–**	–	–
(ii) Others	**43,881,081,889**	48,415,458,973	41,070,963,949
Less : Impairment loss allowance	**1,750,081,082**	1,125,296,437	468,761,111
Total (C) (I) Gross	**42,131,000,807**	**47,290,162,536**	**40,602,202,838**
C) (II) Loans Outside India	**–**	–	–
Less : Impairment loss allowance	**–**	–	–
Total (C) (II) Gross	**–**	**–**	**–**
Total (C) (I) and (C) (II)	**42,131,000,807**	**47,290,162,536**	**40,602,202,838**
Stage wise break up of loans,			
(i) Low credit risk (Stage 1)	**36,703,210,286**	43,057,267,027	38,981,001,319
(ii) Significant increase in credit risk (Stage 2)	**2,457,166,134**	2,516,918,063	1,424,862,924
(iii) Credit impaired (Stage 3)	**2,970,624,387**	1,715,977,446	196,338,594
Total	**42,131,000,807**	**47,290,162,536**	**40,602,202,838**
Loan assets pledged as security for borrowings	**32,650,141,920**	35,896,430,026	32,232,899,568

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 8 : Investments			
Investments in mutual funds (Unquoted) - At FVTPL (In India)	**506,381,148**	–	2,799,563,604
	506,381,148	**–**	**2,799,563,604**
Kotak Saving Fund Direct Plan- Growth	**253,318,984**	–	–
Kotak Saving Fund Direct Plan- Growth 2	**253,062,164**	–	–
Reliance medium term fund - direct weekly dividend	**–**	–	652,544,859
Motilal Oswal Most Ultra Short Term Bond Fund - Direct Plan-Growth option	**–**	–	1,000,000,000
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct	**–**	–	565,001,329
Invesco India Medium Term Bond Fund - Direct Plan Annual	**–**	–	582,017,416
	506,381,148	**–**	**2,799,563,604**
Investments in India	**506,381,148**	–	2,799,563,604
Investments outside India	**–**	–	–

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 9 : Other Financial assets			
EMI / Pre EMI receivables on home loans	**547,022,801**	382,517,750	53,469,799
Insurance claim receivable	**–**	9,551,682	15,014,337
Other receivable from related parties	**424,533**	2,591,349	–
Security deposit	**17,170,051**	59,620,338	50,861,351
Loan to Employees	**7,486,346**	6,970,081	5,333,395
	572,103,731	**461,251,200**	**124,678,882**

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	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 10 : Current tax assets (Net)			
Advance income tax and TDS	**22,083,110**	1,192,567	1,467,884
	22,083,110	**1,192,567**	**1,467,884**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 11 : Deferred tax assets (net) (Refer note 30)	**1,198,720,187**	465,852,238	293,595,896
	1,198,720,187	**465,852,238**	**293,595,896**

Note 12 : Property, Plant and Equipment

	Computers and data processing units	Furniture and fixtures	Electric installations	Office equipment's	Motor car	Leasehold improvements	Total
Reconciliation of carrying amount							
Cost or deemed cost (gross carrying amount)							
Balance at 1 April 2017	48,002,416	29,402,872	10,402,040	19,130,107	–	33,765,179	140,702,614
Additions	19,735,082	9,582,582	9,182,070	11,300,069	1,139,596	20,385,104	71,324,503
Disposals	–	–	–	–	–	–	–
Balance at 31 March 2018	67,737,498	38,985,454	19,584,110	30,430,176	1,139,596	54,150,283	212,027,117
Balance at 1 April 2018	67,737,498	38,985,454	19,584,110	30,430,176	1,139,596	54,150,283	212,027,117
Other additions	14,472,158	1,553,258	245,749	2,760,783	1,197,541	17,504,191	37,733,680
Disposals	–	980,230	–	9,500	–	–	989,730
Balance at 31 March 2019	**82,209,656**	**39,558,482**	**19,829,859**	**33,181,459**	**2,337,137**	**71,654,474**	**248,771,067**
Accumulated depreciation and impairment losses							
Balance at 1 April 2017	22,856,397	5,825,365	1,266,883	3,103,080	–	8,799,396	41,851,121
Depreciation for the year	22,918,350	7,912,771	6,259,286	6,919,008	253,410	15,510,228	59,773,054
Disposals	–	–	–	–	–	–	–
Balance at 31 March 2018	45,774,747	13,738,136	7,526,169	10,022,088	253,410	24,309,624	101,624,175
Balance at 1 April 2018	45,774,747	13,738,136	7,526,169	10,022,088	253,410	24,309,624	101,624,175
Depreciation for the year	10,684,051	2,585,878	4,930,528	2,294,062	181,110	16,429,240	37,104,869
Disposals	–	196,592	–	657	–	–	197,249
Balance at 31 March 2019	**56,458,798**	**16,520,606**	**12,456,697**	**12,316,807**	**434,520**	**40,738,864**	**138,926,293**
Carrying amounts (net)							
At 1 April 2017	25,146,019	23,577,507	9,135,157	16,027,027	–	24,965,783	98,851,493
At 31 March 2018 / 1 April 2018	21,962,751	25,247,318	12,057,941	20,408,088	886,186	29,840,659	110,402,942
At 31 March 2019	**25,750,858**	**23,037,876**	**7,373,162**	**20,864,652**	**1,902,617**	**30,915,610**	**109,844,774**

(Currency : ₹)

Note 13 : Other Intangible assets

	Computer software
Reconciliation of carrying amount	
Cost or deemed cost	
Balance at 1 April 2017	16,459,535.00
Additions – internally developed	13,907,625.00
Balance at 31 March 2018	30,367,160.00
Balance at 1 April 2018	30,367,160.00
Other additions – internally developed	17,287,750.00
Balance at 31 March 2019	**47,654,910.00**
Accumulated amortisation and impairment losses	
Balance at 1 April 2017	3,684,098.96
Amortisation for the year	4,325,892.43
Balance at 31 March 2018	8,009,991.39
Balance at 1 April 2018	8,009,991.39
Amortisation for the year	7,598,500.00
Balance at 31 March 2019	**15,608,491.39**
Carrying amounts (net)	
At 1 April 2017	12,775,436.04
At 31 March 2018 / 1 April 2018	22,357,168.61
At 31 March 2019	**32,046,418.61**

Note 14 : Other non-financial assets

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Prepaid expenses	**4,342,380**	2,441,365	1,330,210
Advance payment of interest	**–**	303,372	421,679
Capital advances	**8,660,568**	5,240,302	32,514,024
Other advances	**4,075,098**	108,038	–
Asset held for sale or disposal	**228,464,113**	229,160,890	–
Indirect tax credit receivable	**13,067,040**	6,412,112	12,540,653
	258,609,201	**243,666,080**	**46,806,566**

Note 15 : Payables

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Trade payables			
total outstanding dues of Micro small & medium enterprises*	**–**	–	–
total outstanding dues of creditors other than Micro small & medium enterprises	**34,604,480**	19,000,798	129,547,242
(ii) Other payables			
total outstanding dues of Micro small & medium enterprises*	**–**	–	5,005,697
total outstanding dues of creditors other than Micro small & medium enterprises	**–**	–	–
	34,604,480	**19,000,798**	**134,552,939**

* Refer note 49

(Currency : ₹)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note : 16 Debt Securities At Amortised cost			
Secured redeemable non-convertible debentures	**12,910,980,501**	10,699,009,438	11,672,799,971
Secured Zero coupon debentures	**–**	1,293,954,067	1,291,568,641
Unsecured redeemable non-convertible debentures	**7,450,120,297**	7,863,259,332	7,848,763,280
Unsecured Zero coupon debentures	**–**	995,349,283	993,514,339
	20,361,100,798	**20,851,572,120**	**21,806,646,231**
Debt Securities in India	**20,361,100,798**	20,851,572,120	21,806,646,231
Debt Securities Outside India	**–**	–	–

Security and other terms of Debt securities

1. **Terms of repayment as below (Repayment schedule mentioned below excludes Unamortised borrowing cost):**

As at 31 March 2019

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A-3/ FY19/FY25	250	250,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	19-Oct-24
SERIES A-4/ FY19/FY25	3000	3,000,000,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	27-Jan-24
SERIES A-1/ FY19/FY25	2500	2,500,000,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.55%	24-Aug-23
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	9.85%	15-May-23
SERIES M-1/ FY19/FY22	825	913,761,713	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	30-Apr-21
SERIES A (2015-16)/3	450	450,000,000	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	10.75%	08-Jun-20
SERIES C (2016-17)/10	51	51,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
SERIES C (2016-17)/9	100	100,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
SERIES C (2016-17)/8	60	60,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20

(Currency : ₹)

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
SERIES C (2016-17)/7	691	691,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
SERIES C (2016-17)/5 & 6	174	174,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
SERIES C (2016-17)/4	80	80,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
SERIES C (2016-17)/3	746	746,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
SERIES C (2016-17)/2	200	200,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
SERIES C (2016-17)/1	800	800,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19
SERIES A (2016-17)/04	1250	1,250,000,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	05-Jun-19
SERIES A (2015-16)/13	700	700,000,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	08-Apr-19
Total	**12874**	**12,962,761,713**				

As at 31 March 2018

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2016-17)/7	997	997,000,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	9.85%	15-May-23
Series A (2015-16)/10	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	9.75%	10-Nov-20
Series A (2015-16)/3	500	500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.75%	08-Jun-20
Series C (2016-17)/10	51	51,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
Series C (2016-17)/9	100	100,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
Series C (2016-17)/8	60	60,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20

(Currency : ₹)

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
Series C (2016-17)/7	691	691,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
Series C (2016-17)/5 & 6	174	174,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
Series C (2016-17)/3	746	746,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
Series C (2016-17)/4	80	80,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
Series C (2016-17)/2	200	200,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
Series C (2016-17)/1	800	800,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19
Series A (2016-17)/4	1,250	1,250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	05-Jun-19
Series A (2015-16)/13	700	700,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	08-Apr-19
Series A (2015-16)/8	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	17-Aug-18
Series A (2015-16)/7	1,000	1,000,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	16-Aug-18
Series A (2016-17)/10	50	50,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	27-Jul-18
Series A (2015-16)/9	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	16-Jul-18
Series A (2015-16)/6	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	06-Jul-18
Series A (2015-16)/5	750	750,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	29-Jun-18
Series A (2015-16)/4	150	150,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.85%	08-Jun-18
Series A (2015-16)/2	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	28-May-18
Total	**12049**	**12,049,000,000**				

(Currency : ₹)

As at 31 March 2017

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2016-17)/7	997	997,000,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	9.85%	15-May-23
Series A (2015-16)/10	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	9.75%	10-Nov-20
Series A (2015-16)/3	500	500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.75%	08-Jun-20
Series C (2016-17)/10	51	51,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
Series C (2016-17)/9	100	100,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
Series C (2016-17)/8	60	60,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20
Series C (2016-17)/7	691	691,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
Series C (2016-17)/ 5 & 6	174	174,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
Series C (2016-17)/3	746	746,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
Series C (2016-17)/4	80	80,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
Series C (2016-17)/2	200	200,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
Series C (2016-17)/1	800	800,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19
Series A (2016-17)/4	1,250	1,250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	05-Jun-19
Series A (2015-16)/13	700	700,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	08-Apr-19
Series A (2015-16)/8	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	17-Aug-18

(Currency : ₹)

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2015-16)/7	1,000	1,000,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	16-Aug-18
Series A (2016-17)/10	50	50,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	27-Jul-18
Series A (2015-16)/9	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	16-Jul-18
Series A (2015-16)/6	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	06-Jul-18
Series A (2015-16)/5	750	750,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	29-Jun-18
Series A (2015-16)/4	150	150,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.85%	08-Jun-18
Series A (2015-16)/2	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	28-May-18
Series A (2015-16)/1	1,000	1,000,000,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	11.00%	06-May-17
Total	**13,049**	**13,049,000,000**				

Unsecured Debt securities As at 31 March 2019

Interest Rate	Amount
10.50%	2,500,000,000
10.60%	2,000,000,000
11.00%	1,000,000,000
11.25%	480,000,000
11.40%	500,000,000
11.50%	500,000,000
11.75%	500,000,000
Total	**7,480,000,000**

Unsecured Debt securities As at 31 March 2018

Interest Rate	Amount
8.65%	2,500,000,000
10.50%	500,000,000
10.82%	150,000,000
10.85%	1,000,000,000
11.00%	3,250,000,000
11.15%	500,000,000
Zero coupon	1,000,000,000
Grand Total	**8,900,000,000**

(Currency : ₹)

Unsecured Debt securities As at 1 April 2017

Interest Rate	Amount
9.99%	2,500,000,000
10.50%	500,000,000
10.82%	150,000,000
10.85%	1,000,000,000
11.00%	3,250,000,000
11.15%	500,000,000
Zero coupon	1,000,000,000
Total	**8,900,000,000**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 17 : Borrowings at Amortised Cost			
Secured			
Term loans from banks	**15,012,394,852**	17,858,703,068	15,789,005,256
Cash credit from banks	**230,835,855**	324,059,797	–
Commercial Papers (Net off unamortized cost)	**–**	–	243,202,060
Book overdraft	**262,311,082**	531,275,219	(102,485,547)
	15,505,541,789	**18,714,038,084**	**15,929,721,769**
Borrowings in India	**15,505,541,789**	18,714,038,084	15,929,721,769
Borrowings outside India	**–**	–	–

Security and other terms of loans are as follows :

a) Rate of interest of cash credit is 3M MCLR + 2% and is secured by way of hypothecation of receivables.

As at 31 March 2019

b) Terms of repayment of terms loans

Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually	3,288,033,697	5,947,171,608	4,069,123,453	1,708,066,093	15,012,394,852
Total	**3,288,033,697**	**5,947,171,608**	**4,069,123,453**	**1,708,066,093**	**15,012,394,852**

As at 31 March 2018

Terms of repayment of terms loans

Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually	3,128,514,730	5,710,917,477	4,734,104,967	4,285,165,894	17,858,703,068
Total	**3,128,514,730**	**5,710,917,477**	**4,734,104,967**	**4,285,165,894**	**17,858,703,068**

(Currency : ₹)

As at 31 March 2017

Terms of repayment of terms loans

Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.50 % to 11% annually	2,243,742,111	5,358,802,774	3,802,987,045	4,383,473,326	15,789,005,256
Total	**2,243,742,111**	**5,358,802,774**	**3,802,987,045**	**4,383,473,326**	**15,789,005,256**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 18 : Other Financial Liabilities			
Interest accrued but not due on borrowings	**1,375,459,151**	2,170,523,283	1,658,087,670
Salary and bonus payable	**31,630,220**	34,015,517	70,387,406
Other Miscellaneous liabilities	**49,922,079**	88,321,954	153,315,756
	1,457,011,450	**2,292,860,754**	**1,881,790,832**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 19 : Current tax Liabilities (Net)			
Provision for taxes	–	142,169	330,533
	–	**142,169**	**330,533**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 20 : Provisions			
(a) Provision for employee benefits			
Gratuity (Refer note 40)	**10,613,678**	14,764,549	12,758,761
Other employee benefit	**747,715**	966,630	647,382
Compensated absences	**10,350,401**	9,504,656	9,935,242
(b) Provision for expenses	**5,849,579**	11,659,834	47,381,180
	27,561,373	**36,895,669**	**70,722,565**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 21 : Other Non-financial Liabilities			
Lease equalisation	**12,942,882**	6,864,938	1,376,581
Statutory Liabilities	**16,005,288**	18,926,400	14,814,105
	28,948,170	**25,791,338**	**16,190,686**

(Currency : ₹)

Particulars	As at 31 Mar 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Note 22 : (I) Equity Share capital						
(a) Authorised Share Capital						
Equity shares of ₹ 1/- each	**10,000,000,000**	**10,000,000,000**	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
(b) Equity shares of ₹ 1/- each issued, subscribed and fully paid up						
Equity share capital of ₹ 1/- each	**6,008,692,515**	**6,008,692,515**	5,206,570,515	5,206,570,515	4,825,019,030	4,825,019,030
	6,008,692,515	**6,008,692,515**	**5,206,570,515**	**5,206,570,515**	**4,825,019,030**	**4,825,019,030**

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

b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. However, there exists no preferential liability as on 31 March 2019.

(c) Reconciliation of share capital :

Equity shares

Outstanding at the beginning of the year	**5,206,570,515**	**5,206,570,515**	4,825,019,030	4,825,019,030	4,825,019,030	4,825,019,030
Issued during the year	**802,122,000**	**802,122,000**	381,551,485	381,551,485	–	–
Outstanding at the end of the year	**6,008,692,515**	**6,008,692,515**	**5,206,570,515**	**5,206,570,515**	**4,825,019,030**	**4,825,019,030**

(d) Details of shares held by holding Company and subsidiaries of holding company / shareholders holding more than 5% shares in the Company

	As at 31 Mar 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Motilal Oswal Financial Services Limited						
Equity share of ₹ 1 each fully paid-up	**4,836,267,897**	**80.49%**	4,776,267,897	91.74%	4,675,018,930	96.90%
Motilal Oswal Finvest Limited						
Equity share of ₹ 1 each fully paid-up	**600,000,000**	**9.99%**	–	–	–	–
Motilal Oswal Investment Advisors Limited						
Equity share of ₹ 1 each fully paid-up	**260,344,836**	**4.33%**	60,344,836	1.16%	10	0.00%
Motilal Oswal Wealth Management Limited						
Equity share of ₹ 1 each fully paid-up	**192,307,702**	**3.20%**	192,307,702	3.69%	10	0.00%
	5,436,267,897	**90.48%**	**4,776,267,897**	**91.74%**	**4,675,018,930**	**96.90%**

Pursuant to receipt of Order dated July 30, 2018 from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") approving the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company" or "Company") and their respective shareholders ("Scheme"), the Board of Directors ("Board") of the Company at its Meeting held on August 21, 2018, inter-alia, has made the Scheme effective from August 21, 2018. The Appointed date is April 1,

(Currency : ₹)

2017. The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Finvest Limited ("MOFL") (formerly known as "Motilal Oswal Capital Markets Limited') as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of ₹ 5,000 lakhs (subject to the post completion adjustments).

Note : Refer note No.4 5 for disclosure relating to employee stock option scheme.

(e) Shares reserved against the granted options to Employees are 21,22,000

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 23 : Other Equity			
(I) Other Reserves			
(a) Share option outstanding account			
Opening Balance	**11,966,000**	6,671,267	6,671,267
Add: Addition during the year	**12,985,632**	8,014,819	
Transfer of Share Premium on account of issue of shares	**(745,521)**	(2,720,086)	–
	24,206,111	**11,966,000**	**6,671,267**
(b) Statutory reserve u/s 29C of NHB Act			
Opening Balance	**377,067,230**	248,524,983	248,524,983
Transfer during the year		128,542,247	
	377,067,230	**377,067,230**	**248,524,983**
(c) Securities Premium account			
Opening Balance	**1,403,412,321**	262,685,335	262,685,335
Securities Premium on shares issued during the year	**1,202,018,721**	1,140,726,986	
Closing Balance	**2,605,431,042**	**1,403,412,321**	**262,685,335**
(II) Retained Earnings			
(a) Surplus / Deficit in profit or loss account			
Opening Balance	**602,432,652**	538,840,974	538,840,974
(Loss) / Profit for the year	**(1,368,825,606)**	192,133,925	
Transfer to Statutory Reserve	**–**	(128,542,248)	
Closing Balance	**(766,392,954)**	**602,432,652**	**538,840,974**
(b) Other comprehensive income			
Opening Balance	**5,277,265**	(3,714,131)	
Other Comprehensive Income (net of Tax)	**11,772,511**	8,991,396	(3,714,131)
	17,049,776	**5,277,265**	**(3,714,131)**

23.1 Nature and purpose of Other Reserve

Share option outstanding account

Share option outstanding account is used to reconise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the company.

Statutory Reserve

Statutory reserve is created u/s 29C of NHB Act.

Securities Premium

The security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Retained earnings

Retained earnings represents accumulated deficit of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains / loss on defined benefit plan.

(Currency : ₹)

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 24 : Revenue From Operations			
(i)	Interest Income on Loan at amortised cost	**6,283,620,719**	6,323,834,064
(ii)	Interest Income on Fixed Deposit at amortised cost	**2,148,972**	8,978,636
(iii)	Net gains on fair value changes on financial instruments at FVTPL	**62,641,190**	148,780,725
(iv)	Fees and commission income	**135,726,090**	223,727,587
TOTAL		**6,484,136,971**	**6,705,321,012**

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 25 : Other Income			
(i)	Dividend Income	**–**	2,199,590
	TOTAL	**–**	**2,199,590**

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 26 : Finance Cost			
(i)	Interest cost	**3,924,300,107**	3,980,363,445
(ii)	Other borrowing cost	**116,345,634**	121,655,689
TOTAL		**4,040,645,741**	**4,102,019,134**

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 27 : Employee Benefits Expenses			
(i)	Salary, Bonus and Allowances	**582,204,268**	448,775,466
(ii)	Share based payments	**8,790,223**	7,505,363
(iii)	Contribution to provident & other funds	**28,210,861**	27,261,495
(iv)	Staff welfare expenses	**3,780,008**	4,012,030
(v)	Gratuity obligation (Refer note 40)	**14,263,570**	15,826,797
TOTAL		**637,248,930**	**503,381,151**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 28 : Impairment on financial instruments		
Impairement on loans (Loans measured at amortised cost)	**624,784,646**	656,535,326
TOTAL	**624,784,646**	**656,535,326**

(Currency : ₹)

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 29 : Other Expenses			
(i)	Repair and Maintenance	**3,547,001**	8,177,879
(ii)	Rates & Taxes	**29,226,170**	29,596,356
(iii)	Rent	**110,900,016**	119,848,580
(iv)	Insurance	**8,920,222**	4,441,087
(v)	Computer Maintenance & Software Charges	**3,183,792**	1,423,960
(vi)	Legal & Professional Charges	**17,112,692**	21,101,228
(vii)	Remuneration to auditors (Refer note 34)	**3,475,520**	3,877,078
(viii)	Data processing charges	**24,208,711**	42,771,691
(ix)	Bad debts written off	**2,898,381,374**	715,253,649
(x)	Marketing & brand promotion expenses	**998,225**	11,179,496
(xi)	Advertisement expenses	**9,234,913**	5,713,650
(xii)	Printing & Stationary	**4,001,150**	12,731,856
(xiii)	Power and fuel	**14,696,660**	18,841,289
(xiv)	Communication and data charges	**24,531,850**	24,562,007
(xv)	Travelling, lodging and boarding expenses	**25,474,059**	26,524,838
(xvi)	Membership & Subscription Fees	**190,700**	205,080
(xvii)	Filing Fees	**324,510**	24,335
(xviii)	Miscellaneous expenses	**32,965,384**	69,357,373
(xix)	CSR Expense (Refer note 35)	**17,578,000**	14,550,000
(xx)	Business Support Service	**22,500,000**	–
(xxi)	Car Running Expenses	**45,400**	3,005,845
(xxii)	Director sitting fees	**623,000**	537,000
TOTAL		**3,252,119,349**	**1,133,724,277**

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 30 : Income Tax Expense			
A.	**Amounts recognised in statement of profit or loss**		
	Current tax		
	Current year (a)	**–**	232,713,797
	Changes in estimates related to prior years (b)	**–**	–
	Deferred tax (c)		
	Origination and reversal of temporary differences	**(739,206,993)**	(177,085,955)
	Tax expense of continuing operations (a)+(b)+(c)	**(739,206,993)**	**55,627,843**
B.	**Amount recognised in other comprehensive income**		
	Remeasurements of defined benefit liability	**(6,339,044)**	(4,829,613)
		(6,339,044)	(4,829,613)

(Currency : ₹)

		For the year ended 31 March 2019	For the year ended 31 March 2018
C.	**Reconciliation of effective tax**		
	Profit / (Loss) before tax	**(2,115,562,314)**	247,761,768
	Tax at the rate of 34.944% (for March 18 - 34.608%)	**(739,262,095)**	85,745,393
	Effect of:		
	Expenses not deductible for tax purpose	**–**	15,814,506
	Reversal of Deffered tax liability on Special Reserve	**–**	(45,518,876)
	Recognition of tax on unamortised borrowings	**(7,529,715)**	–
	Miscellaneous disallowance	**55,101**	(413,181)
	Effective tax	**(746,736,709)**	55,627,842
	Effective Tax Rate	**35.30%**	22.45%

		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
D.	**Recognised deferred tax assets and liabilities**			
	Deferred tax assets and liabilities are attributable to the following:			
	Difference between book depreciation and tax depreciation	**16,612,981**	15,053,246	-340,337
	Provision for Gratuity	**3,708,844**	5,159,324	4,415,552
	Other Employee Benefits			
	Heritage Club	**261,282**	187,949	224,046
	Unamortized borrowing cost	**(28,443,305)**	(45,918,916)	-51,467,173
	Deposit and rent Equalization	**8,123,354**	2,667,264	1,287,920
	Fair Valuation on ESOP		(0)	2,451,903
	Provision for compensated absence	**3,616,844**	3,321,307	3,438,389
	Provision for Standard asset	**359,272,120**	259,506,228	73,286,285
	Reserve created u/s 36(1)(viii)	**(871,340)**	–	–
	Business loss	**593,080,774.58**	–	–
	Effective Interest Rate	**(6,687,753)**	103,921,276	170,950,563
	Expected Credit Loss	**252,276,213**	121,954,560	89,806,080
	Unrealised gain on Mutual Fund	**(2,229,828)**	–	-457,331
		1,198,720,186	**465,852,239**	**293,595,896**

		For the year ended 31 March 2019	For the year ended 31 March 2018
Note 31 : Other comprehensive income			
(i)	Items that will not be reclassified to profit or loss		
	Actuarial gain / (loss) on post retirement benefit plans	**18,111,556**	13,821,009
	Deferred tax impact on the above	**(6,339,044)**	(4,829,613)
	Total other comprehensive income, net of tax	**11,772,512**	**8,991,396**

(Currency : ₹)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 32 : Earnings per share		
Basic earnings per share		
Profit attributable to equity shareholders (₹) [A]	**(1,368,825,606)**	192,133,925
Nominal value per share (in ₹)	**1**	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1)	**5,440,532,608**	4,948,054,217
Basic earnings per share [A] / [B] (₹)	**(0.25)**	0.04
Diluted earnings per share		
(Loss) / Profit attributable to equity shareholders (₹)	**(1,368,825,606)**	192,133,925
Less : Impact on profit due to exercise of diluted potential equity shares	**–**	–
Net profit attributable to equity shareholders for calculation of diluted earnings per share [A]	**(1,368,825,606)**	192,133,925
Weighted average number of equity shares used in computing basic earnings per share	**5,440,532,608**	4,948,054,217
Effect of potential equity shares for stock options outstanding	**25,783,089**	26,586,514
Weighted number of equity shares used in computing diluted earnings per share [B]	**5,466,315,697**	4,974,640,731
Diluted earnings per share (₹) [A] / [B]	**(0.25)**	0.04

Note 33 : Loan book & ECL Movement Notes

1 Loan book movement-During the year ended 31 March 2018

Particulars	Total
Opening	**41,070,963,949**
Origination of new loan	12,499,053,117
Write-offs during the year	(715,253,649)
Repayments received during the year	(4,439,304,444)
Closing	**48,415,458,973**

2 Loan book movement-During the year ended 31 March 2019

Particulars	Total
Opening	**48,415,458,973**
Origination of new loan	2,071,906,078
Write-offs during the year	(2,898,381,374)
Repayments received during the year	(3,707,901,788)
Closing	**43,881,081,889**

Break - up of loans under

Particulars	31 March 2019	31 March 2018
Low credit risk (Stage 1)	37,035,134,061	43,363,621,643
Significant increase in credit risk (Stage 2)	2,886,070,874	2,852,823,486
Credit impaired (Stage 3)	3,959,876,954	2,199,013,844
Closing	**43,881,081,889**	**48,415,458,973**

(Currency : ₹)

For the year ended 31 March 2018

Particulars	Amount
Opening	**468,761,111**
ECL impact due to Write-offs	(39,229,821)
Addition during the year	695,765,147
Closing	**1,125,296,436**

For the year ended 31 March 2019

Particulars	Amount
Opening	**1,125,296,436**
ECL impact due to W/offs	(192,830,678)
Addition during the year	817,615,324
Closing	**1,750,081,082**

Break - up of ECL under

Particulars	31 March 2019	31 March 2018
Low credit risk (Stage 1)	331,923,775	306,354,615
Significant increase in credit risk (Stage 2)	428,904,739	335,905,423
Credit impaired (Stage 3)	989,252,568	483,036,398
Closing	**1,750,081,082**	**1,125,296,436**

Note: The above ECL calculation is inclusive of impairement calculated on overdue principal

	As at 31 March 2019	As at 31 March 2018
Note 34 : Auditor's remuneration		
Payment to Auditor		
As Auditor	**3,390,000**	3,577,200
Reimbursement of expenses	**85,520**	56,560
GST	**625,594**	486,636
Total	**4,101,114**	4,120,396

*Amount includes Service tax / Goods and service tax for which CENVAT credit availed and disallowed

Note 35 : Corporate Social Responsibility

1. During the year, your Company has spent ₹ 1,75,78,000/- (previous year ₹ 1,45,50,000/-) on CSR activities.
2. Average net profit of the Company for last three Financial Years: ₹ 51,19,14,083/-
3. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 1,02,38,282/-
4. Details of CSR spent during the Financial Year:
   (a) Total amount to be spent for the Financial Year: ₹ 1,02,38,282/-.
   (b) Amount unspent, if any: NA
   (c) Manner in which the amount spent during the Financial Year is detailed below:

F.Y 2018-19						
CSR Project or Activity identified	**Sector in which the project is covered (As in Schedule VII)**	**Address**	**Amount Outlay (Budget) or Project or program wise**	**Amount spent on the project or program Subheads:**	**Cumulative Expenditure upto the reporting period**	**Amount spent: directly or through implementing agency**
Donation for Kalinga School at Odissa	Promoting Education	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025	17,500,000	17,578,000	17,578,000	Through implementing agency – Motilal Oswal Foundation

(Currency : ₹)

F.Y 2017-18						
CSR Project or Activity identified	**Sector in which the project is covered (As in Schedule VII)**	**Address**	**Amount Outlay (Budget) or Project or program wise**	**Amount spent on the project or program Subheads:**	**Cumulative Expenditure upto the reporting period**	**Amount spent: directly or through implementing agency**
Donation for Kalinga School at Odissa	Promoting Education	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025	14,512,190	14,550,000	14,550,000	Through implementing agency – Motilal Oswal Foundation

Note 36 : Contingent liabilities and commitments

Contingent liabilities:

		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a)	Claims against the company not acknowledge as debt			
	Income tax matter	**626,160**	–	–
(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**3,260,874**	–	–
(c)	Undrawn committed sanctions to borrowers	**1,499,181,163**	2,817,935,707	5,251,674,816
		1,503,068,197	**2,817,935,707**	**5,251,674,816**

Note 37 : Operating leases

The Company has taken various offices on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2019 aggregated ₹ 11,09,00,016/- (PY ₹ 11,98,48,580/-) which has been included under the head Other Expenses - Rent in the Statement of Profit or loss.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Within one year	**2,171,292**	2,112,171	1,706,760
Later than one year but not later than five years	**5,519,165**	3,372,401	605,880
Later than five years	**1,689,860**	–	–
	9,380,317	5,484,572	2,312,640

Note 38 : Credit Rating

For the year under review, following Credit Ratings have been assigned to various borrowing programs of the Company by "ICRA" and " CRISIL" :

	As at 31 March 2019		As at 31 March 2018	
Nature of borrowing	**Rating / Outlook**		**Rating / Outlook**	
	ICRA	**CRISIL**	**ICRA**	**CRISIL**
Short Term Commercial paper	[ICRA]A1+	CRISIL A1+	[ICRA]A1+	CRISIL A1+
Long Term Non-Convertible Debentures	ICRA]A+ (Stable)	CRISIL A+/Stable	ICRA]AA- (Negative outlook)	CRISIL A+/Stable
Bank Borrowings	ICRA]A+ (Stable)	CRISIL A+/Stable	ICRA]AA- (Negative outlook)	CRISIL A+/Stable

Note: ICRA has also assigned [ICRA]A+ (Stable) rating for the Sub-ordinate Debt Programme (Non-Convertible Debentures) and PP-MLD [ICRA]A+ (Stable) rating for the Market Linked Debenture programme.

(Currency : ₹)

Note 39 : Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities.No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 40 : Disclosure pursuant to Ind AS 19 - Employee Benefits

A) Defined contribution plan :

Motilal Oswal Home Finance Limited, incurs expenditure like common senior management compensation cost, advertisement cost, rent expenditure, etc. which is for the common benefit of itself and certain fellow subsidiary companies. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads include reimbursements paid based on the management's best estimate.

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Employer's contribution to provident fund	**21,655,299**	21,008,072	11,197,346
Employer's contribution to ESIC	**5,911,215**	6,036,536	2,218,149
Employer's contribution to National Pension Scheme	**576,000**	139,895	
Total	**28,142,514**	**27,184,503**	**13,415,495**

B) Defined benefit plan :

The details of the Company's post- retirement benefit plans for its employees including whole time directors are given below which is as certified by the actuary and relied upon by the auditors.

Principal actuarial assumptions at the balance sheet date

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Interest / Discount Rate	**7.12%**	6.85%	6.69%
Rate of increase in compensation	**15.00%**	13.13%	13.00%
Employee attrition rate (Past Service) (PS)	**PS: 0 to 37 : 31.25%**	PS: 0 to 37 : 15.65%	PS: 0 to 37 : 10.73%
Expected average remaining service	**2.18**	5.23	7.53

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Present value of obligation at the beginning of the year	**15,095,907**	12,758,761	3,202,246
Current service cost	**12,908,516**	14,593,619	3,607,538
Past service cost	**–**	710,975	–
Interest cost	**1,023,696**	853,561	239,848
Benefit paid	**(302,885)**	–	–
Curtailment cost	**–**	–	–
Settlement cost	**–**	–	–
Net actuarial gain or loss recognized in the year	**(18,111,556)**	(13,821,009)	5,709,129
Present value of obligation at the end of the year	**10,613,678**	**15,095,907**	**12,758,761**

(Currency : ₹)

Fair value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Present value of obligation at the beginning of the year	–	–	–
Actual return on plan assets	–	–	–
Contributions	–	–	–
Benefit paid	–	–	–
Fair value of plan assets at end of period	–	–	–
Funded status (including unrecognized past service cost)	**(10,613,678)**	(15,095,907)	(12,758,761)
Excess of actual over estimated return of plan assets	–	**–**	**–**

Experience history

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
(Gain) / loss on obligation due to change in assumption	**(7,655,761)**	(4,846,002)	3,696,669
Experience (gain) / loss on obligation	**(10,455,795)**	(8,975,007)	2,012,460
Actuarial gain / (loss) on plan assets	**(18,111,556)**	**(13,821,009)**	**5,709,129**

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Present value of obligation at the beginning of the year	**10,613,678**	15,095,907	12,758,761
Fair value of plan assets at end of period			–
Funded status	**(10,613,678)**	(15,095,907)	(12,758,761)
Unrecognized acturial gain / (loss)			–
Unrecognized past service cost - non vested benefits	–	331,358	–
Net assets / (liability) recognized in balance sheet	**(10,613,678)**	(14,764,549)	(12,758,761)

Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Current service cost	**12,908,516**	14,593,619	3,607,538
Interest cost	**1,023,696**	853,561	239,848
Past service cost (non vested benefits)	**331,358**	662,717	–
Past service cost (vested benefits)	–	48,258	–
Unrecognized past service cost - non vested benefits	–	(331,358)	–
Expected return on plan assets	–	–	–
Net acturial gain / (loss) recognized for the period	–	(13,821,009)	5,709,129
Expense recognized in the statement of profit and loss account	**14,263,570**	**2,005,788**	**9,556,515**

(Currency : ₹)

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Opening net liability	**14,764,549**	12,758,761	3,202,246
Expenses recognized	**14,263,570**	2,005,788	9,556,515
Employer's contributions	**(302,885)**	–	–
Other Comprehensive Income(OCI)	**(18,111,556)**	–	–
Closing net liability	**10,613,678**	14,764,549	12,758,761
Closing provisions at the end of the year	**10,613,678**	**14,764,549**	**12,758,761**

Defined benefit plans

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	**10,613,678**	14,764,549	12,758,761
Plan assets	**(10,613,678)**	(14,764,549)	(12,758,761)
Experience adjustments :			
On plan liabilities	**–**	(13,821,009)	5,709,129
On plan assets	**–**	–	–

Sensitivity analysis

	DR: Discount Rate		ER Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER + 1%	PVO ER - 1%
PVO	10,177,288	11,084,136	10,984,627	10,259,964

Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
Payouts	1,263,714	1,474,886	1,603,684	1,738,737	1,978,499	5,053,463

Asset Liability Comparisons

Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019
PVO at the end of period	922,223	3,202,246	12,758,761	15,095,907	**10,613,678**
Plan Assets	–	–	–	–	**–**
Surplus / (Deficit)	(922,223)	(3,202,246)	(12,758,761)	(15,095,907)	**(10,613,678)**
Experience adjustments on plan assets	**–**	**–**	**–**	**–**	**–**

(Currency : ₹)

Note 41 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in crores)

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	**799,662,881**	**-**	**799,662,881**	848,468,220		848,468,221	1,569,006,631		1,569,006,631
Bank balance other than cash and cash equivalents above		**25,884,255**	**25,884,255**		27,678,177	27,678,177		78,595,440	78,595,440
Receivables			**-**			-			-
Trade receivables	**24,485,264**	**-**	**24,485,264**	75,995,786		75,995,786	90,438,343		90,438,343
Loans	**967,714,531**	**41,163,286,276**	**42,131,000,807**	1,350,982,261	45,939,180,275	47,290,162,536	976,419,232	39,625,783,606	40,602,202,838
Investments	**506,381,148**	**-**	**506,381,148**	-		-	2,799,563,604		2,799,563,604
Other financial assets	**554,933,680**	**17,170,051**	**572,103,731**	401,630,862	59,620,338	461,251,200	73,817,532	50,861,351	124,678,882
Total Financial Assets (A)	**2,853,177,504**	**41,206,340,583**	**44,059,518,087**	**2,677,077,129**	**46,026,478,790**	**48,703,555,920**	**5,509,245,341**	**39,755,240,397**	**45,264,485,738**
Non-financial assets									
Current tax assets (Net)		**22,083,110**	**22,083,110**		1,192,567	1,192,567		1,467,884	1,467,884
Deferred tax assets (Net)	**-**	**1,198,720,187**	**1,198,720,187**		465,852,238	465,852,238		293,595,896	293,595,896
Deferred tax assets (Net)			**-**			-			-
Property, plant and equipment		**109,844,774**	**109,844,774**		110,402,942	110,402,942		98,851,493	98,851,493
Other intangible assets		**32,046,419**	**32,046,419**		22,357,169	22,357,169		12,775,436	12,775,436
Other non-financial assets	**258,609,201**	**-**	**258,609,201**	243,666,080	-	243,666,080	46,806,566	-	46,806,566
Total Non-Financial Assets (B)	**258,609,201**	**1,362,694,490**	**1,621,303,690**	**243,666,080**	**599,804,916**	**843,470,995**	**46,806,566**	**406,690,709**	**453,497,276**
Total assets (C) = (A) + (B)	**3,111,786,704**	**42,569,035,073**	**45,680,821,777**	**2,920,743,208**	**46,626,283,706**	**49,547,026,915**	**5,556,051,907**	**40,161,931,106**	**45,717,983,013**

(Currency : ₹)

(₹ in crores)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Payables			-			-			-
(I) Trade payables			-			-			-
(i) total outstanding dues of micro enterprises and small enterprises			-			-			-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**34,604,480**		**34,604,480**	19,000,798		19,000,798	129,547,242		129,547,242
(II) Other payables			-			-			-
(i) total outstanding dues of micro enterprises and small enterprises			-			-	5,005,697		5,005,697
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			-			-			-
Debt securities	**6,306,706,113**	**14,054,394,686**	**20,361,100,798**	5,325,118,662	15,526,453,458	20,851,572,120	4,868,220,262	16,938,425,969	21,806,646,231
Borrowings (Other than debt securities)	**3,781,180,634**	**11,724,361,155**	**15,505,541,789**	3,983,849,746	14,730,188,338	18,714,038,084	2,384,458,624	13,545,263,145	15,929,721,769
Other financial liabilities	**1,457,011,450**		**1,457,011,450**	2,292,860,754		2,292,860,754	1,881,790,832		1,881,790,832
Total Financial Liabilities (A)	**11,579,502,677**	**25,778,755,840**	**37,358,258,518**	**11,620,829,959**	**30,256,641,797**	**41,877,471,756**	**9,269,022,657**	**30,483,689,114**	**39,752,711,771**
Non-financial Liabilities						**-**			**-**
Income tax liabilities (Net)			-	142,169		142,169	330,533		330,533
Provisions	**27,561,373**		**27,561,373**	36,895,669		36,895,669	70,722,565		70,722,565
Other non-financial liabilities		**28,948,170**	**28,948,170**		25,791,338	25,791,338		16,190,686	16,190,686
Total Non-Financial Liabilities (B)	**27,561,373**	**28,948,170**	**56,509,543**	**37,037,838**	**25,791,338**	**62,829,176**	**71,053,098**	**16,190,686**	**87,243,783**
Total liabilities (C) = (A)+(B)	**11,607,064,050**	**25,807,704,010**	**37,414,768,061**	**11,657,867,797**	**30,282,433,135**	**41,940,300,932**	**9,340,075,755**	**30,499,879,800**	**39,839,955,554**

(Currency : ₹)

Note 42 : Segmental Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. Further the Company does not have any separate geographical segment in India. As such there are no separate reportable segment as per Ind AS 108 "Operating Segments".

Note 43 : Related parties

(A) Names of related parties by whom control is exercised

Passionate Investment Management Private Limited	-	Ultimate holding Company
Motilal Oswal Financial Services Limited	-	Holding Company
Motilal Oswal Investment Advisors Limited	-	Fellow Subsidiary Company
Motilal Oswal Wealth Management Private Limited	-	Fellow Subsidiary Company
Motilal Oswal Finvest Limited	-	Fellow Subsidiary Company

(B) Key managerial personnel

Motilal Oswal	-	Non Executive Director and Chairman
Raamdeo Agrawal	-	Non Executive Director
Navin Agarwal	-	Non Executive Director
Sanjay Athalye	-	Managing Director and CEO
Sanjaya Kulkarni	-	Independent Director
Smita Gune	-	Independent Director
Rekha Shah	-	Independent Director

Transactions with related parties are as enumerated below:

Particulars	As at 31 March 2019	As at 31 March 2018
Reimbursement of expenses by the Company		
Motilal Oswal Financial Services Limited		
- Sundry expenses	3,134,097	14,032,614
- Rent	47,080,158	69,470,100
- Electricity expense	4,479,210	–
Share based payment cost incured by the Company		
Motilal Oswal Financial Services Limited	676,911	1,235,031
Share based payment cost incured by parent Company		
Motilal Oswal Financial Services Limited	4,856,320	4,050,924
Loan Received		
Motilal Oswal Financial Services Limited	2,150,000,000	27,500,000
Motilal Oswal Finvest Limited	1,000,000,000	
Loan repaid		
Motilal Oswal Financial Services Limited	2,150,000,000	27,500,000
Motilal Oswal Finvest Limited	1,000,000,000	
Loan repayment received		
Anil Sachidanand	9,676,087	716,121
Interest paid		
Motilal Oswal Financial Services Limited	5,684,383	–
Motilal Oswal Finvest Limited	4,372,603	–
Arranger fees paid		
Motilal Oswal Wealth Management Limited	4,186,837	–

(Currency : ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
Business Support Charges paid		–
Motilal Oswal Financial Services Limited	**22,500,000**	
Commission Exps Bank Guarantee		
Motilal Oswal Financial Services Limited	**4,593,171**	
Corporate Guarantee received		
Motilal Oswal Financial Services Limited	**7,420,000,000**	
Remuneration paid including accrual for compensated absences *		
Anil Sachidanand - resigned on 17.08.2018	**8,768,215**	32,902,270
Mr. Sanjay Athalye	**8,915,534**	–
Mr. Sanjaya Kulkarni	**113,000**	160,000
Mrs. Smita Gune	**245,000**	227,000
Mr. Hemant Kaul - resigned on 15.02.2019	**157,000**	110,000
Mr. Gautam Bhagat	**108,000**	40,000
Interest received		
Anil Sachidanand - resigned on 17.08.2018		438,119
Customer referral fees received		
Motilal Oswal Securities Limited	**–**	–

* The above figures do not include provision for gratuity to the managing director. Gratuity is actuarially determined for the Company as a whole and separate figure for the managing director is not available.

Facility outstanding as on 31.03.2019.

Particulars	As at 31 March 2019	As at 31 March 2018
Subscription of equity shares including premium		
Motilal Oswal Financial Services Limited	**–**	650,000,009
Motilal Oswal Investment Advisors Limited	**500,000,000**	349,999,991
Motilal Oswal Wealth Management Limited	**–**	500,000,000
Motilal Oswal Finvest Limited	**1,500,000,000**	–
Mr. Anil Sachidanand	**–**	–
Mr. Navin Agarwal	**–**	–
Security Deposit		
Motilal Oswal Financial Services Limited	**–**	–
Balance payable		
Motilal Oswal Financial Services Limited	**4,444,413**	33,115,206
Motilal Oswal Wealth Management Limited	**155,776**	–
Balance Receivable		
Motilal Oswal Financial Services Limited	**424,534**	2,591,348
Anil Sachidanand	**–**	10,554,719
Key Management personnel compensation		
Short term employee benefit	**18,306,749**	33,439,270
Share based payments	**388,536**	–

As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(Currency : ₹)

Note 44 : Unhedged Foreign currency Exposure

In terms of RBI Circular No. DBOD.No. BP.BC.85/21.06.200/2013-14 dt. 15.01.2014, there is no unhedged foreign currency exposure applicable on the company.

Note 45 : Disclosure relating to Employee stock option scheme

The Company has two stock option schemes:

Motilal Oswal Home Finance Limited -Employees' Stock Option Scheme 2014 - (ESOS - 2014) - Grant I

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 27,150,000 options representing 27,150,000 Equity shares of ₹ 1 each, and same was granted by the nomination and remuneration committee at its meeting held on 13 April 2015.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2014 (ESOS - 2014) - Grant II

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 2,050,000 options representing 2,050,000 Equity shares of ₹ 1 each and same was granted by the nomination and remuneration committee at its meeting held on 23 September 2015.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant I

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 36,200,000 options representing 36,200,000 Equity shares of ₹ 1 each and same was granted by the nomination and remuneration committee at its meeting held on 27 December 2016.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant II

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 10,00,000 options representing 10,00,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 17 February 2017.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant III

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 1,550,000 options representing 1,550,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 25 April 2017.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant IV

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 2,41,00,000 options representing 2,41,00,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 15 January 2019.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant I

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 7,385,000 options representing 7,385,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant II

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 1,050,000 options representing 1,050,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 22 January 2018.

Motilal Oswal Home Finance Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant H-I (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 27,268,000 options representing 27,268,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

(Currency : ₹)

The activity in the (ESOS 2014), (ESOS 2016) (ESOS 2017) during the year ended 31 March 2019 and 31 March 2018 is set below:

Equity Shares	**As at 31 March 2019 In Numbers**	**Weighted Average Exercise price**	As at 31 March 2018 In Numbers	Weighted Average Exercise price	As at 31 March 2017 In Numbers	Weighted Average Exercise price
The MOHFL (ESOS 2014) - Grant I : (Face value of ₹ 1 each) *						
Option outstanding at the beginning of the year.	**11,250,000**	**1.00**	27,150,000	1.00	27,150,000	1.00
Add: Granted	**–**	**–**	–	–	–	–
Less: Exercised	**–**	**1.00**	15,900,000	1.00	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**11,250,000**	**1.00**	11,250,000	1.00	27,150,000	1.00
Exercisable at the end of the year	**390,000**	**1.00**	390,000	1.00	8,145,000	–
The MOHFL (ESOS 2014) - Grant II : (Face value of ₹ 1 each) *						
Option outstanding at the beginning of the year.	**1,120,000**	**1.00**	2,050,000	1.00	2,050,000	1.00
Add: Granted	**–**	**–**	–	–	–	–
Less: Exercised	**–**	**–**	930,000	–	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**1,120,000**	**1.00**	1,120,000	1.00	2,050,000	1.00
Exercisable at the end of the year	**300,000**	**1.00**	300,000	–	615,000	–
The MOHFL (ESOS 2016) - Grant I : (Face value of ₹ 1 each) *		**–**				
Option outstanding at the beginning of the year.	**36,200,000**	**1.60**	36,200,000	1.60	–	–
Add: Granted		**–**	–	–	36,200,000	1.60
Less: Exercised		**–**	–	–	–	–
Less: Lapsed		**–**	–	–	–	–
Option outstanding, end of the year	**36,200,000**	**1.60**	36,200,000	1.60	36,200,000	1.60
Exercisable at the end of the year	**3,620,000**	**1.60**	–	–	–	–
The MOHFL (ESOS 2016) - Grant II : (Face value of ₹ 1 each) *		**–**				
Option outstanding at the beginning of the year.	**1,000,000**	**1.60**	1,000,000	1.60	–	–
Add: Granted		**–**	–	–	1,000,000	1.60

(Currency : ₹)

Equity Shares	**As at 31 March 2019 In Numbers**	**Weighted Average Exercise price**	As at 31 March 2018 In Numbers	Weighted Average Exercise price	As at 31 March 2017 In Numbers	Weighted Average Exercise price
Less: Exercised	**–**	**–**	–	–	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**1,000,000**	**1.60**	1,000,000	1.60	1,000,000	1.60
Exercisable at the end of the year	**100,000**	**1.60**	–	–	–	–
The MOHFL (ESOS 2016) - Grant III : (Face value of ₹ 1 each) *	**–**	**–**				
Option outstanding at the beginning of the year.	**1,550,000**	**1.60**	–	–	–	–
Add: Granted	**–**	**–**	1,550,000	1.60	–	–
Less: Exercised	**–**	**–**	–	–	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**1,550,000**	**1.60**	1,550,000	1.60	–	–
Exercisable at the end of the year	**–**	**–**	–	–	–	–
The MOHFL (ESOS 2016) - Grant IV : (Face value of ₹ 1 each) *						
Option outstanding at the beginning of the year.	**–**	**–**	–	–	–	–
Add: Granted	**24,100,000**	**3.00**	–	–	–	–
Less: Exercised	**–**	**–**	–	–	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**24,100,000**	**3.00**	–	–	–	–
Exercisable at the end of the year	**–**	**–**	–	–	–	–
The MOHFL (ESOS 2017) - Grant I : (Face value of ₹ 1 each) *						
Option outstanding at the beginning of the year.	**7,385,000**	**–**	–	–	–	–
Add: Granted	**–**	**1.60**	7,385,000	1.60	–	–
Less: Exercised	**–**	**–**	–	–	–	–
Less: Lapsed	**–**	**–**	–	–	–	–
Option outstanding, end of the year	**7,385,000**	**1.60**	7,385,000	1.60	–	–
Exercisable at the end of the year	**–**	**–**	–	–	–	–

(Currency : ₹)

Equity Shares	**As at 31 March 2019 In Numbers**	**Weighted Average Exercise price**	As at 31 March 2018 In Numbers	Weighted Average Exercise price	As at 31 March 2017 In Numbers	Weighted Average Exercise price
The MOHFL (ESOS 2017) - Grant II : (Face value of ₹ 1 each) *		–				
Option outstanding at the beginning of the year.	**1,050,000**	–	–	–	–	–
Add: Granted	–	**5.80**	1,050,000	5.80	–	–
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding, end of the year	**1,050,000**	**5.80**	1,050,000	5.80	–	–
Exercisable at the end of the year	–	–	–	–	–	–
The MOHFL (ESOS 2017) - Grant H-I : (Face value of ₹ 1 each) *		–				
Option outstanding at the beginning of the year.	**29,390,000**	–	–	–	–	–
Add: Granted	–		29,390,000	1.60	–	–
Less: Exercised	**2,122,000**	**1.60**	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding, end of the year	**27,268,000**	**1.60**	29,390,000	1.60	–	–
Exercisable at the end of the year	**817,000**	**1.60**	–	–	–	–

Employees' Stock Options Scheme (ESOS) :

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements .

Particulars	**ESOS 2014 - Grant I**	**ESOS 2014 - Grant II**	**ESOS 2016 - Grant I**	**ESOS 2016 - Grant II**	**ESOS 2016 - Grant III**	**ESOS 2016 - Grant IV**	**ESOS 2017 - Grant I**	**ESOS 2017 - Grant II**	**ESOS 2017 - Grant H-I**
Date of grant	13 April 2015	23 September 2015	27 December 2016	17 February 2017	25 April 2017	15 January 2019	23 June 2017	22 January 2018	23 June 2017
Date of board approval	11 September 2014	11 September 2014	29 April 2016	29 April 2016	29 April 2016	29 April 2016	25 April 2017	25 April 2017	25 April 2017
Date of shareholders' approval	16 October 2014	16 October 2014	07 July 2016	07 July 2016	07 July 2016	07 July 2016	25 May 2017	25 May 2017	25 May 2017
Number of options granted	27150000 *	2050000 *	36200000 *	1000000 *	1550000 *	24,100,000	7385000 *	1050000 *	29390000 *

(Currency : ₹)

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2016 - Grant IV	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	30 April 2019 **	30 September 2017, 30 September 2019**	01 January 2019**, 01 January 2020**, 01 January 2021**, 01 January 2022**	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 April 2020, 01 April 2021, 01 April 2022, 01 April 2023.	01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022	01 January 2020, 01 January 2021, 01 January 2022, 01 January 2023	01 July 2018, 01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022
Vesting pattern	30:30:40	30:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:17:25:32:15
Weighted average remaining contractual life									
Granted but not vested	1.08 year (PY 1.08 years)	1.50 years (PY 1.50 years)	2.48 years (PY 2.76 Years)	2.64 years (PY 2.92 years)	2.59 years (PY 3.09)	3.51 years (PY NA)	2.71 years (PY 3.26)	3.26 years (PY 3.76)	2.17 years (PY 2.51)
Vested but not exercised	NIL (PY NIL)	NIL (PY 0.50 Year)	0.26 Years (PY NA)	0.42 Years (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NIL (PY NA)
Weighted average share price at the date of exercise for stock options exercised during the year *	CY NA (PY ₹ 1.00)	CY NA (PY NA)	CY NA (PY NA)	CY NA (PY NA)	CY NA (PY NA)	CY NA (PY NA)	CY NA (PY NA)	CY NA (PY NA)	CY ₹ 3.00 (PY NA)
Exercise period	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.

(Currency : ₹)

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2016 - Grant IV	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its 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.	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.	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.	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.	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	₹ 0.39	₹ 0.36	₹ 0.68	₹ 0.71	₹ 0.75	₹ 0.75	₹ 0.79	₹ 0.44	₹ 0.70

** The vesting period of the Grant I & II of MOHFL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

Exercise pricing formula

The exercise pricing formula for MOHFL ESOS 2014, MOHFL ESOS 2016 and MOHFL ESOS 2017 are as under:

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

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

Fair Value Methodology:

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2014- Grant I, ESOS 2014-Grant II, ESOS 2016 -Grant I, ESOS 2016-Grant II, ESOS 2016- Grant III, ESOS 2017- Grant I, ESOS 2017- Grant II and ESOS 2017- Grant H-I as on the date of grant viz. April 13, 2015, September 23, 2015, December 27, 2016 February 17,2017, April 25,2017, June 23, 2017, January 22, 2018, January 15, 2019 are as follow :

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2016 - Grant IV	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Risk-free interest rate	8.40%	7.72%	6.97%	6.97%	6.79%	7.37%	6.79%	6.79%	6.79%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%					
Expected volatility of share price*	40%	40%	40%	40%	40%	40%	40%	40%	40%
The weighted average price of equity share as on grant date	₹ 1	₹ 1	₹ 1.60	₹ 1.60	₹ 1.60	₹ 3.00	₹ 1.60	₹ 5.80	₹ 1.60

*Expected voltality has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

Note 46 : Fair value measurement

a) Financial instruments by category

(Currency : ₹)

	As at 31 Mar 2019			As at 31 Mar 2018			As at 1 April 2017		
	FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Cash and cash equivalents	–	–	**799,662,881**	–	–	848,468,220	–	–	1,569,006,631
Bank balance other than cash and cash equivalents above	–	–	**25,884,255**	–	–	27,678,177	–	–	78,595,440
Derivative financial instruments	–	–		–	–	–	–	–	–
Receivables									–
(I) Trade receivables	–	–	**24,485,264**	–	–	75,995,786	–	–	90,438,343
(II) Other receivables	–	–		–	–	–	–	–	
Loans		–	**42,131,000,807**	–	–	47,290,162,536	–	–	40,602,202,838

(Currency : ₹)

	As at 31 Mar 2019			As at 31 Mar 2018			As at 1 April 2017		
	FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Investments	**506,381,148**	**–**		–	–	–	2,799,563,604	–	
Other financial assets	**–**	**–**	**572,103,731**	–	–	461,251,200	–	–	124,678,882
Total financial assets	**506,381,148**	**–**	**43,553,136,939**	**–**	**–**	**48,703,555,919**	**2,799,563,604**	**–**	**42,464,922,134**
Financial liabilities									
Derivative financial instruments	**–**	**–**	**–**	–	–	–	–	–	–
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**–**	**–**	**34,604,477**	–	–	19,000,798	–	–	129,547,242
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–	–	–	–
Debt securities	**–**	**–**	**20,361,100,798**	–	–	20,851,572,120	–	–	21,806,646,231
Borrowings (Other than debt securities)	**–**	**–**	**15,505,541,789**	–	–	18,714,038,084	–	–	15,929,721,769
Deposits	**–**	**–**	**–**	–	–	–	–	–	–
Subordinated liabilities	**–**	**–**	**–**	–	–	–	–	–	–
Other financial liabilities	**–**	**–**	**1,457,011,450**	–	–	2,292,860,754	–	–	1,881,790,832
Total financial liabilities	**–**	**–**	**37,358,258,514**	**–**	**–**	**41,877,471,756**	**–**	**–**	**39,747,706,074**

(Currency : ₹)

As at 31 March 2019				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	506,381,148	-	-	506,381,148
Total financial assets	**506,381,148**	**-**	**-**	**506,381,148**
As at 31 March 2018				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	–	–	–	–
Total financial assets	**–**	**–**	**–**	**–**
As at 1 April 2017				
Assets and liabilities measured at fair value – recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
– Mutual funds	2,799,563,604	–	–	2,799,563,604
Total financial assets	**2,799,563,604**	**–**	**–**	**2,799,563,604**

Fair value of financial assets and liabilities measured at amortised cost

The fair values for security deposits is calculated based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counter party credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 47 : Financial Risk Management

The company is exposed primarily to market risk, liquidity risk and credit risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of Bank Borrowings & Non Convertible debentures. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents & other receivables from customers that derive directly from its operations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, loans, bank balance, trade and other receivables, Investments and other financial assets	• measured as the amount that could be lost if a customer or counterparty fails to make repayments; • monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and • managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.

(Currency : ₹)

Risk	Exposure arising from	Measurement
Liquidity risk	Debt securities, Borrowings (other than debts), trade and other payable and other financial liabilities.	• measured using a range of metrics, including liquidity coverage ratio and net stable funding ratio; • monitored against the Company's liquidity and funding risk framework.
Market risk	Long term borrowings at variable rate and loans	• measured using sensitivities, value at risk and stress testing, giving a detailed picture of potential gains and losses for a range of market movements and scenarios, as well as tail risks over specified time horizons; • managed using risk limits approved by the RMM and the risk management meeting in various global businesses.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee(IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR) based on Market Scenarios such as borrowing costs of the company, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Company also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Company to assess the potential financial impact of losses arising from plausible adverse scenarios on the Company's loan portfolio.

Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):

(Currency : ₹)

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

a. In short-term forbearance

b. Direct debit cancellation

c. Extension to the terms granted

d. Previous arrears within the last [12] months

Default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

a. The borrower is in long-term forbearance

b. The borrower is deceased

c. The borrower is insolvent

d. Concessions have been made by the lender relating to the borrower's financial difficulty

e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

(Currency : ₹)

To calculate the *EAD* for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For stage 2, Stage 3 Financial Assets, the exposure at default is considered for events over the lifetime of the instruments.

- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile. Estimate of an exposure at a future default date – expected changes in exposure after the reporting date, including repayment of principal and interest, and expected drawdowns on committed facilities. This is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment / refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by collateral type.

Forward-looking economic variable / assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" between 12-month and Lifetime ECL;

b. Additional allowances for financial instruments de-recognised in the period;

c. Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

d. Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period. The write-off of loans with a total gross carrying amount of INR xx resulted in the reduction of the Stage 3 loss allowance by the same amount.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include

(i) ceasing enforcement activity and

(ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

(Currency : ₹)

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more. Currently there hasnt been any case.

Note 48 : Liquidity Risk and Funding Management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

a) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities.

As at March 31, 2019

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5-10 years	above 10 Years	Total
Financial assets						
Cash and cash equivalents	**799,662,881**	**–**	**–**	**–**	**–**	**799,662,881**
Bank balance other than cash and cash equivalents above	25,884,255	–	–	–	–	25,884,255
Receivables						–
(I) Trade receivables	14,691,158	9,794,105	–	–	–	24,485,264
Loans	842,569,126	1,799,857,832	7,298,947,410	8,146,624,151	24,043,002,288	42,131,000,807
Investments	506,381,148	–	–	–	–	506,381,148
Other financial assets	343,262,239	228,841,492	–	–	–	572,103,731
Total financial assets	**2,786,000,911**	**2,207,526,832**	**8,497,667,597**	**8,146,624,151**	**24,043,002,288**	**44,059,518,086**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	20,762,687	13,841,790	–	–	–	34,604,477
Debt securities	2,420,288,558	3,886,405,742	13,307,403,856	747,002,641	–	20,361,100,798
Borrowings (Other than debt securities)	938,336,365	2,889,643,722	9,976,285,462	1,659,742,829	41,533,411	15,505,541,789
Other financial liabilities	874,206,870	582,804,580	–	–	–	1,457,011,450
Total financial liabilities	**4,287,500,207**	**7,395,299,654**	**23,283,689,318**	**2,406,745,470**	**41,533,411**	**37,358,258,514**

(Currency : ₹)

As at 31 March 2018

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	above 10 Years	Total
Financial assets						
Cash and cash equivalents	**848,468,220**	**–**	**–**	**–**	**–**	**848,468,220**
Bank balance other than cash and cash equivalents above	–	–	27,678,177	–	–	27,678,177
Receivables						
(I) Trade receivables	45,597,471	30,398,314	–	–	–	75,995,786
Loans	436,439,300	1,179,786,450	7,968,323,586	12,624,065,104	25,081,548,096	47,290,162,536
Investments	–	–	–	–	–	–
Other financial assets	276,750,720	184,500,480	–	–	–	461,251,200
Total financial assets	**1,607,255,712**	**1,394,685,245**	**7,996,001,763**	**12,624,065,104**	**25,081,548,096**	**48,703,555,919**
Financial liabilities						
Payables						–
(I) Trade payables						–
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	11,400,481	7,600,318	–	–		19,000,799
Debt securities	1,144,651,675	4,180,466,987	11,548,042,376	3,978,411,082	–	20,851,572,121
Borrowings (Other than debt securities)	1,161,071,924	2,392,337,186	10,750,284,766	3,778,089,547	632,254,661	18,714,038,084
Deposits						–
Subordinated liabilities						–
Other financial liabilities	1,375,716,452	917,144,302	–	–	–	2,292,860,754
Total financial liabilities	**3,692,840,532**	**7,497,548,792**	**22,298,327,142**	**7,756,500,630**	**632,254,661**	**41,877,471,758**

As at April 1, 2017

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5-10 years	above 10 Years	Total
Financial assets						
Cash and cash equivalents	**1,569,006,631**	**–**	**–**	**–**	**–**	**1,569,006,631**
Bank balance other than cash and cash equivalents above	78,595,440	–	–	–	–	78,595,440
Derivative financial instruments						–
Receivables						–
(I) Trade receivables	54,263,006	36,175,337	–	–	–	90,438,343
(II) Other receivables						–
Loans	356,951,688	963,040,665	6,331,015,994	9,378,526,589	23,572,667,902	40,602,202,838
Investments	2,799,563,604	–	–	–	–	2,799,563,604
Other financial assets	74,807,329	49,871,553	–	–	–	124,678,882
Total financial assets	**5,029,128,526**	**1,113,048,106**	**6,624,611,890**	**9,378,526,589**	**23,572,667,902**	**45,264,485,738**

(Currency : ₹)

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5-10 years	above 10 Years	Total
Financial liabilities						
Derivative financial instruments						
Payables						
(I) Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	80,731,763	53,821,176	–	–	–	134,552,939
Debt securities	993,514,339	–	16,842,055,078	3,971,076,814	–	21,806,646,231
Borrowings (Other than debt securities)	461,925,466	2,009,162,153	9,103,180,760	3,786,914,453	568,538,937	15,929,721,769
Other financial liabilities	1,129,074,499	752,716,333	–	–	–	1,881,790,832
Total financial liabilities	**2,717,592,340**	**2,850,597,176**	**25,945,235,838**	**7,757,991,266**	**568,538,937**	**39,752,711,771**

Market Risk

Company's exposure to market risk i.e. risk that fair value for future cash flow of financial instruments will be effected due to change in market variable such as interest rate.

(i) Foreign currency risk

The Company is not exposed to such risk as it does not have any foreign currency exposure.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings and loans with variable rates, which expose the company to cash flow interest rate risk. The company is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Company tries to mitigate this risk by taking all positive measures which can boost profitability and stregthens company's balance sheet. Company takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders. Moreover, strong parental support also provides cushion to company in adverse interest rate scenario.

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

Out of the total Assets & Liabilities, exposure to the interest rate risk of the Company in mainly towards borrowings and loan assets.

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase / decrease in the fair value of the cash flow hedges related to borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	As at 31 March 2019	As at 31 March 2018
Loans		
Interest rates – increase by 100 basis points	**304,849,390**	308,603,102
Interest rates – decrease by 100 basis points	**304,849,390**	308,603,102

(Currency : ₹)

Particulars	Impact on profit after tax	
	As at 31 March 2019	As at 31 March 2018
Borrowings		
Interest rates – increase by 100 basis points	**97,820,765**	116,367,309
Interest rates – decrease by 100 basis points	**97,820,765**	116,367,309

(iii) Exposure of price risk

The Company is not exposed to price risk as it does not have any significant exposure to financial instruments suscptable to changes in market price.

Note 49 : Details of dues to Micro, Small and Medium Enterprises

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

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1. The principal amount remaining unpaid at the end of the year.		–	5,005,697
2. The interest amount remaining unpaid at the end of the year.	**–**	–	
3. The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**–**	–	
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.			
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	**–**	–	
6. The amount of interest accrued and remaining unpaid at the end of accounting year.	**–**	–	
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**–**	–	
The balance of MSMED parties as at the end of the year	**–**	**–**	**5,005,697**

Note 50 :

Effect of Ind AS adoption on the Statement of Balance Sheet for the year ended 31 March 2018 and 1 April 2017

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(Currency : ₹)

i) Reconciliation of total equity between previous GAAP and Ind AS:

	Note	As at 31 March 2018	As at 1 April 2017
Total equity as per previous GAAP		**7,992,249,377**	**6,327,653,312**
Adjustments:			
Fair valuation of investment in mutual funds	i	–	1,308,753
Fair valuation of derivative financial instrument	i	–	–
Impact of Effective Interest Rate (EIR)	ii	**(303,165,568)**	(491,116,138)
Amortisation of front end fees (net) on loan assets	iii		
Impact of Expected Credit Loss (ECL)	ii	**(349,000,000)**	(257,000,000)
Fair Valuation of security deposits	i	**5,771,805**	1,903,218
Reversal of lease equalisation liability	viii	**(768,029)**	(2,309,087)
Rent Equilisation Reserve	viii	**(13,729,876)**	(2,753,162)
Amortisation of transaction fees on borrowings	iii	**(72,282,621)**	(30,042,753)
ESOP reserve on recognition of expense at fair value	v	–	
ESOP expense recognised at fair value through retained earnings	v	–	
Reversal of DTL on special reserve	iv	**107,429,380**	61,910,504
Deffered tax Impact of Ind AS Adjustments	iv	**240,221,512**	268,472,811
Total adjustments		**(385,523,396)**	**(449,625,854)**
Total equity as per Ind AS		**7,606,725,981**	**5,878,027,458**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

	Note	Year ended 31 March 2018
Net profit after tax as per previous GAAP		**314,855,331**
Adjustments:		
Fair valuation of investment in mutual funds / venture capital fund	i	(1,308,753)
Impact of Effective Interest Rate (EIR)	ii	191,819,158
Impact of Expected Credit Loss (ECL)	iii	(92,000,000)
Amortisation of front end fees on loan assets	iii	–
Adjustment for unamortized upfront cost on borrowing	iii	(325,729,758)
Fair valuation of derivative financial instruments	i	–
ESOP expense recognised at fair value	v	7,016,663
Reversal of lease equalisation liability	viii	(3,947,299)
Remeasurements of post employment benefit obligations	vi	(13,821,009)
Tax impact on above items	iv	115,249,593
Profit after tax as per Ind AS		**(122,721,405)**
Other Comprehensive Income:		
Remeasurements of post employment benefit obligations		13,821,009
Tax impact on above items		(4,829,613)
Total comprehensive income as per Ind AS		**201,125,321**

(Currency : ₹)

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(6,305,964,133)	1,202,755,140	(5,103,208,993)
Net cash flow from investing activities	2,865,311,790	(2,199,593)	2,863,112,197
Net cash flow from financing activities	2,670,113,933	(1,150,555,538)	1,519,558,395
Net increase / (decrease) in cash and cash equivalents	**(770,538,410)**	**50,000,010**	**(720,538,401)**
Cash and cash equivalents as at April 01, 2017	**1,619,006,632**		**1,569,006,631**
Cash and cash equivalents as at March 31, 2018	**848,468,222**		**848,468,230**

b) Notes to first-time adoption:

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2019. This reduced the retained earnings by ₹13,08,753 as at March 31, 2018. Profit for the year ended March 31, 2018 decreased by ₹ 13,08,753.

ii) Provision for impairment as per the expected credit loss method

Under the previous GAAP, the Company had recognised provisions against trade receivables, investments and loans and advances as per the RBI / NHB norms. However, in order to comply with Ind AS 109, the Company has reversed the provisions created under the previous GAAP and recognised provisions by applying the effective credit loss method. This adjustment has resulted in a decrease in total equity amounting to ₹ 34,90,000,00 as at March 31, 2018. Profit for the year ended March 31, 2018 decreased by ₹ 9,20,00,000.

iii) Amortisation of transaction costs

Under the previous GAAP, transaction costs incurred on the purchase / origination of financial assets or financial liabilities was recognised upfront in the statement of profit and loss. Under Ind AS, such costs are added to / deducted from the financial asset / liability and are amortised over the tenure of the instrument by applying the effective interest rate method. Consequent to the this adjustment, the total equity decreased ₹ 7,22,82,621 as at March 31, 2018. Profit for the year ended March 31, 2018 decreased by ₹ 32,57,29,758.

iv) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

v) Employee stock option expense

Under the previous GAAP, the Company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding account' under other equity. Profit for the year ended March 31, 2018 has been increased by ₹ 70,16,633 due to the reduced employee benefit expense.

(Currency : ₹)

vi) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 decreased by ₹ 1,38,21,009.

vii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans . The concept of other comprehensive income did not exist under previous GAAP.

viii) Fair Valuation of Rent Deposits and Rent Equalisation

Except for trade receivables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

In case of Rent Deposits: We are recording the rent deposits given to the landlords of the branches at the discounted value at the time of initial recognition. The rate of discounting has been kept at 10% (average borrowing rate). These present value of the deposit mentioned above will be treated as fair values of the securities deposits and it will be recognized as financial asset accordingly (as the requirement is to recognize at fair value initially). The Difference between carrying amount of the deposits and fair value will be transferred as prepaid expense in case of financial assets (deposits given) and Deferred Income is being accounted through the statement of profit and loss as at the Balance sheet date.

In Case of Rent Expense : Wherever there is escalation to calculate the effect of straight-line rent, we have added the rent amounts for the entire lease term, and then divided the sum by the number of months in the lease term. The then difference between the actual rent and the straight-lined rent is the amount of the accrual or deferral that must be recorded in the statement of Profit and loss. A positive difference is an accrual and the negative difference is a deferral.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
10 May 2019

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Sanjay Athalye
Managing Director & CEO
DIN: 07650678

Navin Agarwal
Director
DIN: 00024561

Shivani Chouhan
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Mumbai
10 May 2019

(Currency : ₹)

Disclosures pursuant to National Housing Finance (NHB) circulars.

1 Reconciliation of Housing loan as per IGAAP and IND AS

	As at 31 March 2019	As at 31 March 2018
Housing Loan		
(A) (i) Home Loans as per IGAAP	**43,905,418,986**	48,618,955,141
(ii) Unamortized upfront income / expense- IND AS Adjustment	**(335,027,077)**	(523,211,812)
(iii) Loans to related parties		
Standard assets (considered good)	–	10,554,717
Interest accrued but not due on home loans	**310,689,980**	309,160,926
Total Home Loans (i) +(ii)+ (iii)	**43,881,081,889**	48,415,458,973
less : Impairment loss allowance	**(1,750,081,082)**	(1,125,296,436)
Housing Loan as per IND AS	**42,131,000,807**	**47,290,162,536**

2 Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7 April 2014 issued by NHB.

Statutory reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**377,067,230**	69,634,252.00
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987		178,890,731
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.		–
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987		128,542,247
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987.		–
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.		–
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**377,067,230**	69,634,252
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	–	307,432,978
Total	**377,067,230**	**377,067,230**

(Currency : ₹)

3 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

I. Capital to Risk Asset Ratio (CRAR)

Particulars	As at 31 March 2019	As at 31 March 2018
CRAR (%)	**29.20%**	37.78%
CRAR - Tier I Capital (%)	**27.46%**	35.52%
CRAR - Tier II Capital (%)	**1.74%**	2.26%
Amount of subordinated debt raised as Tier - II Capital	**200,000,000**	500,000,000
Amount raised by issue of perpetual debt Instruments	**–**	–

II. Exposure to Real estate sector

Particulars	As at 31 March 2019	As at 31 March 2018
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to ₹ 15 Lacs	**32,852,179,800**	35,929,916,908
Housing Loan more than ₹ 15 Lacs	**10,763,600,198**	12,689,038,233
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	**290,918,466**	–
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential		–
(b) Commercial real estate		–
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)		–

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2019

(₹ in crores)

Pattern	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowings from banks	46.61	10.07	60.62	78.20	156.39	594.72	406.91	124.97	41.67	4.17	1,524.33
Market Borrowings	70.00	48.00	125.00	50.00	340.20	236.38	1,099.70	25.00	50.00	–	2,044.28
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–

(Currency : ₹)

(₹ in crores)											
Pattern	**1 day to 30-31 days (one month)**	**Over one month to 2 months**	**Over 2 months upto 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Assets											
Advances	**11.47**	**11.32**	**11.43**	**34.98**	**73.02**	**333.16**	**396.75**	**455.52**	**755.13**	**2,307.76**	**4,390.54**
Investments	**50.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**50.00**

Maturity pattern of certain items of asset and liabilities - As at 31 March 2018

(₹ in crores)											
Pattern	**1 day to 30-31 days (one month)**	**Over one month to 2 months**	**Over 2 months upto 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowings from banks	51.85	7.69	53.28	69.79	162.65	606.02	438.48	260.36	106.72	61.43	1,818.27
Market Borrowings	–	25.00	90.00	305.00	115.00	1,060.20	100.00	349.70	50.00	–	2,094.90
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	19.38	12.71	12.84	39.23	82.15	376.37	443.36	498.42	800.24	2,604.66	4,889.36
Investments	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency Asset	–	–	–	–	–	–	–	–	–	–	–

4 Disclosure pursuant to Notification No. NHB.HFC.DIR.1/CMD/2010 dated June 10, 2010 issued by NHB.

I Penalty

Particulars	**As at 31 March 2019**	As at 31 March 2018
Penalty if any levied by National Housing Bank	**–**	–
Total	**–**	**–**

II Adverse remarks

Particulars	**As at 31 March 2019**	As at 31 March 2018
Adverse remarks if any given by National Housing Bank	**–**	–

III % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	**–**	–

(Currency : ₹)

5 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Investments.

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	**500,000,000**	–
(a) Outside India		–
(II) Provisions for Depreciation		
(a) In India	**–**	–
(a) Outside India	**–**	–
(III) Net value of investments		
(a) In India	**500,000,000**	–
(a) Outside India	**–**	–
(b) Movements of provisions held towards depreciation in investments		
(I) Opening balance	**–**	–
(II) Add : Provisions made during the year	**–**	–
(III) Less : Write-off/ Written- back of excess provisions during the year	**–**	–
(IV) Closing balance	**–**	–

6 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC.

Particulars	As at 31 March 2019	As at 31 March 2018
Amount outstanding for Single borrower limit	**–**	–
Amount outstanding for Group borrower limit	**–**	–

7 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies.

Particulars	As at 31 March 2019	As at 31 March 2018
1. Provisions for depreciation on investment	**–**	–
2. Provisions made towards income tax (net of reversal of tax of earlier year)	**-142,169**	331,776,505
3. Provisions towards NPAs	**2,125,773,021**	543,122,401
3. Provisions for standard assets	**-21,481,524**	21,412,925
4. Other provision and contingencies		
Gratuity	**-3,847,986**	2,005,788
Compensated absence	**845,745**	(430,586)
Heritage Club	**171,225**	428,775
Provision for expenses	**5,849,579**	11,659,834

8 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs.

Particulars	As at 31 March 2019	As at 31 March 2018
Total Exposure to top ten NPA accounts	**24,497,997**	24,501,028

(Currency : ₹)

9 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies.

Particulars	As at 31 March 2019	As at 31 March 2018
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**6.40%**	4.52%
(II) Builders / Project Loans		
(III) Corporates		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**10.58%**	–
(II) Builders / Project Loans		
(III) Corporates		

10 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Net NPAs to Net Advances (%)	**2.99%**	3.32%
(II) Movement of Gross NPAs		
(a) Opening Balance	**2,199,094,528**	240,316,517
(b) Additions during the year (excluding write off's)	**3,123,926,125**	2,075,986,571
(c) Reduction during the year (excluding write off's)	**1,363,226,125**	117,208,560
(d) Closing balance	**3,959,794,528**	2,199,094,528
(III) Movement of Net NPAs		
(a) Opening Balance	**1,616,202,851**	193,388,972
(b) Additions during the year (excluding write off's)	**948,226,125**	1,519,068,556
(c) Reduction during the year (excluding write off's)	**1,342,026,125**	96,254,677
(d) Closing balance	**1,222,402,851**	1,616,202,851
(IV) Movement of provisions for NPAs		
(a) Opening Balance	**582,891,677**	46,927,545
(b) Additions during the year (excluding write off's)	**2,175,700,000**	535,964,132
(c) Write off/ write back of excess provision	**21,200,000**	–
(c) Closing balance	**2,737,391,677**	582,891,677

11 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets.

Particulars	As at 31 March 2019	As at 31 March 2018
Overseas assets	**–**	–

12 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints.

Particulars	As at 31 March 2019	As at 31 March 2018
(a) No. of complaints pending at the beginning of the year	**1**	1
(b) No. of complaints received during the year	**51**	33
(c) No. of complaints redressed during the year	**52**	33
(d) No. of complaints pending at the end of the year	**0**	1

*Complaints uploaded on NHB-GRIDS, where company provides redressal to customer from their end. All complaints have been redressed by the Company.

(Currency : ₹)

13 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market.

Particulars	As at 31 March 2019	As at 31 March 2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii) bridge loans to companies against expected equity flows / issues;	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market	–	–

14 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2019	As at 31 March 2018
No. of accounts		
Aggregate value (net of provision) of accounts assigned	–	–
Aggregate consideration	–	–
Additional consideration raelized in respect of accounts transferred in earlier years	–	–
Aggregate gain/loss over net book value	–	–

15 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I Securitisation

Particulars	As at 31 March 2019	As at 31 March 2018
	No./ Amount	No./ Amount
(I) No of SPVs sponsored by the HFC for securitisation transactions	–	–
(II) Total amount if securitised assets as per books of the SPVs sponsored	–	–
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		

(Currency : ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
	No./ Amount	No./ Amount
(a) Off-balance sheet exposure towards credit enhancements	–	–
(b) On balance sheet exposures towards credit enhancements	–	–
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–
(b) On balance sheet exposures towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–

II Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) No. of accounts	–	–
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	–	–
(III) Aggregate consideration	–	–
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	–	–

III Details of assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) No. of accounts	–	–
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	–	–
(III) Aggregate consideration	–	–
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	–	–

IV Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

Particulars	As at 31 March 2019	As at 31 March 2018
(I) No. of accounts purchased during the year	–	–
(II) Aggregate outstanding	–	–
(III) Of these, number of accounts restructured during the year	–	–
(IV) Aggregate outstanding	–	–

(ii) Details of non-performing financial assets sold:

Particulars	As at 31 March 2019	As at 31 March 2018
(I) No. of accounts sold	–	–
(II) Aggregate outstanding	–	–
(III) Aggregate consideration received	–	–

(Currency : ₹)

16 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulators.

Particulars	As at 31 March 2019	As at 31 March 2018
Registration from other financial regulator if any	–	–

17 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances.

Particulars	As at 31 March 2019	As at 31 March 2018
Amount of unsecured advances given against rights, licenses, authorisations etc.	–	–

18 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products.

Particulars	As at 31 March 2019	As at 31 March 2018
Details of financing of parent company products if any	–	–

19 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits.

Particulars	As at 31 March 2019	As at 31 March 2018
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

20 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances.

Particulars	As at 31 March 2019	As at 31 March 2018
Total Loans & Advances to twenty largest borrowers	47,008,945	54,700,430
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.11%	0.11%

21 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).

Particulars	As at 31 March 2019	As at 31 March 2018
Total Exposure to twenty largest borrowers / customers	47,008,945	54,898,964
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	0.11%	0.11%

22 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) The notional principal of swap agreements	–	–
(II) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	–	–

(Currency : ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
(III) Collateral required by the HFC upon entering into swaps	–	–
(IV) Concentration of credit risk arising from the swaps.	–	–
(V) The fair value of the swap book	–	–

23 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I For Exchange traded interest rate derivative.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	–	–
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	–	–
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	–	–
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	–	–

II For Disclosure on Risk exposure in derivative.

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Derivatives (Notional Principal Amount)	–	–
(II) Marked to Market Positions (1)		
(a) Assets	–	–
(b) Liability	–	–
(III) Credit exposure	–	–
(IV) Unhedged exposure	–	–

III Expenditure in foreign currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other borrowing cost - processing fees paid on NCD	–	–

24 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.

	As at 31 March 2019		As at 31 March 2018	
Nature of borrowing	Rating / Outlook		Rating / Outlook	
	ICRA	CRISIL	ICRA	CRISIL
Short Term Commercial paper	[ICRA]A1+	CRISIL A1+	[ICRA]A1+	CRISIL A1+
Long Term Non-Convertible Debentures	ICRA]A+ (Stable)	CRISIL A+/ Stable	ICRA]AA- (Negative outlook)	CRISIL A+/ Stable
Bank Borrowings	ICRA]A+ (Stable)	CRISIL A+/ Stable	ICRA]AA- (Negative outlook)	CRISIL A+/ Stable

(Currency : ₹)

25 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon.

Particulars	Housing Loans	Non-Housing Loans
Current Year		
Standard Asset		
Total outstanding	**39,123,894,761**	**821,647,270**
Provisions	**156,503,494**	**8,261,473**
Sub-standard assets		
Total outstanding	**3,216,060,405**	**124,187,156**
Provisions	**2,043,672,773**	**78,915,778**
Doubtful assets- Category I		
Total outstanding	**592,043,900**	**15,985,491**
Provisions	**538,558,793**	**14,541,366**
Doubtful assets- Category II		
Total outstanding	**11,600,003**	
Provisions	**11,600,003**	
Doubtful assets- Category III		
Total outstanding	**–**	
Provisions	**–**	
Loss assets		
Total outstanding		
Provisions		
Total		
Total outstanding	**42,943,599,069**	**961,819,917**
Provisions	**27,50,335,063**	**101,718,617**

Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon (Continued).

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
Standard Asset		
Total outstanding	46,430,415,331	3,162,989
Provisions	185,721,661	12,652
Sub-standard assets		
Total outstanding	1,700,601,176	–
Provisions	405,745,681	–
Doubtful assets - Category I		
Total outstanding	434,392,245	–
Provisions	108,560,711	–
Doubtful assets - Category II	64,101,107	–
Total outstanding	68,585,286	–
Provisions		

(Currency : ₹)

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
Doubtful assets - Category III		
Total outstanding		
Provisions		
Loss assets		
Total outstanding		
Provisions		
Total		
Total outstanding	**48,629,509,859**	**3,162,989**
Provisions	**768,613,339**	**12,652**

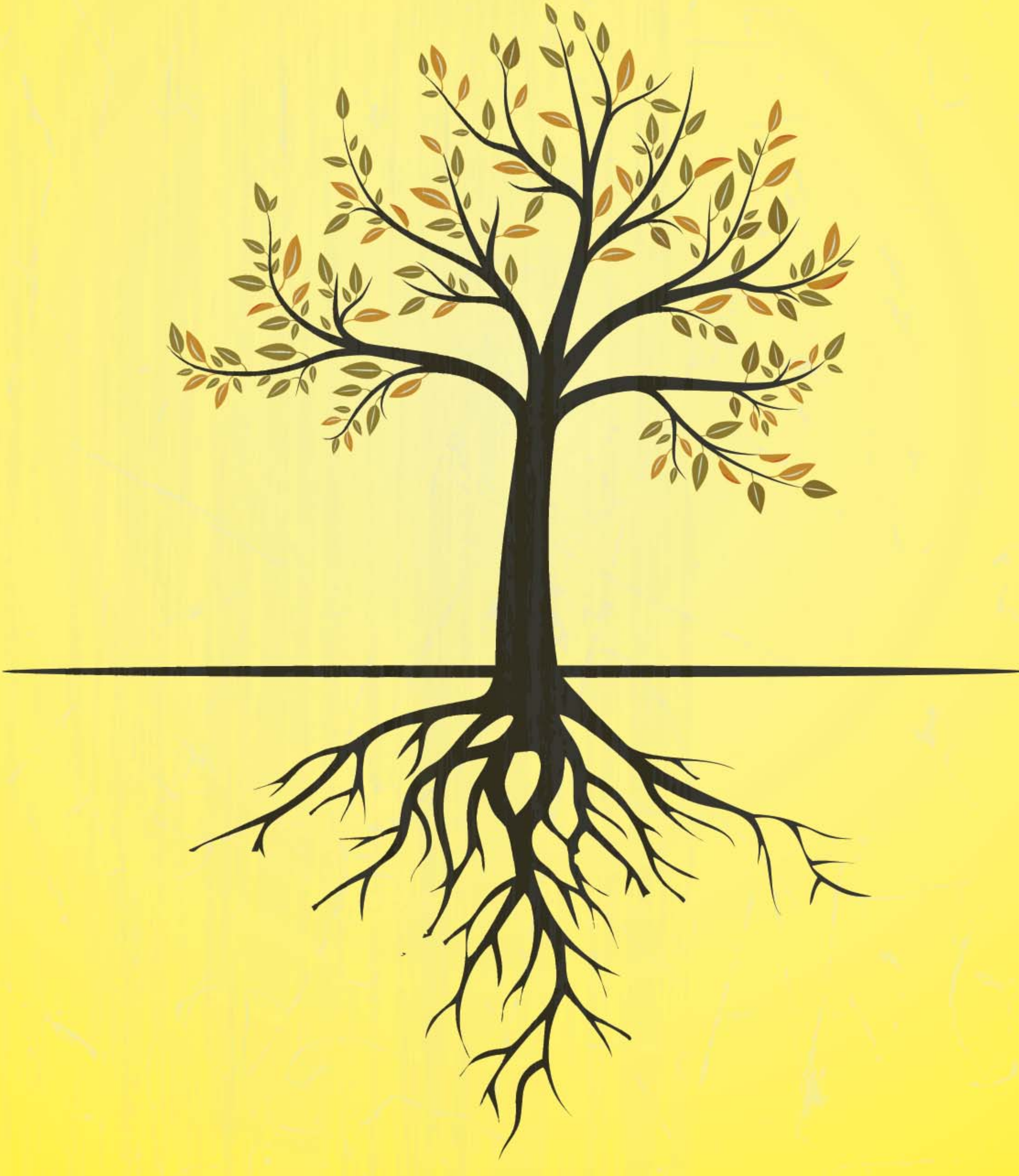
Note : For above disclosure Overdue Principal and interest accrued but no due has not been considered.

26 Disclosure pursuant to Notification No. NHB(ND)/DRS/Policy Circular No. 92/ 2018-19 dated February 05, 2019 issued by NHB.

Particulars	As at 31 March 2019	As at 31 March 2018
Amount of Fraud	**259,593,108**	–

Motilal Oswal Investment Advisors Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To,

The Members of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Investment Advisors Limited** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
-----NIL----	

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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".

(g) With respect to 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 for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ANEEL LASOD AND ASSOCIATES**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M.No: 040117

Place: Mumbai
Date: 9th May, 2019

ANNEXURE "A" TO AUDITOR'S REPORT:

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

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.

2. Inventories:

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

3. Loans and Advances:

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

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

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

5. Deposits from Public:

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

6. Cost Records:

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

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2019 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.

11. Managerial Remuneration:

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

12. Nidhi Company:

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

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

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: 9th May, 2019

ANNEXURE "B" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Investment Advisors Limited ('the Company') as of 31 March 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANEEL LASOD AND ASSOCIATES**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M.No: 040117

Place: Mumbai
Date: 9th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31-Mar-19 (in ₹)	As at 31-Mar-18 (in ₹)	As at 1-Apr-17 (in ₹)
I ASSETS				
1 Financial assets				
a) Cash and cash equivalents	4	42,18,830	1,22,21,184	65,48,565
b) Receivables				
Trade receivables	5	16,22,45,001	3,63,36,147	41,60,85,555
Other receivables	5	9,91,000	–	–
c) Loans	6	–	–	45,30,000
d) Investments	10	1,12,08,85,050	1,16,84,41,917	22,42,56,229
e) Other financial assets	7	–	55,53,373	55,53,373
		1,28,83,39,881	**1,22,25,52,621**	**65,69,73,722**
2 Non-financial assets				
a) Current tax asset (net)	8	4,44,70,667	–	–
b) Deferred tax asset (net)	28	1,28,02,942	91,95,389	51,67,902
c) Property plant & equipment	11	25,48,689	14,13,023	9,85,306
d) Intangible assets	11	4,408	10,810	16,891
e) Other non-financial assets	9	15,33,103	29,71,672	89,11,927
		6,13,59,809	**1,35,90,894**	**1,50,82,026**
TOTAL ASSETS		**1,34,96,99,690**	**1,23,61,43,515**	**67,20,55,748**
II LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Trade payables				
Dues to creditors other than micro enterprise and small enterprise	12	–	92,35,254	5,17,38,677
(b) Borrowings	13	17,70,00,000	3,10,00,000	75,00,000
(c) Other financial liabilities	14	58,03,032	1,04,10,097	1,28,52,228
		18,28,03,032	**5,06,45,351**	**7,20,90,905**
2 Non-financial liabilities				
(a) Current tax liabilities (net)		–	93,70,315	3,24,02,855
(b) Provision	15	2,19,81,894	10,39,85,012	9,90,78,994
(c) Other non-financial liabilities	16	2,18,68,140	14,83,471	3,56,89,911
		4,38,50,034	**11,48,38,798**	**16,71,71,760**
3 Equity				
Share capital	17	1,00,00,000	1,00,00,000	1,00,00,000
Reserves and surplus	18	1,11,30,46,624	1,06,06,59,366	42,27,93,083
		1,12,30,46,624	**1,07,06,59,366**	**43,27,93,083**
TOTAL LIABILITIES AND EQUITY		**1,34,96,99,690**	**1,23,61,43,515**	**67,20,55,748**

The accompanying notes form an integral part of the financial statements

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

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 9th May, 2019

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

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 9th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	For the Year Ended 31-Mar-2019 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
I. Revenue from operations			
Fees and commission income	19	37,13,06,523	1,09,64,71,922
Interest income	20	6,904	92,95,027
Net gain on fair value changes	21	–	4,08,26,509
Other operating revenue	22	56,50,658	89,84,759
Total revenue from operations		**37,69,64,085**	**1,15,55,78,217**
II. Other income	23	**43,12,556**	**15,56,605**
III. Total income (I+II)		**38,12,76,641**	**1,15,71,34,822**
IV. Expenses			
Finance cost	24	99,59,773	22,02,063
Fees and commission expense	25	1,41,27,503	3,77,58,340
Net loss on fair value changes	21	2,98,11,345	–
Employee benefit expenses	26	11,76,37,637	18,81,53,540
Depreciation and amortisation	11	8,20,499	5,53,033
Other expenses	27	12,95,26,634	5,34,24,400
Total expenses		**30,18,83,391**	**28,20,91,376**
V. Profit before taxation (III-IV)		**7,93,93,250**	**87,50,43,446**
VI. Less: Tax expenses			
Current tax		3,06,16,033	24,18,34,832
Deferred tax		(36,08,278)	(42,09,232)
Total tax expense	28	**2,70,07,755**	**23,76,25,600**
VII. Profit for the period (V-VI)		**5,23,85,495**	**63,74,17,846**
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Actuarial gain / (losses) on post retirement benefit plans		2,488	6,30,181
(b) Deferred tax impact on the above		725	1,81,744
Total other comprehensive income (a)-(b)		**1,763**	**4,48,437**
IX. Total comprehensive income (VII+VIII)		**5,23,87,258**	**63,78,66,283**
Earnings per equity share (₹) (Face value per share ₹ 10/-)	30		
Basic		52.39	637.87
Diluted		52.39	637.87

The accompanying notes form an integral part of the financial statements

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

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 9th May, 2019

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

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 9th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(A) Equity Share Capital

(Amount in ₹)

Particulars	EQUITY SHARE CAPITAL	
	Number of shares	Amount
As at 1 April 2017	10,00,000	1,00,00,000
As at 31 March 2018	10,00,000	1,00,00,000
As at 31 March 2019	10,00,000	1,00,00,000

(B) Other Equity

(Amount in ₹)

Particulars	31 March 2019				31 March 2018				31 March 2017				Total		
	Reserves and Surplus			Items of other compre-hensive income	Reserves and Surplus			Items of other compre-hensive income	Reserves and Surplus			Items of other compre-hensive income	31 March 2019	31 March 2018	1 April 2017
	General Reserve	Capital Redemption Reserve	Retained earnings	Remeas-urements of net defined benefit plans	General Reserve	Capital Redemption Reserve	Retained earnings	Remeas-urements of net defined benefit plans	General Reserve	Capital Redemption Reserve	Retained earnings	Remeas-urements of net defined benefit plans			
Balance at the beginning of the reporting period	5,23,44,267	17,90,00,000	82,91,75,608	1,39,491	5,23,44,267	17,90,00,000	19,17,57,762	(3,08,946)	6,63,44,267	9,00,00,000	(10,52,17,083)	–	**1,06,06,59,366**	**42,27,93,083**	**5,11,27,184**
Transfer to Capital Redemption reserve	–	–	–	–	–	–	–	–	(1,40,00,000)	8,90,00,000	(7,50,00,000)	–	–	–	–
Total com-prehensive income for the year	–	–	5,23,85,495	1,763	–	–	63,74,17,846	4,48,437	–	–	37,19,74,845	(3,08,946)	**5,23,87,258**	**63,78,66,283**	**37,16,65,899**
Balance at the end of the reporting period	**5,23,44,267**	**17,90,00,000**	**88,15,61,103**	**1,41,254**	**5,23,44,267**	**17,90,00,000**	**82,91,75,608**	**1,39,491**	**5,23,44,267**	**17,90,00,000**	**19,17,57,762**	**(3,08,946)**	**1,11,30,46,623**	**1,06,06,59,366**	**42,27,93,083**

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 9th May, 2019

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

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 9th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	**7,93,93,250**	**87,50,43,446**
Add / Less :		
1) Depreciation	8,20,499	5,53,033
2) Bad debts w/off / Provision for bad debt	45,269	(15,673)
3) Gratuity	31,40,769	20,24,042
4) Net loss / (gain) on fair value changes	2,98,11,345	(4,08,26,509)
OPERATING PROFIT	**11,32,11,132**	**83,67,78,339**
Adjustment for:		
1) (Increase) / decrease in receivables	(12,68,99,854)	37,97,49,408
2) (Increase) / decrease in loans	–	45,30,000
3) (Increase) / decrease in other financial assets	55,53,373	–
4) (Increase) / decrease in other non-financial assets	13,93,300	59,55,928
5) Increase / (decrease) in trade payables	(92,35,254)	(4,25,03,423)
6) Increase / (Decrease) in borrowing	14,60,00,000	2,35,00,000
7) Increase / (decrease) in other financial liabilities	(46,07,065)	(24,42,131)
8) Increase / (decrease) in provisions	(8,51,41,399)	35,12,157
9) Increase / (decrease) in other non-financial liabilities	2,03,84,669	(3,42,06,440)
CASH FLOW FROM OPERATIONS	**6,06,58,902**	**1,17,48,73,838**
Taxes Paid	(8,44,57,015)	(26,48,67,371)
NET CASH FLOW FROM OPERATIONS	**(2,37,98,113)**	**91,00,06,467**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(19,49,763)	(9,74,669)
Sale of Investment	51,77,45,522	2,66,40,816
Purchase of Investment	(50,00,00,000)	(92,99,99,995)
NET CASH FLOW FROM INVESTING ACTIVITIES	**1,57,95,759**	**(90,43,33,848)**
CASH FLOW FROM FINANCING ACTIVITIES	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**–**
NET CASH GENERATED / (USED)FOR THE YEAR ENDED	**(80,02,354)**	**56,72,619**

	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Cash and Bank Balances comprise of:		
Cash as at beginning of period	13,600	2,02,803
Scheduled Banks- In Current Accounts	1,22,07,584	63,45,762
Cash & Cash Equivalents as at beginning of year	**1,22,21,184**	**65,48,565**
Cash and Bank Balances comprise of:		
Cash as at end of period	21,832	13,600
Scheduled Banks- In Current Accounts	41,96,998	1,22,07,584
Cash & Cash Equivalents as at end of year	**42,18,830**	**1,22,21,184**

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow

As per our report of even date attached

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 9th May, 2019

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

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 9th May, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Investment Advisors Limited (MOIAL) was incorporated on March 20, 2006. The principal shareholder of the Company as at March 31, 2019 is Motilal Oswal Financial Services Limited (MOFSL).

Company is a merchant banker and an investment banker. As an investment banking company Motilal Oswal Investment Advisors Limited is engaged in capital raising, Domestic IPOs, Private Equity placements, M & A Advisory, Corporate Finance Advisory, Restructuring and FCCBs and GDR The company is providing its various services at both international and domestic frontier.

NOTE 2 : BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting periods have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind AS has been carried out from the erstwhile Accounting standards notified under the Act read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and corresponding adjustments pertaining to comparative periods as presented in these financial statements have been restated / reclassified in order to conform to the current year presentation.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2019 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance / clarifications / directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOIAL's functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.

(d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOIAL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Equity instruments and financial liability

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

– The contractual rights to receive cash flows from the financial asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Dividend income

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

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.8 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. 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.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of the Company are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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

3.10 Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.11 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation / amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.13 First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of 01 April 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly availed of the following optional exemptions while preparing its financial statements

(i) The Company has adopted the carrying value determined in accordance with previous GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2017.

(iii) The estimates as at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with previous GAAP.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Cash on hand	21,832	13,600	2,02,803
Balance with Bank			
Scheduled Banks - In Current Accounts	41,96,998	1,22,07,584	63,45,762
TOTAL	**42,18,830**	**1,22,21,184**	**65,48,565**

NOTE 5 : RECEIVABLES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Trade Receivables			
Unsecured, Considered Good	16,22,45,001	3,63,36,147	41,60,85,555
Other Receivables			
Unsecured, Considered Good	9,91,000	–	–
TOTAL	**16,32,36,001**	**3,63,36,147**	**41,60,85,555**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6 : LOANS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Loans to employees	–	–	45,30,000
TOTAL	**–**	**–**	**45,30,000**

NOTE 7 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Rent deposits	–	55,53,373	55,53,373
TOTAL	**–**	**55,53,373**	**55,53,373**

NOTE 8 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Advance Tax and TDS	4,44,70,667		
TOTAL	**4,44,70,667**	**–**	**–**

NOTE 9 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Advances for supply for services	6,207	7,22,366	72,68,406
Prepaid Expenses	15,26,896	6,59,955	16,43,521
Tax credit receivable	–	15,89,351	–
TOTAL	**15,33,103**	**29,71,672**	**89,11,927**

NOTE 10: INVESTMENTS

Particulars	Face value	31 March 2019		31 March 2018		1 April 2017	
		Units	Amount in ₹	Units	Amount in ₹	Units	Amount in ₹
I. Investments carried at cost							
Investments at equity instruments							
Investments in fellow subsidiaries - Unquoted							
Aspire Home Finance Corporation Limited	1	1,05,00,00,005	85,00,00,005	6,03,44,836	35,00,00,005	10	10
II. Mandatorily measured at FVTPL							
Investments in Mutual Funds (Equity) - Fully paid up – Unquoted							
Motilal Oswal Most Focused Multicap 35 Fund	10	94,76,599	25,81,63,413	2,94,76,599	80,54,51,023	86,74,567	20,32,68,523
Aditya Birla Private Equity - Fund I	10	150	65,50,088	150	68,19,345	67,213	1,01,29,953

Particulars	Face value	31 March 2019		31 March 2018		1 April 2017	
		Units	Amount in ₹	Units	Amount in ₹	Units	Amount in ₹
III. Investment in Alternative Investment Funds – Unquoted							
Reliance Alternative Investments Fund	10	5,83,470	61,71,544	5,83,470	61,71,544	7,30,968	1,08,57,743
Total			**1,12,08,85,050**		**1,16,84,41,917**		**22,42,56,229**

NOTE 11: PROPERTY, PLANT & EQUIPMENT

Current Year

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-4-18	Additions	As at 31-3-19	As at 1-4-18	Additions	As at 31-3-19	As at 31-3-19	As at 31-3-18
TANGIBLE ASSETS								
Renovation of Leased Office Premises	36,88,404	65,722	37,54,126	35,03,984	12,487	35,16,471	2,37,655	1,84,420
Lease hold improvement	1,76,42,662	–	1,76,42,662	1,76,42,619	–	1,76,42,619	43	43
Furniture	48,42,927	–	48,42,927	46,41,417	–	46,41,417	2,01,510	2,01,510
Electrical Equipment	4,39,097	–	4,39,097	3,81,519	–	3,81,519	57,578	57,578
Air Conditioner	44,000	–	44,000	12,797	4,170	16,967	27,033	31,203
Mobile	4,13,073	–	4,13,073	2,97,333	22,137	3,19,470	93,603	1,15,740
Office Equipment	4,50,942	–	4,50,942	3,99,908	31,065	4,30,973	19,969	51,034
Projector	1,00,829	–	1,00,829	95,788	–	95,788	5,041	5,041
Computer	41,55,918	4,84,041	46,39,959	33,89,465	3,78,181	37,67,646	8,72,313	7,66,453
Car	–	14,00,000	14,00,000	–	3,66,058	3,66,058	10,33,942	–
Total (A)	**3,17,77,852**	**19,49,763**	**3,37,27,615**	**3,03,64,830**	**8,14,097**	**3,11,78,927**	**25,48,689**	**14,13,023**
INTANGIBLE ASSETS								
Computer Software	1,78,038	3	1,78,041	1,67,231	6,401	1,73,633	4,408	10,810
Total (B)	**1,78,038**	**–**	**1,78,041**	**1,67,231**	**6,401**	**1,73,633**	**4,408**	**10,810**
Total (A+B)	**3,19,55,890**	**19,49,763**	**3,39,05,656**	**3,05,32,061**	**8,20,499**	**3,13,52,560**	**25,53,097**	**14,23,832**

Previous Year

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-4-17	Additions	As at 31-3-18	As at 1-4-17	Additions	As at 31-3-18	As at 31-3-18	As at 31-3-17
TANGIBLE ASSETS								
Renovation of Leased Office Premises	36,88,404	–	36,88,404	35,03,984	–	35,03,984	1,84,420	1,84,420
Lease hold improvement	1,76,42,662	–	1,76,42,662	1,76,42,619	–	1,76,42,619	43	43
Furniture	48,42,927	–	48,42,927	46,04,120	37,297	46,41,417	2,01,510	2,38,807
Electrical Equipment	4,39,097	–	4,39,097	3,69,944	11,575	3,81,519	57,578	69,153
Air Conditioner	44,000	–	44,000	1,899	10,899	12,797	31,203	42,101
Mobile	2,99,513	1,13,560	4,13,073	2,84,537	12,796	2,97,333	1,15,740	14,976

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-4-17	Additions	As at 31-3-18	As at 1-4-17	Additions	As at 31-3-18	As at 31-3-18	As at 31-3-17
Office Equipment	4,50,942	–	4,50,942	3,36,112	63,796	3,99,908	51,034	1,14,830
Projector	1,00,829	–	1,00,829	95,788	–	95,788	5,041	5,041
Computer	32,94,810	8,61,108	41,55,918	29,78,875	4,10,590	33,89,465	7,66,453	3,15,935
Total (A)	**3,08,03,184**	**9,74,668**	**3,17,77,852**	**2,98,17,878**	**5,46,952**	**3,03,64,830**	**14,13,023**	**9,85,306**
INTANGIBLE ASSETS								
Computer Software	1,78,038	–	1,78,038	1,61,150	6,081	1,67,231	10,810	16,891
Total (B)	**1,78,038**	**–**	**1,78,038**	**1,61,150**	**6,081**	**1,67,231**	**10,810**	**16,891**
Total (A+B)	**3,09,81,222**	**9,74,668**	**3,19,55,890**	**2,99,79,028**	**5,53,033**	**3,05,32,061**	**14,23,832**	**10,02,197**

NOTE 12 : TRADE PAYABLES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Dues to creditors other than micro enterprise and small enterprise	–	92,35,254	5,17,38,677
TOTAL	**–**	**92,35,254**	**5,17,38,677**

NOTE 13: BORROWINGS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Loan from Related Party	17,70,00,000	3,10,00,000	75,00,000
TOTAL	**17,70,00,000**	**3,10,00,000**	**75,00,000**

NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Salary, bonus & other benefits	3,58,578	2,83,127	2,53,919
Other Payables	41,34,923	98,64,685	1,25,96,321
Interest Accrued and due	13,09,531	2,62,285	1,988
TOTAL	**58,03,032**	**1,04,10,097**	**1,28,52,228**

NOTE 15 : PROVISION

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Provision for employee benefits			
For Gratuity and benefits	71,15,759	47,87,106	30,80,966
Others			
Provision for :			
Ex-Gratia	1,41,65,100	9,74,00,000	9,49,00,000
Other provisions	7,01,035	17,97,906	10,98,028
Total	**2,19,81,894**	**10,39,85,012**	**9,90,78,994**

NOTE 16 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Withholding and other taxes payable	2,18,68,140	14,83,471	3,56,89,911
Total	**2,18,68,140**	**14,83,471**	**3,56,89,911**

NOTE 17 : SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
AUTHORISED						
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of ₹ 10/- each (previous year ₹ 10 each)	90,00,000	9,00,00,000	90,00,000	9,00,00,000	90,00,000	9,00,00,000
	1,00,00,000	**10,00,00,000**	**1,00,00,000**	**10,00,00,000**	**1,00,00,000**	**10,00,00,000**
ISSUED, SUBSCRIBED & PAID UP						
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	**1,00,00,000**	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**

17.1 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. 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.

17.2 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Addition During the Year	–	–	–	–	–	–
At the end of the year	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**

17.3 Reconciliation of number of Preference shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	–	–	–	–	89,00,000	8,90,00,000
(Redeem) during the Year	–	–	–	–	(89,00,000)	(8,90,00,000)
At the end of the year	**–**	**–**	**–**	**–**	**–**	**–**

17.4 Shares holder having more than 5% equity holding in the Company

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
Motilal Oswal Financial Services Limited (Holding company)	**1,000,000**	**100.00**	**1,000,000**	**100.00**	**1,000,000**	**100.00**

17.5 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE : 18 OTHER EQUITY

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
a) Retained earnings			
Balance at the beginning of the year	82,91,75,608	19,17,57,762	(10,52,17,083)
Add: Transfer from Statement of Profit and Loss	5,23,85,495	63,74,17,846	37,19,74,845
Less: Transfer to Capital Redemption Reserve	–	–	(7,50,00,000)
Balance at the end of year	**88,15,61,103**	**82,91,75,608**	**19,17,57,762**
b) General Reserve			
Balance at the beginning of the year	5,23,44,267	5,23,44,267	6,63,44,267
Less: Transfer to Capital Redemption Reserve	–	–	(1,40,00,000)
Balance at the end of year	**5,23,44,267**	**5,23,44,267**	**5,23,44,267**
c) Capital Redemption Reserve			
Balance at the beginning of the year	17,90,00,000	17,90,00,000	9,00,00,000
Add: Addition during the year	–	–	8,90,00,000
Balance at the end of year	**17,90,00,000**	**17,90,00,000**	**17,90,00,000**
d) Other Comprehensive Income Reserve			
Balance at the beginning of the year	1,39,491	(3,08,946)	–
Add: Transfer from Statement of Profit and Loss	1,763	4,48,437	(3,08,946)
Balance at the end of year	**1,41,254**	**1,39,491**	**(3,08,946)**
	1,11,30,46,624	**1,06,06,59,366**	**42,27,93,083**

Nature and Purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve created redemption of preference share. The reserve will be utilised in accordance with provision of the Act.

General Reserve

The Reserve created out of retained earning. The reserve will be utilised in accordance with provision of the Act.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains / loss on defined benefit plan.

NOTE: 19 FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Advisory Fees	37,13,06,523	1,09,64,71,922
TOTAL	**37,13,06,523**	**1,09,64,71,922**

NOTE: 20 INTEREST INCOME

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Interest Income at amortised costs	6,904	92,95,027
TOTAL	**6,904**	**92,95,027**

NOTE: 21 NET GAIN / (LOSS)ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Net gain / (loss) on financial instruments at FVTPL		
On financial instruments designated at FVTPL	(2,98,11,345)	4,08,26,509
TOTAL (A)	**(2,98,11,345)**	**4,08,26,509**
Fair value changes:		
Realised gains / (loss)	(32,75,802)	1,86,44,009
Unrealised gains / (loss)	(2,65,35,543)	2,21,82,500
TOTAL (B)	**(2,98,11,345)**	**4,08,26,509**

NOTE: 22 OTHER OPERATING REVENUE

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Out of pocket recovery	56,50,658	89,84,759
TOTAL	**56,50,658**	**89,84,759**

NOTE: 23 OTHER INCOME

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Interest on Income tax refund	–	15,56,605
Other Non-Operating Revenue	43,12,556	–
TOTAL	**43,12,556**	**15,56,605**

NOTE : 24 FINANCE COST

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
On financial liabilities measured at amortised cost:		
Interest Cost	1,06,59,627	15,02,063
Other borrowing cost	(6,99,854)	7,00,000
TOTAL	**99,59,773**	**22,02,063**

NOTE : 25 FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Advisory / Referral expenses	56,44,350	31,38,398
Brokerage Paid	84,83,153	3,46,19,942
TOTAL	**1,41,27,503**	**3,77,58,340**

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Salary, Bonus and Allowances	10,34,28,458	17,13,23,127
Contribution to provident & other Funds	23,62,104	19,42,184
Staff Welfare Expenses	47,23,711	59,17,247
Employee Stock option Scheme	39,82,595	69,46,940
Gratuity	31,40,769	20,24,042
TOTAL	**11,76,37,637**	**18,81,53,540**

NOTE : 27 OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Rent	2,09,76,874	1,11,06,744
Insurance	3,83,829	4,24,192
Remuneration to Auditors	1,25,000	1,27,625
Membership & Subscription (refer note 29)	8,64,813	29,49,133
Marketing & Brand Promotion Expenses	17,45,620	8,17,565
Power & Fuel	15,61,007	13,09,623
Communication Expenses	32,93,299	22,48,783
Travelling Expenses & Conveyance	88,09,643	2,09,06,295
Entertainment Expenses	21,73,343	21,24,437
Legal & Professional Charges	28,80,551	38,91,612
Bad debts (Net of provision for doubtful debts)	45,269	(15,673)
Printing & Stationery	7,00,929	8,18,739
Rates & Taxes	23,418	1,07,828
Computer Maintenance	83,973	71,890

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Foreign Exchange Fluctuation	(64,176)	2,52,444
Business Support Charges	7,20,00,000	–
Donation (refer note 36)	1,16,11,674	38,68,090
Miscellaneous Expenses	23,11,568	24,15,072
TOTAL	**12,95,26,634**	**5,34,24,400**

NOTE : 28 TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-19 (in ₹)	For the Year Ended 31-Mar-18 (in ₹)
Note : 28.1 Tax expense		
Current tax expense		
Current tax for the year	3,06,16,033	24,18,34,832
Total current tax expense	**3,06,16,033**	**24,18,34,832**
Deferred taxes		
Change in deferred tax liabilities	(36,08,278)	(42,09,232)
Net deferred tax expense	**(36,08,278)**	**(42,09,232)**
	2,70,07,755	**23,76,25,600**
Note : 28.2 Tax reconciliation (for profit and loss)		
Profit / (loss) before income tax expense	**7,93,93,250**	**87,50,43,446**
Tax at the rate of 29.12% (for 31 March 2018 – 28.84%)	2,31,19,314	25,23,62,530
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	–	3,56,510
Exempt Income	–	(10,19,061)
Expenses not deductible for tax purposes	17,19,697	(18,89,133)
Tax at different rate	21,68,743	(1,21,70,776)
Change due to deferred tax	–	(14,470)
Income tax expense	**2,70,07,755**	**23,76,25,600**

Note : 28.3 Items of deferred tax asset

Particulars	For the Year ended 31 March 2019 (in ₹)	For the Year ended 31 March 2018 (in ₹)	For the Year ended 31 March 2017 (in ₹)
Deferred tax assets on account of:			
Written Down Value of Fixed Assets	39,88,434	44,21,168	42,79,351
Business Loss	22,67,945	–	–
Gratuity provision	20,72,834	13,94,005	8,88,551
Unrealised gain on financial instrument	44,73,730	33,80,216	–
Total deferred tax assets	**1,28,02,942**	**91,95,389**	**51,67,901**

NOTE 29 : AUDITOR'S REMUNERATION

Particulars	**31-Mar-19 (in ₹)**	**31-Mar-18 (in ₹)**
Audit Fees	75,000	75,000
Interim Review	50,000	50,000
Other Services	–	2,625
Total	**1,25,000**	**1,27,625**

NOTE 30 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	**31-Mar-19 (in ₹)**	**31-Mar-18 (in ₹)**
Total comprehensive income attributable to equity shareholders [A]	5,23,87,258	63,78,66,283
Number of weighted average equity shares issued [B]	10,00,000	10,00,000
Basic Earnings per share (EPS) –[A/B] (₹)	52.39	637.87
Weighted Number of equity shares outstanding for Diluted EPS [C]	10,00,000	10,00,000
Diluted Earnings per share (DEPS) [A/C)] (₹)	**52.39**	**637.87**

NOTE 31 : ACTIVITY IN FOREIGN CURRENCY

Particulars	**31-Mar-19 (in ₹)**	**31-Mar-18 (in ₹)**
Earnings in foreign currency		
Income from Advisory	57,97,612	10,02,86,539
Total	**57,97,612**	**10,02,86,539**
Expenditure in foreign currency		
Overseas travel expenses	5,06,220	5,54,377
Professional charges	12,67,000	1,30,000
Membership and subscription Charges	–	14,66,251
Total	**17,73,220**	**21,50,628**

NOTE 32 : PROVISIONS MADE FOR THE YEAR

Provisions made for the Year ended 31st March, 2019 comprises of: (in ₹)

Particulars	**Opening balance**	**Provided during the year ended 31st March, 2019**	**Paid / reversed during the year ended 31st March, 2019**	**Closing balance as of 31st March, 2019**
Ex-gratia (Bonus)	9,74,00,000	1,41,65,100	9,74,00,000	1,41,65,100
Gratuity	40,44,059	31,38,281	7,69,228	64,13,112
Other Long term benefits	7,43,047	(1,90,400)	(1,50,000)	7,02,647

Provisions made for the Year ended 31st March, 2018 comprises of:				
Particulars	**Opening balance**	**Provided during the year ended 31st March, 2018**	**Paid / reversed during the year ended 31st March, 2018**	**Closing balance as of 31st March, 2018**
Ex-gratia (Bonus)	9,49,00,000	9,74,36,852	9,49,36,852	9,74,00,000
Gratuity	30,80,966	13,93,861	4,30,768	40,44,059
Other Long term benefits	–	7,43,047	–	7,43,047

NOTE 33 : CONTINGENT LIABILITIES

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

NOTE 34 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ Nil (Previous Year : ₹ 82,700/-)

NOTE 35 : 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 36 : 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 ₹ 94,52,006 (Previous year : ₹ 27,25,074)

b) Amount spent during the period ended 31st March, 2019 on :

Particulars	**Amount paid in ₹**
a) Construction / acquisition of any asset	
– Kalinga University (School construction project at Odisha)	1,00,39,812
b) On Purposes other than (a) above	
– Academy for computer training (Guj) Pvt. Ltd (Education purpose)	6,15,044
– Friends of Tribal Society	9,56,818
Total	**1,16,11,674**

c) Amount spent during the period ended 31st March, 2018 on :

Particulars	**Amount paid in ₹**
a) Construction / acquisition of any asset	
– Seva Sahayog (School Renovation)	2,00,000
b) On Purposes other than (a) above	
– Shraman Arogyam (Medical Treatment)	13,53,371
– ISHA FOUNDATION (Education for under privileged Rural Children)	–

Particulars	Amount paid in ₹
– Bharat Ke Veer (For The Purpose Of Supporting Families Of Martyred Soldiers)	3,50,000
– Kalinga Institute Of Social Sciences (Education)	19,03,371
– JITO Administrative Training Foundation (SEED Education)	61,348
Total	**38,68,090**

NOTE 37: CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTE 38 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

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

(A) Defined contribution plan :

Particulars	31-Mar-19 (in ₹)	31-Mar-18 (in ₹)
Employer's contribution to provident fund	23,11,081	19,53,966
Employer's contribution to ESIC	–	–
Employer's contribution to National Pension Scheme	–	–
	23,11,081	**19,53,966**

(B) Defined Benefit Plan

		Gratuity benefits		Other long term benefits	
I	**Assumptions as at**	**31-Mar-19**	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	7.12%	6.85%	7.12%	6.85%
	Rate of increase in compensation	11.00%	9.73%		
	Expected rate of return on plan assets (per annum)				
	Employee Attrition Rate (Past Service)	PS: 0 to 37 : 40.18%	PS: 0 to 37 : 36.96%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%
	Expected average remaining service	1.48	1.7	1.26 to 1.27	2.52 to 2.55
II	**Changes in present value of obligations (PVO)**				
	PVO at beginning of period	40,44,059	30,80,966	–	–
	Interest cost	2,50,672	1,91,707	–	–
	Current Service Cost	28,90,097	10,90,586	7,02,647	7,43,047
	Past Service Cost- (non vested benefits)	–	1,88,895	–	–
	Past Service Cost -(vested benefits)	–	5,52,854	–	–
	Benefits Paid	(7,69,228)	(4,30,768)	–	–
	Contributions by plan participants	–	–		
	Business Combinations	–	–		
	Curtailments	–	–		
	Settlements	–	–		
	Actuarial (Gain) / Loss on obligation	(2,488)	(6,30,181)	–	–
	PVO at end of period	64,13,112	40,44,059	7,02,647	7,43,047

Year	Gratuity benefits		Other long term benefits	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
III) Interest expense				
Interest cost	2,50,672	1,91,707		
IV) Fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
V) Net Liability				
PVO at beginning of period	40,44,059	30,80,966	(7,43,047)	
Fair Value of the Assets at beginning report	–	–		
Net Liability	40,44,059	30,80,966		
VI) Net Interest				
Interest Expenses	2,50,672	1,91,707		
Interest Income	–	–		
Net Interest	2,50,672	1,91,707		
VII) Actual return on plan assets				
Less Interest income included above	–	–		
Return on plan assets excluding interest income	–	–		
VIII) Actuarial (Gain) / loss on obligation				
Due to Demographic Assumption	(61,122)	(10,80,520)		
Due to Financial Assumption	2,22,131	2,97,344		
Due to Experience	(1,63,497)	1,52,995		
Total Actuarial (Gain) / Loss	(2,488)	(6,30,181)		
IX) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–		
Adjustment to Opening Fair Value of Plan Asset	–	–		
Return on Plan Assets excl. interest income	–	–		
Interest Income	–	–		
Contributions by Employer	7,69,228	4,30,768		
Contributions by Employee	–	–		
Benefits Paid	(7,69,228)	(4,30,768)		
Fair Value of Plan Assets at end	–	–		
X) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	–	1,88,895		
Past Service Cost -(vested benefits)	–	5,52,854		
Average remaining future service till vesting of the benefit	–	1		
Recognised Past service Cost-non vested benefits	–	1,88,895		
Recognised Past service Cost- vested benefits	–	5,52,854		
Unrecognised Past Service Cost-non vested benefits	–	–		
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	64,13,112	40,44,059		
Fair Value of Plan Assets at end of period	–	–		
Funded Status	(64,13,112)	(40,44,059)		
Net Asset / (Liability) recognized in the balance sheet	(64,13,112)	(2,20,99,322)		

	Gratuity benefits		Other long term benefits	
Year	**31-Mar-19**	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
XII) Expense recognised in the statement of profit and loss				
Current service cost	28,90,097	10,90,586	7,02,647	7,43,047
Net Interest	2,50,672	1,91,707		
Past service cost - (non vested benefits)	–	1,88,895		
Past service cost - (vested benefits)	–	5,52,854		
Curtailment Effect	–	–		
Settlement Effect	–	–		
Unrecognised past service cost - non vested benefits	–	–		
Actuarial (Gain) / Loss recognized for the period	–	(6,30,181)		
Expense recognized in the statement of profit and loss	31,40,769	13,93,861	7,02,647	7,43,047
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain) / Loss recognized for the period	(2,488)	–		
Asset limit effect	–	–		
Return on Plan Assets excluding net interest	–	–		
Unrecognized Actuarial (Gain) / Loss from previous period	–	–		
Total Actuarial (Gain) / Loss recognized in (OCI)	(2,488)	–		
XIV) Movement in liability recognized in balance sheet				
Opening net liability	40,44,059	30,80,966		
Adjustment to opening balance	–	–		
Expenses as above	31,40,769	13,93,861	7,02,647	7,43,047
Contribution paid	(7,69,228)	(4,30,768)		
Other Comprehensive Income(OCI)	(2,488)	–		
Closing net liability	64,13,112	40,44,059	7,02,647	7,43,047
XV) Schedule III of The Companies Act 2013				
Current liability	23,79,007	12,33,429	4,50,000	1,82,538
Non - current liability	40,34,105	28,10,630	2,52,647	5,60,509
XVI) Projected Service Cost 31 Mar 2020	15,32,705			
XVII) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund ()	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–
XVIII) Sensitivity Analysis				
	DR: Discount Rate		**ER : Salary escalation rate:**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER -1%**	
PVO	62,88,292	65,43,764	63,56,611	

	Gratuity benefits		Other long term benefits	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
XIX) Expected Payout				
Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Fourth	Expected Outgo Fifth
Payouts	23,79,007	17,14,087	7,92,488	5,14,909
XX) Asset Liability Comparisons				
Year	31-3-15	31-3-16	31-3-18	31-3-19
PO at End of period	81,03,352	76,99,523	40,44,059	64,13,112
Plan Assets				
Surplus / (Deficit)	(81,03,352)	(76,99,523)	(40,44,059)	(64,13,112)
Experience adjustments on plan assets				

NOTE 39 : SEGMENT REPORTING

In accordance with Ind AS 108 on "Operating Segments", the Company has determined business segment as under.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of "Investment banking fees related activities" and "Fund based activities". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non-current investment of mutual funds.

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

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

(Amount in rupees)

Particulars	Investment banking fees and related activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue :								
External revenue	38,12,69,737	1,10,54,56,681	–	4,08,26,509	6,904	1,08,51,632	38,12,76,641	1,15,71,34,822
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**38,12,69,737**	**1,10,54,56,681**	**–**	**4,08,26,509**	**6,904**	**1,08,51,632**	**38,12,76,641**	**1,15,71,34,822**
Result :								
Segment result	13,27,70,756	83,14,20,486	(2,99,11,062)	4,07,62,758	(1,17,36,674)	(39,95,715)	9,11,23,020	86,81,87,529
Unallocated corporate expenses							1,17,36,674	39,95,715
Unallocated revenue							6,904	1,08,51,632
Operating profit							**7,93,93,250**	**87,50,43,446**
Tax expense :								
Current tax							3,06,16,033	24,18,34,832
Deferred tax							(36,08,278)	(42,09,232)
Profit after tax							**5,23,85,495**	**63,74,17,846**

Particulars	Investment banking fees and related activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Other information :								
Segment assets	22,88,14,640	6,77,01,598	1,12,08,85,050	1,16,84,41,917	–	–	1,34,96,99,690	1,23,61,43,515
Segment Liabilities	22,66,53,066	15,61,13,834		–	–	–	22,66,53,066	15,61,13,834
Capital Expenditure	19,49,763	9,74,668		–		–	19,49,763	9,74,668
Depreciation	8,20,499	5,53,033		–		–	8,20,499	5,53,033

NOTE 40 : 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

– Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Co. Limited
– Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Broker Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Asset Management Company Limited
– MOPE Investment Advisors Private Limited
– Motilal Oswal Securities Limited (Merged with Motilal Oswal Financial Services Limited effective from 1 April 2017)
– 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.
– Motilal Oswal Capital Limited

Key management personnel

– Motilal Oswal – Director
– Raamdeo Agrawal – Director

Enterprises in which key management personnel exercise significant Influence

– Motilal Oswal Foundation
– OSAG Enterprises LLP

(ii) Transaction with Related Parties

Transaction	Name of the related Party	Holding Company			Fellow Subsidiaries			Total		
		2018-2019	2017-2018	2016-2017	2018-2019	2017-2018	2016-2017	2018-2019	2017-2018	2016-2017
Sundry (payables) / receivables	Motilal Oswal Financial Services Limited	–	(6,300)	50,000	–	–	–	–	(6,300)	50,000
	Motilal Oswal Securities Limited	–	–	–	–	(98,78,149)	(23,11,253)	–	(98,78,149)	(23,11,253)
Other (payables)	Motilal Oswal Financial Services Limited	(8,38,772)	(2,62,285)	(1,988)	–	–	–	(8,38,772)	(2,62,285)	(1,988)
	Motilal Oswal Finvest Limited	–	–	–	(12,15,698)	–	–	(12,15,698)	–	–
Rent Deposit (Received) / Given	Motilal Oswal Financial Services Limited	–	55,53,373	55,53,373	–	–	–	–	55,53,373	55,53,373
Investments	Aspire Home Finance Corporation Ltd	–	–	–	85,00,00,005	35,00,00,005	10	85,00,00,005	35,00,00,005	10
ESOP (payables) / receivables	Motilal Oswal Financial Services Limited	(12,38,724)	(36,58,219)	–	–	–	–	(12,38,724)	(36,58,219)	–

Notes: Income / Liability figure are shown in brackets.

NOTE: 41 FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2019		March 31, 2018		1 April 2017	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Cash and cash equivalents	–	42,18,830	–	1,22,21,184	–	65,48,565
Receivables						
(i) Trade receivables	–	16,22,45,001	–	3,63,36,147	–	41,60,85,555
(ii) Other receivables	–	9,91,000	–	–	–	–
Loans	–	–	–	–	–	45,30,000
Investments	27,08,85,045	85,00,00,005	81,84,41,912	35,00,00,005	22,42,56,219	10
Other financial assets	–	–	–	55,53,373	–	55,53,373
Total financial assets	**27,08,85,045**	**1,01,74,54,836**	**81,84,41,912**	**40,41,10,709**	**22,42,56,219**	**43,27,17,503**
Financial liabilities						
Trade payables	–	–	–	9,235,254	–	51,738,677
Other payables	–	41,34,923	–	98,64,685	–	1,25,96,321
Borrowings	–	17,70,00,000	–	3,10,00,000	–	75,00,000
Other financial liabilities	–	16,68,109	–	5,45,411	–	2,55,906
Total financial liabilities	**–**	**18,28,03,032**	**–**	**5,06,45,350**	**–**	**7,20,90,905**

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

(Amount in rupees)

Assets measured at fair value - recurring fair value measurements	As at March 31, 2019		As at March 31, 2018		As at 1 April 2017	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial assets						
Financial investments at FVTPL						
– Mutual funds	26,47,13,501	–	81,22,70,368	–	21,33,98,476	–
– Alternative investment funds	61,71,544	–	61,71,544	–	1,08,57,743	–
Total	**27,08,85,045**	**–**	**81,84,41,912**	**–**	**22,42,56,219**	**–**

ii) Fair value hierarchy – Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE : 42 FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of borrowing. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, receivables, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Ages of Receivables that are past due:

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Upto 3 months	15,90,05,001	3,61,56,149	41,60,85,555
3 - 6 months	–	1,80,000	–
6 - 12 months	–	–	–
More than 12 months	32,40,000	–	–
Total	**16,22,45,001**	**3,63,36,149**	**41,60,85,555**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	41,34,923	–	–	**41,34,923**
Other current financial liabilities	17,86,68,109	–	–	**17,86,68,109**
Total	**18,28,03,032**	–	–	**18,28,03,032**

As at 31 March 2018

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	1,90,99,939	–	–	**1,90,99,939**
Other current financial liabilities	3,15,45,411	–	–	**3,15,45,411**
Total	**5,06,45,350**	–	–	**5,06,45,350**

As at 1 April 2017

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	6,43,34,998	–	–	**6,43,34,998**
Other current financial liabilities	77,55,906	–	–	**77,55,906**
Total	**7,20,90,905**	–	–	**7,20,90,905**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2019 in ₹	31 March 2018 in ₹	31 March 2017 in ₹
Impact on profit before tax for 1% increase in NAV / price	27,08,850	81,84,419	22,42,562

NOTE: 43 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	March 31, 2019			March 31, 2018			1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	42,18,830	–	42,18,830	1,22,21,184	–	1,22,21,184	65,48,565	–	65,48,565
Receivables									
(i) Trade receivables	16,22,45,001	–	16,22,45,001	3,63,36,147	–	3,63,36,147	41,60,85,555	–	41,60,85,555
(ii) Other receivables	9,91,000	–	9,91,000	–	–	–	–	–	–
Loans	–	–	–	–	–	–	45,30,000	–	45,30,000
Investments	–	1,12,08,85,050	1,12,08,85,050	–	1,16,84,41,917	1,16,84,41,917	–	22,42,56,229	22,42,56,229
Other financial assets	–	–	–	–	55,53,373	55,53,373	55,53,373	–	55,53,373
Non-financial assets									
Current tax assets (Net)	4,44,70,667	–	4,44,70,667	–	–	–	–	–	–
Deferred tax assets (Net)	1,28,02,942	–	1,28,02,942	91,95,389	–	91,95,389	51,67,902	–	51,67,902
Property, plant and equipment	–	25,48,689	25,48,689	–	14,13,023	14,13,023	–	9,85,306	9,85,306
Other intangible assets	–	4,408	4,408	–	10,810	10,810	–	16,891	16,891
Other non-financial assets	15,33,103	–	15,33,103	29,71,672	–	29,71,672	89,11,927	–	89,11,927
Total assets	**22,62,61,543**	**1,12,34,38,147**	**1,34,96,99,690**	**6,07,24,393**	**1,17,54,19,122**	**1,23,61,43,515**	**44,67,97,322**	**22,52,58,426**	**67,20,55,748**
Financial liabilities									
Trade payables	–	–	–	92,35,254	–	92,35,254	5,17,38,677	–	5,17,38,677
Borrowings (Other than debt securities)	17,70,00,000	–	17,70,00,000	3,10,00,000	–	3,10,00,000	75,00,000	–	75,00,000
Other financial liabilities	58,03,032	–	58,03,032	1,04,10,097	–	1,04,10,097	1,28,52,228	–	1,28,52,228
Non-financial Liabilities									
Current tax liabilities (Net)	–	–	–	93,70,315	–	93,70,315	3,24,02,855	–	3,24,02,855
Provisions	2,19,81,894	–	2,19,81,894	10,39,85,012	–	10,39,85,012	9,90,78,994	–	9,90,78,994
Other non-financial liabilities	2,18,68,140	–	2,18,68,140	14,83,471	–	14,83,471	3,56,89,911	–	3,56,89,911
Total liabilities	**22,66,53,066**	**–**	**22,66,53,066**	**16,54,84,149**	**–**	**16,54,84,149**	**23,92,62,665**	**–**	**23,92,62,665**

NOTE: 44 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2018 AND 1 APRIL 2017

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Year Ended 31-Mar-18 (Audited)	Year Ended 1-Apr-17 (Audited)
Net worth under IGAAP	**102,93,28,125**	**42,58,14,556**
Add / (Less):		
Gain / (loss) on fair valuation of investments	3,79,51,023	1,57,68,523
Decrease in employee benefit expenses due to fair valuation of employee stock options	–	(8,789,997)
Deferred tax adjustments on above	33,80,216	–
Total effect of transition to IND AS	**4,13,31,239**	**69,78,526**
Net worth under Ind AS	**1,07,06,59,365**	**43,27,93,082**

ii) Reconciliation of profit as per IndAS with profit reported under previous GAAP:

(Amount in rupees)

Particulars	Year Ended 31-Mar-18 (Audited)
Net profit as per the erstwhile Indian GAAP (IGAAP)	**60,35,13,571**
Add / (Less):	
Gain / (loss) on fair valuation of investments	2,21,82,500
Decrease in employee benefit expenses due to fair valuation of employee stock options	87,89,997
Reclassification of net actuarial loss / (gain) on employee defined benefit obligation to Other Comprehensive Income (OCI)	(6,30,181)
Deferred tax adjustments on above	35,61,960
Total effect of transition to IND AS	**3,39,04,276**
Net profit after tax (before OCI) as per Ind AS	**63,74,17,847**
Other comprehensive Income / (Expense) (net of tax)	4,48,437
Total Comprehensive Income under Ind AS	**63,78,66,284**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

	Previous GAAP in ₹	Adjustments in ₹	Ind AS in ₹
Net cash flow from operating activities	90,29,13,501	70,92,966	91,00,06,467
Net cash flow from investing activities	(89,50,38,820)	(92,95,028)	(90,43,33,848)
Net cash flow from financing activities	(22,02,062)	22,02,062	–
Net increase / (decrease) in cash and cash equivalents	**56,72,619**	**0**	**56,72,619**
Cash and cash equivalents as at April 01, 2017	**65,48,565**	**–**	**65,48,565**
Cash and cash equivalents as at March 31, 2018	**1,22,21,184**	**0**	**1,22,21,185**

b) Notes to first-time adoption:

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2019. This increased the retained earnings by ₹ 3,79,51,023 as at March 31, 2018. Profit before tax for the year ended March 31, 2018 increase by ₹ 2,21,82,500.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Employee stock option expense

Under the previous GAAP, the company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity where ESOPs has been granted from companies own schemes or crediting "payable to holding" where ESOPs has been granted from holding company to the employees of the company. Consequently the retained earnings is decreased by the ₹ 5,43,56,239 as at March 31, 2018. Profit before tax for the year ended March 31, 2018 has been decreased by ₹ 2,35,13,568 due to the decrease employee benefit expense.

iv) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit before tax for the year ended March 31, 2018 increased by ₹ 87,89,997. There is no impact on the total equity as at 31 March 2018.

v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 45 :

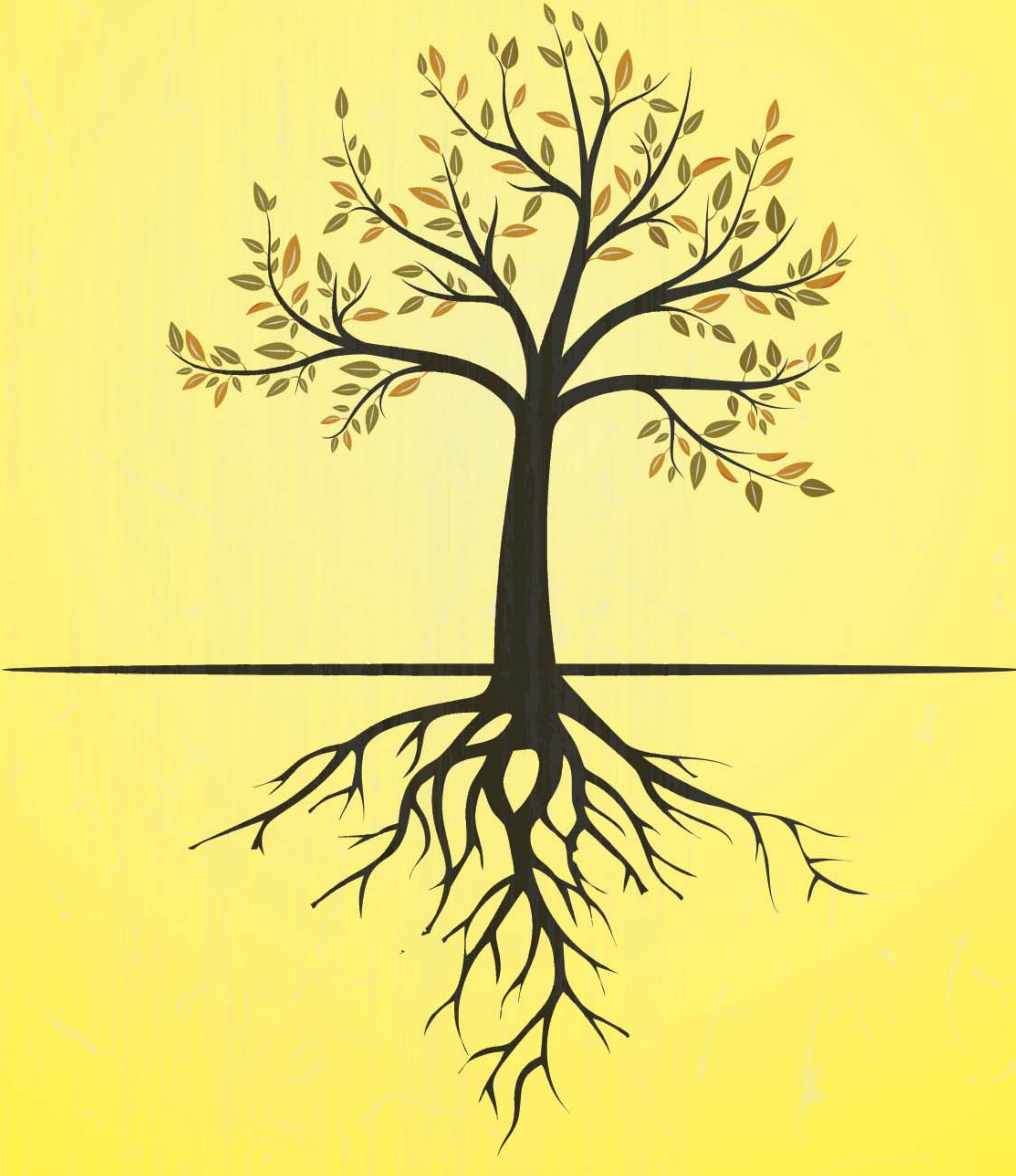
Previous year figures have been regrouped / reclassified wherever necessary to make them comparable.

For Aneel Lasod and Associates	For and on behalf of the Board of Directors of	
Chartered Accountants	**Motilal Oswal Investment Advisors Limited**	
Firm Registration No. 124609W		
Aneel Lasod	**Motilal Oswal**	**Raamdeo Agarawal**
Partner	*Director*	*Director*
M No: 40117	DIN No: 00024503	DIN No: 00024533
Place : Mumbai	Place : Mumbai	
Date : 9th May, 2019	Date : 9th May, 2019	

Motilal Oswal Finvest Limited

(Formerly known as Motilal Oswal Capital Markets Limited)

Financial Statement 2018-19



To the Members of MOTILAL OSWAL FINVEST LIMITED
(Formerly known as Motilal Oswal Capital Markets Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 26 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 19 May 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2019 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited), on the financial statements for the year ended 31 March 2019

ANNEXURE I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provision of Sections 185 and 186 of the Act in respect of loans, investment, guarantees and security.

(v) In our opinion, the provisions of the section 73 to 76 of the Act are not applicable to the Company being an NBFC and also the Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Act. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amount payable in respect of, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of Undisputed Dues

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Employees Provident Fund Act, 1952	Provident Fund	11,706	Various periods	Various dates	Not yet paid	-
		660	April-18	15 May 2019	Not yet paid	-

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution. The Company did not have any loans or borrowings from government or outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Indian Accounting Standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date: 11 May 2019

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited) on the financial statements for the year ended 31 March 2019

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited) ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the Audit of Internal Financial Controls

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date: 11 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
I ASSETS				
1. Financial asset				
a) Cash and cash equivalents	4	48	21	80
b) Receivable				
Trade receivables	5A	2	8	13
Other receivable	5B	68	–	–
c) Loans	6	18,624	–	–
d) Investments	7	30,728	351	255
e) Other financial assets	8	0	–	8
Total (A)		**49,470**	**380**	**356**
2. Non-financial asset				
a) Current tax assets (net)	9	36	–	–
b) Deferred tax assets (net)	10	52	1	0
c) Property, plant and equipment	11 (A)	3	0	0
d) Intangible assets	11 (B)	4	0	1
e) Goodwill	11 (C)	405	–	–
f) Other non-financial assets	12	10	9	18
Total (B)		**510**	**10**	**19**
Total assets (A+B)		**49,980**	**390**	**375**
II LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
a) Debt securities	13	14,777	–	–
b) Borrowings (other than debt securities)	14	4,281	–	–
c) Other financial liabilities	15	67	1	13
Total (A)		**19,125**	**1**	**13**
2. Non-Financial Liabilities				
a) Current tax liabilities (net)	16	–	3	6
b) Provisions	17	15	–	4
c) Other non-financial liabilities	18	8	2	11
Total (B)		**23**	**5**	**21**
3. Equity				
a) Equity share capital	19	2,948	35	35
b) Other equity	20	27,884	349	306
Total (C)		**30,832**	**384**	**341**
Total liabilities and equity (A+B+C)		**49,980**	**390**	**375**

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 48 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May 2019

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

Ajay Menon
Director
DIN: 00024589

Anupam Agal
Director
DIN: 07608920

Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 10 May 2019

STATEMENT OF PROFIT AND LOSS

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
REVENUE FROM OPERATIONS			
(i) Interest income	21	1,457	–
(ii) Dividend income		8	2
(iii) Fees and commission income	22	93	39
(iv) Net gain on fair value changes	23	9	20
(v) Other operating income		1	0
(I) Total revenue from operations		**1,568**	**62**
(II) Other income		**–**	**6**
(III) Total income (I+II)		**1,568**	**68**
EXPENSES			
(i) Finance cost	24	1,105	–
(ii) Fees and commission expense	25	–	0
(iii) Impairment on financial instruments	26	152	5
(iv) Employee benefits expense	27	45	0
(v) Depreciation and amortisation	11	2	0
(vi) Other expenses	28	110	9
(IV) Total expenses		**1,414**	**15**
(V) Profit before tax (III-IV)		**155**	**54**
Tax expense (credit)			
(i) Current tax	29	26	7
(ii) Deferred tax	29	(81)	1
(iii) Short/(excess) provision for earlier years		–	2
(VI) Total tax expense		**(55)**	**10**
(VII) Profit for the year (V-VI)		**210**	**44**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
Actuarial gain/(losses) on post retirement benefit plans	38	0	(2)
Fair value gain/(loss) of investment held through Fair value through other comprehensive income		267	–
Deferred tax impact on the above	29	30	(0)
(VIII) Total other comprehensive income/ (Loss)		**238**	**(1)**
(IX) Total comprehensive income for the year(VII + VIII)		**448**	**43**
Earnings per equity share			
Basic and diluted (Nominal value of ₹ 10 each)	30	2.13	12.69

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 48 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May 2019

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DIN: 00024561

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**155**	**54**
Adjustment for:		
1) Net (gain) /loss on fair value changes	(9)	(20)
2) Impairment on financial instruments	152	5
3) Depreciation and amortisation	2	0
4) Provision for employee benefits	8	–
5) Dividend received	(8)	(2)
Operating profit	**300**	**37**
Adjustment for working capital changes:		
1) Decrease/(increase) in receivables	(62)	0
2) Decrease/(increase) in loans	(18,777)	–
3) Decrease/(increase) in financial assets	(0)	8
4) Decrease/(increase) in other non financial assets	(1)	9
6) Proceeds of debt securities	14,777	–
7) Proceeds of borrowing	4,281	–
8) Increase/(decrease) in other financial liabilities	66	(12)
9) Increase/(decrease) in provisions	6	(6)
10) Increase/(decrease) in other non-financial liabilities	7	(9)
Cash generated from operations	**597**	**27**
Taxes paid	(62)	(12)
Net cash generated from operating activities	**535**	**15**
B. CASH FLOW FROM INVESTING ACTIVITIES		
1) (Purchase) of investments	(30,100)	(135)
2) Proceeds of sale of investments	–	59
3) (Purchase) of fixed assets	(416)	–
4) Dividend received	8	2
Net cash flow used in investing activities	**(30,508)**	**(74)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	30,000	–
Net cash flow used in financing activities	**30,000**	**–**
Net decrease in cash and cash equivalents during the year (A+B+C)	**27**	**(59)**
Cash & cash equivalents as at beginning of the year	21	80
Cash & cash equivalents as at end of the year (also refer note 13)	**48**	**21**
Cash on Hand	0	0
Scheduled Bank - In Current Account	20	79
Total Cash & Cash Equivalents as at beginning of year	**21**	**80**
Cash & Cash Equivalents at end of the year :		
Cash on Hand	0	0
Scheduled Bank - In Current Account	48	20
Cash & Cash Equivalents at the end of the year	**48**	**21**

Notes: (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified in the Companies (Indian Accounting Standard) Rules, 2015. (ii) Figures in brackets indicate cash outflows.
The accompanying notes 1 to 48 form an integral part of the financial statements.

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May 2019

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
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Director & Chief Financial Officer
DIN: 00024561

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(A) Equity share capital

Particulars	Equity share capital		Amount
	Number of shares	Face Value	
Issued,subscribed and paid up			
As at 1 April 2017	**3,50,000**	**10**	**35**
Add: Issue of capital	–	–	–
As at 31 March 2018	**3,50,000**	**10**	**35**
Add: Issue of capital	2,91,26,212	10	2,913
As at 31 March 2019	**2,94,76,212**	**10**	**2,948**

(B) Other equity

Particulars	Reserves and surplus			Items of other comprehensive income			Total other equity
	Capital redemption reserve	Securities premium	Statutory resreve u/s 45 IC of RBI Act 1934	Retained earning	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 01 April 2017	**90**	**–**	**–**	**215**	**–**	**0**	**305**
Profit for the year	–	–	–	44	–	–	**44**
Total other comprehensive income for the year	–	–	–	–	–	(0)	**(0)**
Balance as at 31 March 2018	**90**	**–**	**–**	**259**	**–**	**0**	**349**
Addition during the year	–	27,087	–	–	–	–	**27,087**
Transfer from retained earning	–	–	42	(42)	–	–	**–**
Profit for the year	–	–	–	210	–	–	**210**
Total other comprehensive income for the year	–	–	–	–	238	0	**238**
Balance as at 31 March 2019	**90**	**27,087**	**42**	**427**	**238**	**0**	**27,884**

This is the statement of change in equity referred to in our report of even date

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

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

Sudhir N. Pillai
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Ajay Menon
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Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May 2019

Place : Mumbai
Date : 10 May 2019

(All amounts are in INR lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Finvest Limited (“MOFL” or the “Company”) is a Non-Banking Financial Company registered with the Reserve Bank of India (“RBI”) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI effective 01 October 2018, enabling the Company to carry on business as a Non-banking Finance Company. The Company’s registered office is at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

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

The financial statements were approved for issue by the Company’s Board of Directors on 10 May 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP” or “Previous GAAP”)

These financial statements are the first financial statements of the Company under Ind AS. Refer note 47 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

Accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 42.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates

(All amounts are in INR lakhs, unless otherwise stated)

and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed in note 3.

2.2. Revenue Recognition

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

Revenue is measured at fair value of the consideration received or receivable.

(i) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(ii) Training fee

Performance obligations are satisfied over a period of time and training fee is recognized in accordance with the terms of the contract with the clients.

(iii) Dividend income

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

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

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

(All amounts are in INR lakhs, unless otherwise stated)

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

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

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

2.3. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.4. Cash and cash equivalents

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

2.5. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 46.

Financial assets

(i) Classification and subsequent measurement

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

- Fair value through profit or loss (FVTPL);

(All amounts are in INR lakhs, unless otherwise stated)

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

1. **Financial assets carried at amortised cost**

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

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

2. **Equity instruments**

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

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

3. **Investments in mutual funds**

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

(All amounts are in INR lakhs, unless otherwise stated)

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

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.6. Offsetting financial instruments

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

2.7. Property, plant and equipment

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

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful life
Office Equipments	5 years
Computers	3 years

Derecognition:

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

(All amounts are in INR lakhs, unless otherwise stated)

2.8. Intangible assets

Measurement at recognition:

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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

Assets	Useful life
Computer Software	5 years

Derecognition:

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

2.9. Goodwill

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.17). These assets are not amortised but are tested for impairment annually.

2.10. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11. Provisions and contingencies:

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(All amounts are in INR lakhs, unless otherwise stated)

2.12. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

Functional and presentation currency

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

2.13. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.14. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Managing Director who has been identified as the Chief Operating Decision Maker.

Operating segments of the Company comprises as under

- Lending and related activities
- Fund based

(All amounts are in INR lakhs, unless otherwise stated)

2.15. Business Combination under Common Control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for net identifiable assets acquired and liabilities assumed.

2.16. Events after reporting date

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

2.17. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 01 April 2019. The Company is currently evaluating the requirement of the amendment and its impact on the financial statements.

Amendments to existing Ind AS :

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company expects the adoption of these amendments will have no material impact on its financial statements.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value Through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

(All amounts are in INR lakhs, unless otherwise stated)

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Company's financial statements:

- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associate and Joint Ventures
- Ind AS 103 Business Combinations
- Ind AS 111 Joint Arrangements

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) *Provision and contingent liability:* On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) *Allowance for impairment of financial asset:* Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) *Recognition of deferred tax assets* - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) *Defined benefit plans* - The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) *Property, plant and equipment and Intangible Assets:* Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Cash on hand	0	0	0
Balances with bank in current account	48	20	79
	48	**21**	**80**

NOTE 5A : TRADE RECEIVABLE

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Considered good - unsecured	0	6	8
Receivables which have significant increase in credit risk	2	2	5
	2	**8**	**13**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 5B : OTHER RECEIVABLE

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Interest accrued and due	45	–	–
Other	23	–	–
	68	**–**	**–**

(i) Concentration of credit risk with respect to receivables are limited, due to the Company's customer base largely being related parties.

(ii) Trade and other receivable ₹ NIL (31 March 2018 - ₹ Nil and 1 April 2017 - ₹ Nil) are due from director or other officer of the Company either severally or jointly with any other person.

(iii) Trade and other receivable ₹ Nil (31 March 2018 - ₹ Nil and 1 April 2017 - ₹ Nil) are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6 : LOANS (AT AMORTISED COST)

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
(A) Loan repayable on demand*	18,675	–	–
Less : impairment loss allowance	(51)	–	–
	18,624	**–**	**–**
(B) (i) Secured by tangible assets	13,240	–	–
(ii) Unsecured*	5,436	–	–
Total (B) gross	**18,675**	**–**	**–**
Less : impairment loss allowance	(51)	–	–
Total (B) Net	**18,624**	**–**	**–**
(C) Loans in India			
(i) Public sector	–	–	–
(ii) Other than public sector	18,675	–	–
Total (C) Gross	**18,675**	**–**	**–**
Less : Impairment loss allowance	(51)	–	–
Total (C) Net	**18,624**	**–**	**–**

* It includes loan givens to related parties,for details refer note-40

(i) Analysis of changes in the gross carrying amount of demand loans

Loan book movement

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening	–	–
Orignation of new loan	18,846	–
Write-offs during the year	(171)	–
Repayments received during the year	–	–
Closing	**18,675**	**–**

Loans as on 31 March 2018 and 31 March 2017 is ₹ Nil.

Break - up of loans under

Particulars	As at 31-Mar-19	As at 31-Mar-18
Low credit risk (Stage1)	18,671	–
Significant increase in credit risk (Stage2)	–	–
Credit impaired (Stage3)	5	–
Closing	**18,675**	**–**

(All amounts are in INR lakhs, unless otherwise stated)

Reconciliation of ECL balance

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Opening	–	–
ECL impact due to Write-offs	(171)	–
Addition during the year	223	–
Closing	**51**	**–**

Loans as on 31 March 2018 and 31 March 2017 is ₹ Nil.

Break - up of ECL under

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Low credit risk (Stage1)	47	–
Significant increase in credit risk (Stage2)	–	–
Credit impaired (Stage3)	5	–
Closing	**51**	**–**

NOTE 7 : INVESTMENTS

Particulars	Face value	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
I. Investments at amortised cost							
Investments at equity instruments							
Investments in fellow subsidiaries - Unquoted							
Aspire Home Finance Corporation Limited	1	60,00,00,000	15,000	–	–	–	–
Total I		**60,00,00,000**	**15,000**	**–**	**–**	**–**	**–**
II. Investment at fair value through profit and loss account at FVTPL							
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted							
Motilal Oswal Most Focused Multicap 35 Fund - Growth	10	1,50,18,013	4,091	2,19,586	60	2,19,586	51
Most Focus Midcap 30 Fund - Growth	10	39,30,791	1,064	4,06,326	107	4,06,326	102
Motilal Oswal Most Focused Multicap 25 Fund - Growth	10	8,36,077	194	8,36,077	184	5,18,108	102
Investments in Exchange Traded Fund (Equity) - Fully paid up - Quoted							
Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	10	17,889	56	–	–	–	–
Motilal Oswal Mutual Fund - Motilal Oswal MOSt Shares M100 ETF GO	10	2,27,920	43	–	–	–	–
Motilal Oswal Mutual Fund-Motilal Oswal MOSt Shares NASDAQ 100 ETF -GO	10	3,78,201	41	–	–	–	–
Reliance ETF Gold BeES	100	675	19	–	–	–	–
SBI-ETF Nifty Next 50	10	44,978	53	–	–	–	–
Total II		**2,04,54,543**	**5,561**	**14,61,989**	**351**	**11,44,020**	**255**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
III. Investment at fair value through other comprehnsive income FVOCI:							
Quoted Equity Instruments- Fully paid-up							
Investment through Portfolio Management Services (PMS)							
Aegis Logistics Ltd	1	1,02,183	208	–	–	–	–
Ajanta Pharma Ltd	2	216	2	–	–	–	–
Alkem Laboratories Ltd	2	11,026	193	–	–	–	–
Asian Paints Ltd	1	345	5	–	–	–	–
Astral Poly Technik Ltd	1	88	1	–	–	–	–
Au Small Finance Bank Ltd	10	1,646	10	–	–	–	–
Axis Bank Ltd	2	2,088	16	–	–	–	–
Bajaj Finance Ltd	2	17,397	526	–	–	–	–
Bajaj Finserv Ltd	5	168	12	–	–	–	–
Balkrishna Industries Ltd	2	425	4	–	–	–	–
Bayer Cropscience Ltd	10	1,971	87	–	–	–	–
Bhansali Engineering Polymers Ltd	1	1,417	1	–	–	–	–
Bharat Forge Ltd	2	60,282	309	–	–	–	–
Bharat Petroleum Corporation Ltd	10	880	3	–	–	–	–
Blue Star Ltd	2	167	1	–	–	–	–
Bosch Ltd	10	2,111	384	–	–	–	–
Britannia Industries Ltd	1	224	7	–	–	–	–
Canfin Homes Ltd	2	4,067	14	–	–	–	–
Cholamandalam Investment And Finance Company Ltd	10	742	11	–	–	–	–
City Union Bank Ltd	1	2,70,902	555	–	–	–	–
Colgate Palmolive (India) Ltd	1	19,039	240	–	–	–	–
Container Corporation Of India Ltd	5	51,578	271	–	–	–	–
Crompton Greaves Consumer Electrcials Ltd	2	786	2	–	–	–	–
Cummins India Ltd	2	29,413	219	–	–	–	–
DCB Bank Ltd	10	2,852	6	–	–	–	–
Eicher Motors Ltd	10	2,178	448	–	–	–	–
Emami Ltd	1	55,097	220	–	–	–	–
Endurance Technologies Ltd	10	168	2	–	–	–	–
Engineers India Ltd	5	60,206	71	–	–	–	–
Eris Lifesciences Ltd	1	271	2	–	–	–	–
Glaxosmithkline Consumer Healthcare Ltd (Formerly Smithkline Beecham Consumer)	10	3,519	255	–	–	–	–
Godrej Industries Ltd	1	66,449	356	–	–	–	–
Havells India Ltd	1	551	4	–	–	–	–
HDFC Asset Management Company Ltd	5	125	2	–	–	–	–
Hdfc Bank Ltd	2	1,391	32	–	–	–	–
Hdfc Life Insurance Company Ltd	10	5,023	19	–	–	–	–
Hindustan Petroleum Corporation Ltd	10	99,326	282	–	–	–	–
Hindustan Unilever Ltd	1	288	5	–	–	–	–
Housing Development Finance Corporation Ltd	2	242	5	–	–	–	–
Icici Bank Ltd	2	55,334	222	–	–	–	–
ICICI Lombard General Insurance Company Ltd	10	877	9	–	–	–	–
Infosys Ltd	5	881	7	–	–	–	–
Interglobe Aviation Ltd	10	428	6	–	–	–	–
Ipca Laboratories Ltd	2	32,001	314	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
ITC Ltd	1	1,800	5	–	–	–	–
Jubilant Foodworks Ltd	10	118	2	–	–	–	–
Jubilant Life Sciences Ltd	1	294	2	–	–	–	–
Kajaria Ceramics Ltd	1	975	6	–	–	–	–
Kansai Nerolac Paints Ltd	1	782	4	–	–	–	–
Kotak Mahindra Bank Ltd	5	86,015	1,148	–	–	–	–
L&T Technology Services Ltd	2	27,671	435	–	–	–	–
Larsen & Toubro Infotech Ltd	1	811	14	–	–	–	–
Larsen & Toubro Ltd	2	899	12	–	–	–	–
Liquid funds and cash and cash equivalents held through PMS		11,144	78	–	–	–	–
Mahindra Logistics Ltd	10	2,062	11	–	–	–	–
Maruti Suzuki India Ltd	5	212	14	–	–	–	–
Max Financial Services Ltd	2	83,019	361	–	–	–	–
Minda Industries Ltd	2	685	2	–	–	–	–
Monsanto India Ltd (Formly Monsanto Chemicals Of India)	10	3,030	79	–	–	–	–
Page Industries Ltd	10	3,597	898	–	–	–	–
Persistent Systems Ltd	10	455	3	–	–	–	–
Petronet Lng Ltd	10	3,677	9	–	–	–	–
PI Industries Ltd	1	172	2	–	–	–	–
Quess Corp Ltd	10	1,980	15	–	–	–	–
Rbl Bank Ltd	10	1,409	10	–	–	–	–
SBI Life Insurance Company Ltd	10	878	5	–	–	–	–
SRF Ltd	10	128	3	–	–	–	–
Sundram Fasteners Ltd	1	748	4	–	–	–	–
Tata Consultancy Services Ltd	1	214	4	–	–	–	–
Tech Mahindra Ltd	5	50,146	389	–	–	–	–
The Federal Bank Ltd	2	2,44,492	236	–	–	–	–
The Jammu & Kashmir Bank Ltd	1	1,42,437	76	–	–	–	–
The Ramco Cements Ltd	1	422	3	–	–	–	–
The Supreme Industries Ltd	2	100	1	–	–	–	–
Titan Company Ltd	1	990	11	–	–	–	–
United Spirits Ltd	2	674	4	–	–	–	–
Varroc Engineering	1	362	2	–	–	–	–
VIP Industries Ltd	2	1,207	6	–	–	–	–
Voltas Ltd	1	1,51,902	956	–	–	–	–
Wabco India Ltd	5	47	3	–	–	–	–
Whirlpool Of India Ltd Equity Shares	10	377	6	–	–	–	–
Total III			**10,167**				
Total (I)+(II)+(III)			**30,728**		**351**		**255**
Aggregate amount of quoted investments and market value thereof			10,379		–		–
Aggregate amount of unquoted investments			20,349		351		255
Total			**30,728**		**351**		**255**
(i) Investment outside India			–				–
(ii) Investment in India			30,728		351		255
Total			**30,728**		**351**		**255**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Security deposits (Unsecured, considered good)	0	–	8
	0	**–**	**8**

NOTE 9 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
Advance tax and tax deducted at source (net of provisions)	36	–	–
	36	**–**	**–**

NOTE 10 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
(A) Deferred tax assets			
Contingent provision	14	–	–
Fair value gain on investments	29	–	–
Total deferred tax assets	**43**	**–**	**–**
(B) Deferred tax liabilities			
Difference between tax depreciation and book depreciation	84	0	0
Gratuity	2	–	0
MAT credit entailtenment	9	1	–
Total deferred tax liabilities	**95**	**1**	**0**
Net deferred tax assets (A - B)	**52**	**1**	**0**

NOTE 11(A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Computer	1	7	–	7	0	4	–	5	3	0
Mobile	0	–	–	0	0	0	–	0	0	0
Total (A)	**1**	**7**	**–**	**7**	**0**	**4**	**–**	**5**	**3**	**0**

NOTE 11(B) : INTANGIBLE ASSETS

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Computer Software	1	4	–	5	0	0	–	1	4	0
Total (B)	**1**	**4**	**–**	**5**	**0**	**0**	**–**	**1**	**4**	**0**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 11(C) : GOODWILL

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Goodwill	–	405	–	405	–	–	–	–	405	–
Total (C)	**–**	**405**	**–**	**405**	**–**	**–**	**–**	**–**	**405**	**–**
Total (A+B+C)	**1**	**416**	**–**	**417**	**1**	**5**	**–**	**5**	**412**	**1**

NOTE 11(A) : PROPERTY, PLANT AND EQUIPMENT

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Computer	0	–	–	0	0	0		0	0	0
Mobile	0	–	–	0	0	0		0	0	0
Total (A)	**0**	**–**	**–**	**0**	**0**	**0**	**–**	**0**	**0**	**0**

NOTE 11(B) : INTANGIBLE ASSETS

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Computer Software	1	–	–	1	0	0	–	0	0	1
Total (B)	**1**	**–**	**–**	**1**	**0**	**0**	**–**	**0**	**0**	**1**

NOTE 11(C) : GOODWILL

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Goodwill	–	–	–	–	–	–	–	–	–	–
Total (C)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (A+B+C)	**1**	**–**	**–**	**1**	**0**	**0**	**–**	**1**	**1**	**1**

(i) Represents deemed cost on the date of transition to Ind As. Gross block and accumlated depreciation have been netted off.

(ii) In Accumlated Depreciation 3.2 lakhs belong to the asset taken in slump sale. Hence no impact in Profit and Loss accounts.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 12 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Unsecured, considered good			
Balance with Government authorities	–	3	–
Prepaid expenses	9	–	3
Indirect tax credit receivable	1	6	10
Advance against expenses	–	–	5
	10	**9**	**18**

NOTE 13 : DEBT SECURITIES

		As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
At Amortised cost				
Commercial paper (Unsecured)				
(i) from banks		–	–	–
(ii) from other parties		14,777	–	–
	Total (A)	**14,777**	**–**	**–**
Debt securities in India		14,777	–	–
Debt securities outside India		–	–	–
	Total (B)	**14,777**	**–**	**–**

NOTE 14 : BORROWINGS

		As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
At Amortised cost				
Term loans				
(i) from banks		–	–	–
(ii) from other parties(secured)*		3,000	–	–
Demand loans				
(i) from banks		–	–	–
(ii) from other parties(unsecured)		1,281	–	–
	Total (A)	**4,281**	**–**	**–**
Borrowings in India		4,281	–	–
Borrowings outside India		–	–	–
	Total (B)	**4,281**	**–**	**–**

*Borrowings from Non-Banking Financial Company is secured against units of mutual funds and approved list of shares and securities. It consists of loan of ₹ 30,00,00,000 from Bajaj Financial Services Limited carrying interest rate of 9.25% p.a. which are repayable on demand.

NOTE 15 : OTHER FINANCE LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Interest accrued and due on borrowings	59	–	0
Other payables	8	1	13
	67	**1**	**13**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 16 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provisions for tax (net of advance tax and tax deducted at source)	–	3	6
	–	**3**	**6**

NOTE 17 : PROVISONS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for Employee Benefits			
Ex-gratia payable(refer note 34)	7	–	3
Gratuity obligation (unfunded) (refer note 34)	8	–	1
Compensated absences (refer note 34)	0	–	0
	15	**–**	**4**

NOTE 18 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Income received in advance	3	2	9
Accrued salaries and benefits	1	0	1
Withholdings and other tax payables	5	0	1
	8	**2**	**11**

NOTE 19 : EQUITY SHARE CAPITAL

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Authorised share capital :			
Equity shares of ₹ 10 each (in numbers)	2,94,76,210	1,50,00,000	40,00,000
7% Non-cumulative redeemable preference shares of ₹ 10 each (in numbers)	–	–	1,10,00,000
	2,94,76,210	**1,50,00,000**	**1,50,00,000**
Issued, Subscribed and Paid Up :			
Equity Shares of ₹ 10 Each Fully Paid Up (in numbers) (All the above shares are held by hoding company Motilal Oswal Financial Services Limited)	29,47,62,120	35,00,000	35,00,000
	29,47,62,120	**35,00,000**	**35,00,000**

Rights, preferences and restrictions attached to shares

1. **Equity shares :**

   The Company has one class of equity shares having a par value of Re. 10 each (previous year: having a par value of Re. 10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All amounts are in INR lakhs, unless otherwise stated)

2. Reconciliation of number of shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	In ₹	Number of shares	In ₹	Number of shares	In ₹
At beginning of the year	3,50,000	35	3,50,000	35	3,50,000	35
Additions during the year	2,91,26,212	2,913	–	–	–	–
At the end of the year	**2,94,76,212**	**2,948**	**3,50,000**	**35**	**3,50,000**	**35**

3. Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	2,94,76,212	100%	3,50,000	100%	3,50,000	100%

4. Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	2,94,76,212	100%	3,50,000	100%	3,50,000	100%

5. The company has neither issued equity shares pursuant to contranct without payment received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediatily preceeding the balance sheet date.

NOTE 20 : OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
a) Capital redemption reserve			
Balance at the beginning of the year	90	90	–
Add: Additions during the year	–	–	90
Balance at the end of the year	**90**	**90**	**90**
b) Securities premium			
Balance at the beginning of the year	–	–	–
Add: Additions during the year	27,087	–	–
Balance at the end of the year	**27,087**	**–**	**–**
c) Statutory reserves			
Balance at the beginning of the year	–	–	–
Add: Transferred from statement of profit and loss	42	–	–
Balance at the end of the year	**42**	**–**	**–**
d) Retained earnings			
Balance at the beginning of the year	259	215	160
Add: Profit during the year	210	44	145
Less: Transfer to Capital redemption reserve	–	–	(90)
Less: Transfer to statutory reserves	(42)	–	–
Closing Balance	**427**	**259**	**215**
e) Other comprehensive income			
Balance at the beginning of the year	–	1	–
Add: Other comprehensive income during the year	238	(1)	1
Balance as at end of the year	**238**	**–**	**1**
	27,884	**349**	**306**

(All amounts are in INR lakhs, unless otherwise stated)

Nature and purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of prefrence shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has transferred an amount of ₹ 41.99 lakhs

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of cummulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains/loss on defined benefit plan.

NOTE 21 : INTEREST INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
On financial assets measured at amortised cost		
Interest on loans	1,457	–
	1,457	**–**

NOTE 22 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Training fees	93	25
Brokerage on property	–	14
	93	**39**

NOTE 23 : NET GAIN ON FAIR VALUE CHANGES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
Realised	–	–
Unrealised	9	20
	9	**20**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 24 : FINANCE COST

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
On financial liabilities measured at amortised cost		
Interest on debt securities	255	–
Interest on borrowings	850	–
Other borrowing cost	–	–
	1,105	**–**

NOTE 25 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Training expenses	–	0
	–	0

NOTE 26 : IMPAIRMENT ON FINANCIAL INSTRUMENT

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
a) Impairment loss allowance on Loan	(24)	–
b) Loan written off	176	5
	152	**5**

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Salary and wages	33	–
Contribution to provident (refer note 38)	1	0
Staff welfare expenses	3	0
Gratuity (refer note 38)	8	–
	45	**0**

NOTE 28 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Advertisement and Brand promotion expenses	1	5
Rates & Taxes	67	0
Bank charges	0	0
Printing stationery expenses	1	0
Power and fuel	0	–
Remmuneration to auditors (refer note 31)	1	0
Legal & professional fees	16	1
Rent	14	–
Miscelleneous expenses	9	1
Client entertainment	–	1
	110	**9**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 29 : TAX EXPENSE

A. Component of income tax expense

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
I. Tax expense recognised in the statement of profit and loss		
Current tax expense		
Current tax for the year	26	7
Tax adjustment in respect of earlier years	–	2
Total current tax expense	**26**	**9**
Deferred tax charge / (credit)		
Origination and reversal of temporary differences	(81)	1
Net deferred tax expense/(credit)	**(81)**	**1**
	(55)	**10**
II. Tax on other comprehensive income		
Deferred tax charge / (credit)		
(Gain)/loss on equity instruments through other comprehensive income	30	–
(Gain)/loss on remeasurement of net defined benefit plans	0	(0)
	30	**(0)**

B. Reconciliation of effective tax rate

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit/(loss) before income tax expense	**155**	**54**
Tax at the rate of 26% (for 31 March 2018 - 25.75%)	40	14
Differences due to:		
Temporary tax difference	(21)	(6)
Exempt income	(2)	(1)
Tax adjustment of previous years	–	2
Mat credit entitlement	9	–
Income tax expense	**26**	**9**

Movement during the year ended 31 March 18	As at 1-Apr-17	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31-Mar-18
Deferred tax assets / (liabilities)				
Difference between tax depreciation and book depreciation	(0)	0	–	(0)
Provision for post retirement benefits and other employee benefits	(0)	(0)	0	–
Fair value gain/(loss) on investments	–	(1)	–	(1)
	(0)	**(1)**	**0**	**(1)**

(All amounts are in INR lakhs, unless otherwise stated)

Movement during the year ended 31 March 19	As at 1-Apr-18	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31-Mar-19
Deferred tax assets / (liabilities)				
Difference between tax depreciation and book depreciation	(0)	84	–	(84)
Provision for post retirement benefits and other employee benefits	–	2	(0)	(2)
Provision for doubtful debts and advances	–	(14)	–	14
Fair value gain/(loss) on investments	(1)	(0)	(30)	29
MAT credit receiveable	–	9	–	(9)
	(1)	**81**	**(30)**	**(52)**

NOTE 30 : EARNINGS PER SHARE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit attributable to equity shareholders [A]	210	44
Weighted average number of equity shares issued [B]	98,56,583	3,50,000
Nominal value per share (in rupees)	10	10
Earning per share (Basic and diluted) [A]/[B] (Rupees)	2.13	12.59

NOTE 31 : REMUNERATION TO AUDITORS (EXCLUSIVE OF TAXES)

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
As auditors:		
Statutory audit	1	0
Out of pocket expenses	0	–
	1	**0**

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities:

The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

Capital commitments

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

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 33 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
The Principal amount remaining unpaid at the end of the year	–	–	–
The Interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 34 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2019

Particulars	Opening balance as on 1-Apr-18	Provided for the F.Y. 2018-19	Provision reversed / paid for the F.Y. 2018-19	Closing balance as of 31-Mar-19
Ex - gratia	–	7	–	7
Provision for gratuity	–	8	–	8
Compensated absences	–	0	–	0

For the year ended 31 March 2018

Particulars	Opening balance as on 1-Apr-17	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31-Mar-18
Ex - gratia	3	–	3	–
Provision for gratuity	1	–	1	–
Compensated absences	0	–	0	–

NOTE 35 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17
Equity shares	8,735	–	–
Mutual funds	4,091	–	–

NOTE 36 : RATINGS ASSIGNED BY CREDIT RATING AGENCIES

1) Crisil Limited reaffirmed the Credit Rating of “”CRISIL A1+”” (pronounced ‘CRISIL A One Plus’) to the Commercial Paper Programme of 25,000 lakhs of the Company. “

NOTE 37 : CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Company’s capital management, capital includes issued capital and other equity reserves. The primary objective of the Company’s capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 38 : EMPLOYEE BENEFITS

Disclosure pusuant to Ind AS -19 "Employee benefits" is given as below:

(a) Defined contribution plan

Particulars	31-Mar-19	31-Mar-18
Employer's contribution to provident fund (including Admin charges)	1	0

(b) Defined benefit plan

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS -19 ""Employee benefits""and the reconciliation of opening and closing balances of the present value of the defined benefit obligation. In the Financial year; the Company does not have any employees and hence no provision in respect of such benefits recognised.

Particulars	Gratuity (unfunded)		
	31-Mar-19	31-Mar-18	1-Apr-17
Assumptions as at			
Mortality	IALM (2006-08) Ultimate		IALM (2006-08) Ultimate
Interest / Discount Rate	7.12%		6.69%
Rate of increase in compensation	9.00%		10.00%
Rate of return (expected) on plan assets			
Employee Attrition Rate(Past SelVice (PS))	PS: 0 to 37 : 20.92%		PS: 0 to 37 : 12.5%
Expected average remaining service	3.69		6.36
I) Changes in present value of obligations			
PVO at beginning of period	–	–	1
Interest cost	0	–	0
Current service cost	1	–	1
Past service cost - (non vested benefits)	–	–	–
Past service cost - (vested benefits)	–	–	–
Transfer in Liability	7	–	–
Benefits paid	–	–	–
Contributions by plan participants	–	–	–
Business combinations	–	–	–
Curtailments	–	–	–
Settlements	–	–	–
Actuarial (gain)/loss on obligation	(0)	–	(2)
PVO at end of period	8	–	1
II) Interest expense			
Interest cost	0	–	–
III) Fair value of plan assets			
Fair Value of Plan Assets at beginning of period	–	–	–
Interest income	–	–	–
IV) Net Liability			
PVO at beginning of period	–	–	–
Fair value of the assets at beginning report	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–
Net Liability	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)		
	31-Mar-19	31-Mar-18	1-Apr-17
V) Net Interest			
Interest expenses	0	–	–
Interest income	–	–	–
Net interest	0	–	–
VI) Actual return on plan assets			
Less Interest income included above	–	–	–
Return on plan assets excluding interest income	–	–	–
VII) Actuarial (gain)/loss on obligation			
Due to demographic assumption	–	–	–
Due to financial assumption	–	–	–
Due to experience	(0)	–	(2)
Total actuarial (gain)/loss	(0)	–	–
VIII) Fair value of plan assets			
Opening fair value of plan asset	–	–	–
Adjustment to opening fair value of plan asset	–	–	–
Return on plan assets excluding interest income	–	–	–
Interest income	–	–	–
Contributions by employer	–	–	–
Contributions by employee	–	–	–
Benefits paid	–	–	–
Fair value of plan assets at end	–	–	–
IX) Past service cost recognised			
Past service cost- (non vested benefits)	–	–	–
Past service cost- (vested benefits)	–	–	–
Average remaining future service till vesting of the benefit	–	–	–
Recognised past service cost- non vested benefits	–	–	–
Recognised past service cost- vested benefits	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account			
PVO at end of period	8	–	1
Fair value of plan assets at end of period	–	–	–
Funded Status	(8)	–	(1)
Unrecognised past service cost- non vested benefits	(8)	–	–
Net asset/(liability) recognized in the balance sheet	–	–	(1)
XI) Expense recognised in the statement of profit and loss			
Current service cost	1	–	1
Net interest	0	–	0
Past service cost - (non vested benefits)	–	–	–
Past service cost - (vested benefits)	–	–	–
Curtailment effect	–	–	–
Settlement effect	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–
Actuarial (gain)/loss recognized for the period	–	–	(2)
Expense recognized in the statement of profit and loss	1	–	(0)

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)		
	31-Mar-19	31-Mar-18	1-Apr-17
XII) Other comprehensive income (OCI)			
Actuarial (gain)/loss recognized for the period	(0)	–	–
Asset limit effect	–	–	–
Return on plan assets excluding net interest	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	(0)	–	–
XIII) Movement in liability recognized in balance sheet			
Opening net liability	–	–	1
Adjustment to opening balance	–	–	–
Transfer in liability	7	–	–
Expenses as above	1	–	(0)
Contribution paid	–	–	–
Other comprenehsive income(OCI)	(0)	–	–
Closing net liability	8	–	1
XIV) Schedule III of The Companies Act 2013			
Current liability	2	–	0
Non - current liability	6	–	1
XV) Projected service cost 31 March 2020	1	–	1
XVI) Asset information			
Cash and cash equivalents	–	–	–
Gratuity fund ()	–	–	–
Debt security - government bond	–	–	–
Equity securities - corporate debt securities	–	–	–
Other insurance contracts	–	–	–
Property	–	–	–
Total itemized assets	–	–	–

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	7	8	8	0

XIX) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth
Payouts	2	1	1	1

Year	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	1	3

XX) Asset liability comparisons

Year	31/03/2019	31/03/2018	31/03/2017	31/03/2016	31/03/2015
PVO at end of period	8	–	1.14	1.14	–
Plan assets	–	–	–	–	–
Surplus / (deficit)	(8)	–	(1.14)	(1.14)	–
Experience adjustments on plan assets					

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 39 : SEGMENT REPORTING

The chief operating decision maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of “Lending activities” and “Fund based activities”. Lending activities includes loan against shares. Fund based activities includes investment activities in mutual funds and equity instruments.

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

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as “unallocable” in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

Particulars	Lending activities		Fund based activities		Unallocated		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
REVENUE:								
External Revenue	1,551	40	17	22	–	–	1,568	62
Inter-Segment Revenue	–	–	–	–	–	–	–	–
Total Revenue	**1,551**	**40**	**–**	**–**	**–**	**–**	**1,568**	**62**
RESULT:								
Segment Result	139	32	17	22	(1)	(0)	156	54
Unallocated Corporate Expenses	–	–	–	–	–	–	1	0
Operating Profit							**155**	**54**
Less: Tax Expenses:							–	–
Income Tax							(26)	(7)
Deferred Tax							81	(0)
Profit from Ordinary Activities							210	46
Exceptional Item							–	–
Net Profit							210	46
OTHER INFORMATION:								
Segment Assets	49,892	390	–	–	88	1	49,980	390
Segment Liabilities	19,148	3	–	–	–	3	19,148	6
Capital Expenditure	–	–	–	–	–	–	416	–
Depreciation	–	–	–	–	–	–	2	0

NOTE 40 : RELATED PARTY DISCLOSURE

I. Relationships during the year

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

(All amounts are in INR lakhs, unless otherwise stated)

Fellow subsidiaries:

1. Motilal Oswal Commodities Broker Private Limited
2. Motilal Oswal Investment Advisors Limited
3. MOPE Investment Advisors Private Limited
4. Motilal Oswal Wealth Management Limited
5. Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
6. Motilal Oswal Asset Management Company Limited
7. Motilal Oswal Trustee Company Limited
8. Motilal Oswal Securities International Private Limited
9. Motilal Oswal Capital Markets (Hongkong) Private Limited
10. Motilal Oswal Capital Markets (Singapore) Pte. Limited
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. Motilal Oswal Capital Limited

Key Management Personnel (KMP)

1. Navin Agarwal - Director and Chief Financial Officer
2. Ajay Menon - Director
3. Anupam Agal - Director
4. Kailash Purohit - Company Secretary

Transactions with related parties for the year ended 31st March, 2019

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Training Fees	Motilal Oswal Securities Limited	–	(5)	–	–	–	(5)
Training Fees	Motilal Oswal Financial Services Limited	(49)	–	–	–	(49)	–
Interest Expense / (Income)	Motilal Oswal Securities Limited	–	–	(19)	–	(19)	–
	Motilal Oswal Financial Services Limited	415	–	–	–	415	–
	Aspire Home Finance Corporation Limited	–	–	(44)	–	(44)	–
	Motilal Oswal Asset Management Company Limited	–	–	(5)	–	(5)	–
	Motilal Oswal Commodities Broker Private Limited	–	–	(1)	–	(1)	–
	Motilal Oswal Investment Advisors limited	–	–	(68)	–	(68)	–
	MOPE Investment Advisors Private Limited	–	–	(35)	–	(35)	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	(3)	–	(3)	–
	Motilal Oswal Wealth Management Limited	–	–	(32)	–	(32)	–
	Passionate Investment Management Private Limited	(1)	–	–	–	(1)	–
	Motilal Oswal Capital Limited	–	–	(0)	–	(0)	–
Rent Expense	Motilal Oswal Financial Services Limited	14	–	–	–	14	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Rent Deposit Paid / (Received)	Motilal Oswal Securities Limited	–	(9)	–	–	–	(9)
Loan Taken (Maximum Balance)	Motilal Oswal Financial Services Limited	(1,40,895)	–	–	–	(1,40,895)	–
	Aspire Home Finance Corporation Limited	–	–	(10,000)	–	(10,000)	–
	Motilal Oswal Asset Management Company Limited	–	–	(4,049)	–	(4,049)	–
	Motilal Oswal Commodities Broker Private Limited	–	–	(35)	–	(35)	–
	Motilal Oswal Investment Advisors limited	–	–	(7,471)	–	(7,471)	–
	MOPE Investment Advisors Private Limited	–	–	(3,341)	–	(3,341)	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	(410)	–	(410)	–
	Motilal Oswal Wealth Management Limited	–	–	(5,619)	–	(5,619)	–
	Passionate Investment Management Private Limited	(155)	–	–	–	(155)	–
	Motilal Oswal Capital Limited	–	–	(34)	–	(34)	–
Repayment of loan	Motilal Oswal Financial Services Limited	1,39,614	–	–	–	1,39,614	–
	Aspire Home Finance Corporation Limited	–	–	10,000	–	10,000	–
	Motilal Oswal Asset Management Company Limited	–	–	4,049	–	4,049	–
	Motilal Oswal Commodities Broker Private Limited	–	–	35	–	35	–
	Motilal Oswal Investment Advisors limited	–	–	7,471	–	7,471	–
	MOPE Investment Advisors Private Limited	–	–	3,341	–	3,341	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	410	–	410	–
	Motilal Oswal Wealth Management Limited	–	–	5,619	–	5,619	–
	Passionate Investment Management Private Limited	155	–	–	–	155	–
	Motilal Oswal Capital Limited	–	–	34	–	34	–
Investments	Aspire Home Finance Corporation Ltd	–	–	15,000	–	15,000	–

* Note : All Loans referred above are repayable on demand

(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary		
		As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Investments	Aspire Home Finance Corporation Ltd	15,000	–	–
Loan & Advances receivables	Motilal Oswal Commodities Broker Private Limited	(0)	–	–
	Motilal Oswal Financial Services Limited	(1,281)	–	–
Rent / MOT Cost	Motilal Oswal Securities Limited	–	–	(1)
	Motilal Oswal Financial Services Limited	(3)	–	–
Trade receivables/ Trade payables	Motilal Oswal Securities Limited	–	6	(1)
	Motilal Oswal Financial Services Limited	23	(0)	(0)

(All amounts are in INR lakhs, unless otherwise stated)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary		
		As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Interst receivables	Motilal Oswal Financial Services Limited	20	–	–
	Motilal Oswal Asset Management Company Limited	0	–	–
	Motilal Oswal Commodities Broker Private Limited	0	–	–
	Motilal Oswal Investment Advisors limited	12	–	–
	MOPE Investment Advisors Private Limited	7	–	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	0	–	–
	Motilal Oswal Wealth Management Limited	3	–	–
	Passionate Investment Management Private Limited	0	–	–
Deposit Rent Refundable	Motilal Oswal Securities Limited	–	–	9

* Note : All Loans referred above are repayable on demand

NOTE 41 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and market risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, receivables, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk is the risk that the Company will incurr a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units and trade receivables.

Banks balance is considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered. For arriving at the ECL, the Company follows ECL module approved by the management.

Also refer note 6 for movement in ECL.

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Borrowing and other financial liabilities.

(All amounts are in INR lakhs, unless otherwise stated)

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31-Mar-19	31-Mar-18	1-Apr-17
- Expiring within one year (working capital demand loan sanctioned)	37,000	–	–

The credit facilities may be drawn at any time and may be terminated by the NBFC/bank. Subject to the continuance of satisfactory credit ratings.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	14,777	–	–	14,777
Borrowing	4,281	–	–	4,281
Other financial liabilities	67	–	–	67
Total	**19,125**	**–**	**–**	**19,125**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	–	–	–	–
Borrowing	–	–	–	–
Other financial liabilities	1	–	–	1
Total	**1**	**–**	**–**	**1**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	–	–	–	–
Borrowing	–	–	–	–
Other financial liabilities	13	–	–	13
Total	**13**	**–**	**–**	**13**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from variable rates borrowings , which expose the company to interest rate risk. The company eliminates the risk by having short term borrowing and providing demand loans on variable interest rates.

(All amounts are in INR lakhs, unless otherwise stated)

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Mar-17
Variable rate borrowing	1,281	–	–
Fixed rate borrowing	17,777	–	–
Total Borrowing	**19,058**	**–**	**–**

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	Sunday, 31-Mar-19	Saturday, 31-Mar-18
Interest rates – increase by 1%	(9)	–
Interest rates – decrease by 1%	9	–

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, equity shares, exchange traded funds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs / price with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs / price of the investments held at FVTPL/ FVOCI at balance sheet date:

Sensitivity	31-Mar-19	31-Mar-18
Impact on profit before tax for 1% increase in NAV/price	157	4
Impact on profit before tax for 1% decrease in NAV/price	(157)	(4)

NOTE 42 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	48	–	48	21	–	21	80	–	80
Receivables									
Trade receivables	2	–	2	8	–	8	13	–	13
Other receivables	68	–	68	–		–	–	–	–
Loans	18,624	–	18,624	–	–	–		–	–
Investments		30,728	30,728	–	351	351	–	255	255
Other financial assets	0	–	0	–	–	–	8	–	8

(All amounts are in INR lakhs, unless otherwise stated)

Assets	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets									
Current tax assets (net)	–	36	36	–	–	–	–	–	–
Deferred tax assets (net)	–	52	52	–	1	1	–	0	0
Property, plant and equipment	–	3	3	–	0	0	–	0	0
Intangible assets	–	4	4	–	0	0	–	1	1
Goodwill	–	405	405	–	–	–	–	–	–
Other non-financial assets	10	–	10	9	–	9	18	–	18
Total assets	**18,752**	**31,228**	**49,980**	**38**	**352**	**390**	**119**	**256**	**375**

Liabilities	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Debt securities	14,777	–	14,777	–	–	–	–	–	–
Borrowings	4,281	–	4,281	–	–	–	–	–	–
Other financial liabilities	67	–	67	1	–	1	13	–	13
Non-financial Liabilities									
Current tax liabilities (net)	–	–	–	3	–	3	6	–	6
Provisions	15	–	15	–	–	–	4	–	4
Other non-financial liabilities	8	–	8	2		2	11	–	11
Total liabilities	**19,148**	**–**	**19,148**	**6**	**–**	**6**	**34**	**–**	**34**

NOTE 43: DISCLOSURES AS PER GUIDELINES FOR NBFC-ND-SI AS REGARDS CAPITAL ADEQUACY, LIQUIDITY AND DISCLOSURE NORMS

A. Capital and Risk Assets Ration (CRAR)

Sr. No.	Particulars	As at 31-Mar-19
i)	CRAR (%)	48.05%
ii)	CRAR - Tier I Capital (%)	47.55%
iii)	CRAR - Tier II Capital (%)	0.50%
iv)	Amount of subordinated debt raised as Tier-II capital	–
v)	Amount raised by issue of Perpetual Debt Instruments	–

B. Investments

Sr. No.	Particulars	As at 31-Mar-19
1)	Value of investments	
(i)	Gross value of investments	
	(a) In India	30,728
	(b) Outside India	–

(All amounts are in INR lakhs, unless otherwise stated)

Sr. No.	Particulars	As at 31-Mar-19
(ii)	Provisions for depreciation*	
	(a) In India	–
	(b) Outside India	–
(iii)	Net value of investments	
	(a) In India	30,728
	(b) Outside India	–
(2)	Movement of provisions held towards depreciation on investments	
(i)	Opening balance	–
(ii)	Add : Provisions made during the year	–
(iii)	Less : Write-off / write-back of excess provisions during the year	–
(iv)	Closing balance	–

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

C. Derivatives

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

The Company has no unhedged foreign currency exposure as on March 31, 2019

D. Disclosures relating to securitisation

(i) The Company has not entered into securitisation transactions during the current and previous year.

(ii) **Details of financial assets sold to securitisation/reconstruction company for asset reconstruction:**

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction in the current year.

(iii) **Details of assignment transactions:** There are no assignment transaction during the current year

(iv) **Details of non-performing financial assets purchased/sold -** The Company has not purchased/sold any non-performing financial asset during the current year.

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

	As at 31-Mar-19								
Particulars	**Upto 31 days**	**Over 1 month upto 2 month**	**Over 2 months upto 3 months**	**Over 3 months upto 6 months**	**Over 6 months upto 1 year**	**Over 1 year upto 3 years**	**Over 3 years upto 5 years**	**Over 5 years**	**Total**
Assets									
Loan	18,675	–	–	–	–	–	–	–	**18,675**
Investments	–	–	–	–	–	–	15,728	15,000	**30,728**
Foreign currency assets	–	–	–	–	–	–	–	–	**–**
Liabilities									
Borrowings (Refer note 2)	1,281	3,000		–			–	–	**4,281**
Debt securities	–	–	14,777	–	–	–	–	–	**14,777**
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	**–**
Foreign currency liabilities	–	–	–	–	–	–	–	–	**–**

(All amounts are in INR lakhs, unless otherwise stated)

Notes

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

F. Exposures

F.1 Exposure to real estate sector

Sr. No.	Category	As at 31-Mar-19
a)	**Direct exposure**	
(i)	**Residential mortgages -**	
	Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	–
(ii)	**Commercial real estate -**	
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits (Refer below note 4)	–
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**	
	a. Residential	–
	b. Commercial real estate	–
b)	**Indirect exposure**	
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	15,000
	Others	–
	Total exposure to real estate sector	**15,000**

F.2 Exposure to capital market

Sr. No.	Particulars	As at 31-Mar-19
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	15,728
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	15,517
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	3,135
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	23

(All amounts are in INR lakhs, unless otherwise stated)

Sr. No.	Particulars	As at 31-Mar-19
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;	–
(vii)	bridge loans to companies against expected equity flows / issues;	–
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	–
	Total exposure to capital market	**34,403**

F.3 Details of financing of parent Company products: Nil

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

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

F.5 Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

G Miscellaneous

G.1 Registration obtained from other financial sector regulators

No registration has been obtained from other financial sector regulators.

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

During the Financial year 2018-19, no penalties or fines have been imposed by Reserve Bank of India.

G.3 Related Party Transactions

Refer note no. 40 for transaction with related parties

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

Refer note no. 36 for ratings assigned by credit rating agencies and migration of ratings during the year

G.5 Remuneration of Directors (Non-executive)

During the Financial year 2018-19, Nil remmuneration paid to the directors.

H Additional disclosures

H.1 Provisions

Provisions shown under the head expenditure in profit and loss account	For the year ended 31-Mar-19
Provisions for depreciation on Investment	–
Provision towards NPA	–
Provision made towards Income tax	(55)
Other provision (with details)*	15
Provision for standard assets	(24)
***Other provisions**	
Provision for employee benefits	8
Provision for ex-gratia	7
Compensated absences	0
	15

H.2 Drawn down from reserve

No draw down from reserve during the year.

(All amounts are in INR lakhs, unless otherwise stated)

H.3 Concentration of advances

Particulars	As at 31-Mar-19
Total advances to twenty largest borrowers	13,003
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	69.63%

H.4 Concentration of exposures

Particulars	As at 31-Mar-19
Total Exposure to twenty largest borrowers	13,003
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	69.63%

H.5 Concentration of NPAs

Particulars	As at 31-Mar-19
Total exposure to top four NPA accounts	–

H.6 Sector - wise NPAs

Percentage of NPAs to Total Advances in that sector

Sr. No.	Sector	As at 31-Mar-19
1	Agriculture and allied activities	–
2	MSME	–
3	Corporate borrowers	–
4	Services	–
5	Unsecured personal loans	–
6	Auto loans	–
7	Other personal loans	–

H.7 Movement of NPAs

Sr. No.	Particulars	As at 31-Mar-19
(i)	Net NPAs to Net Advances (%)	–
(ii)	Movement of NPAs (Gross)	
(a)	Opening balance	–
(b)	Additions during the year	176
(c)	Reductions during the year	(171)
(d)	Closing balance	5
(iii)	Movement of Net NPAs	
(a)	Opening balance	–
(b)	Additions during the year	176
(c)	Reductions during the year	(176)
(d)	Closing balance	–
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	
(a)	Opening balance	–
(b)	Provisions made during the year	176
(c)	Write-off / (write-back) of excess provisions	(171)
(d)	Closing balance	5

(All amounts are in INR lakhs, unless otherwise stated)

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

The Company does not have overseas assets.

H.9 Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored.

I) Disclosures of Compliant

I.1 Customer Complaints*

Sr. No.	Particulars	As at 31-Mar-19
a)	Number of customer complaints pending at the beginning of the year	–
b)	Number of customer complaints received during the financial year	–
c)	Number of customer complaints redressed during the financial year	–
d)	Number of customer complaints pending at the end of the year	–

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

J) Schedule to the Balance Sheet of "Motilal Oswal Finvest Limited" as at 31 March 2019 (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

	Liabilities side :	As at 31-Mar-19	
		Amount outstanding	Amount overdue
1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured	–	–
	: Unsecured	–	–
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	–	–
	(c) Term Loans	3,059	–
	(d) Inter-corporate loans and borrowing	–	–
	(e) Commercial paper	14,777	–
	(f) Other loans (Borrowings)	1,281	–

	Assets side :	As at 31-Mar-19
		Amount outstanding
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**	
	(a) Secured	13,240
	(b) Unsecured	5,436
		18,675
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	–
	(b) Operating lease	–
	(ii) Stock on hire including hire charges under sundry debtors:	

(All amounts are in INR lakhs, unless otherwise stated)

	Assets side :	As at 31-Mar-19 Amount outstanding
	(a) Assets on hire	–
	(b) Repossessed Assets	–
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	–
	(b) Loans other than (a) above	–
4)	**Break-up of Investments :**	
	Current Investments :	
	1. Quoted	
	(i) Shares : (a) Equity	–
	(b) Preference	–
	(ii) Debentures and bonds	–
	(iii) Units of mutual funds	–
	(iv) Government securities	–
	(v) Others (please specify)	–
	2. Unquoted	
	(i) Shares : (a) equity	–
	(b) preference	–
	(ii) Debentures and bonds	–
	(iii) Units of mutual funds	–
	(iv) Government securities	–
	(v) Others (please specify)	–
	Long term Investments :	
	1. Quoted	
	(i) Shares : (a) Equity	10,167
	(b) Preference	–
	(ii) Debentures and bonds	–
	(iii) Units of mutual funds	–
	(iv) Government Securities	–
	(v) Others - Exchange traded funds	212
	2. Unquoted	
	(i) Shares : (a) Equity	15,000
	(b) Preference	–
	(ii) Debentures and bonds	
	(iii) Units of mutual funds	5,349
	(iv) Government Securities	–
	(v) Others (Investment in Private equity funds and Investment Property)	–
	Total	**30,728**

(All amounts are in INR lakhs, unless otherwise stated)

5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Amount net of provision (Refer Note No. 6)			
Category	**As at 31-Mar-19**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	–	–	–
(b) Companies in the same group	–	–	–
(c) Other related parties	–	110	110
2. Other than related parties	13,240	5,325	18,565
Total	**13,240**	**5,325**	**18,675**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	**As at 31-Mar-19**	
	Market Value / Break up or fair value or NAV	**Book Value (Net of Provisions)**
1. Related Parties		
(a) Subsidiaries	–	–
(b) Companies in the same group (Refer note 1)	15,000	15,000
(c) Other related parties	–	–
2. Other than related parties (Refer note 2)	15,728	15,346.86
Total	**30,728**	**30,347**

7) Other Information

Particulars	**As at 31-Mar-19**
(i) Gross non- performing assets	–
(a) Related parties	–
(b) Other than related parties	–
(ii) Net non- performing assets	–
(a) Related parties	–
(b) Other than related parties	–
(iii) Assets acquired in satisfaction of debt	–

Notes:

1. In respect of investment in companies in same group, fair value is computed on the basis of book value.
2. In respect of investment in mutual funds, NAV has been taken for calculation of fair value.
3. The figures are not netted with provision against standard assets as it is not a specific provision.
4. Exposure to related party by way of demand loans are considered at the closing balance of the demand loan as on 31 March 2019.

NOTE 44 : BUSINESS COMBINATION UNDER COMMON CONTROL

The Company has completed acquisition of lending business by way of a slump sale on a going concern basis, from its wholly owned subsidiary, Motilal Oswal Financial Services Limited ("MOFSL") as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of ₹ 5,000 lakhs. The transaction is accounted as business combination under Ind AS 103.

Assets acquired and liabilities assumed:

The carrying values of identifiable assets acquired and liabilities assumed as at the date of acquisition were:

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Amount
Loans	24,592
Computer	3
Total identifible assets acquired (A)	**24,595**
Borrowings	20,000
Provision for employee benefits	0
Liabilities assumed (B)	**20,000**
Net assets acquired (C) = (A) - (B)	**4,595**
Upfront cash consideration (D)	**5,000**
Goodwill recongnised (D) - (C)	**405**

NOTE 45 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our statement of profit and loss for the year ended 31 March 2019 or our Balance sheet as of 31 March 2019."

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company derives revenue primarily from the lending business. Its other major revenue sources are trainging and treasury income.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to Profit and Loss account:

Particulars	Type of service	
	Interest income	Training income
Total Revenue from contracts with customers	**1,457**	**93**
Geographical Markets		
India	1,457	93
Outside India	–	–
Total Revenue from contracts with customers	**1,457**	**93**
Timing of revenue recognition		
Services transferred at a point in time		
Services transferred over time	1,457	93
Total Revenue from contracts with customers	**1,457**	**93**

(All amounts are in INR lakhs, unless otherwise stated)

b) Performance obligations

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Training fees are received on subscription but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

NOTE 46 : FAIR VALUE MEASUREMENT

a) Financial instruments by category

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Cash and cash equivalents	–	–	48	–	–	21	–	–	80
Receivables									
Trade receivables	–	–	2	–	–	8	–	–	13
Other receivables	–	–	68	–	–	–	–	–	–
Loans	–	–	18,624	–	–	–	–	–	–
Investments	5,561	10,167	15,000	702	–	–	510	–	–
Other financial assets	–	–	0	–	–	–	–	–	8
Total financial assets	**5,561**	**10,167**	**33,743**	**702**	**–**	**29**	**510**	**–**	**101**
Financial liabilities									
Debt securities	–	–	14,777	–	–	–	–	–	–
Borrowings	–	–	4,281	–	–	–	–	–	–
Other financial liabilities	–	–	67	–	–	1	–	–	13
Total financial liabilities	**–**	**–**	**19,125**	**–**	**–**	**1**	**–**	**–**	**13**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using undadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

(All amounts are in INR lakhs, unless otherwise stated)

Mutual fund, ETF and qquity instrument investment have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial assets						
Financial investments at FVTPL						
- Mutual funds	5,349		351		255	
- Exchange traded funds	212	–	–	–	–	–
Financial investments at FVOCI						
- Equity instruments held through portfolio management schemes	10,167	–	–	–	–	–
Total	**15,728**	**–**	**351**	**–**	**255**	**–**

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE 47 : DISCLOSURE PURSUANT TO IND AS 101 “FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS”

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note no.	Year Ended 31-Mar-18	Year Ended 1-Apr-17
Total equity as per IGAAP		**357**	**335**
GAAP adjustments			
Gain on fair valuation of investments	b(i)	26	6
Deferred tax impact on above adjustments	b(ii)	1	–
Total Ind AS adjustments		27	6
Total equity as per Ind As		**384**	**341**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note no.	Year Ended 31-Mar-18
Net profit as per the erstwhile Indian GAAP (IGAAP)		22
GAAP adjustments		
Gain/(loss) on fair valuation of investments	b(i)	20
Reclassification of net acturial loss/(gain) on employee defined benefit obligation to Other Comprehensive Income (OCI)	b(ii)	2
Defered tax adjustments on above	b(iii)	0

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note no.	Year Ended 31-Mar-18
Total effect of transition to Ind AS		**22**
Net profit after tax (before OCI) as per Ind AS		**44**
Other comprehensive income/(expense) (net of tax)	b(iv)	(1)
'Actuarial gain/(losses) on post retirement benefit plans		(2)
'Deferred tax impact on the above		(0)
Total Comprehensive Income under Ind AS		**43**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2019

There is no impact on cash flow under previous GAAP for the period 31 March 2018 due to transition to IndAS.

Explanations to reconciliations

1. **Impact on account of financial asset measured at FVTPL**

Previous GAAP – Investment in mutual fund are classified as current and non current investments. Current Investments are accounted at lower of cost or fair value and Non current investment are carried at cost.

Ind AS – Investment in mutual funds are financial assets. For the purposes of Ind AS 109, mutual fund investments will be accounted at fair value through profit and loss at each reporting date.

Consequent, to the change impact of ₹ 6 lakhs and ₹ 27 lakhs on equity was made on the transition date and as at 31 March 2018 respectively. Subsequently impact of ₹ 20 lakhs was made in the statement of profit and loss (before tax) for the year ended 31 March 2018.

2. **Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income**

Previous GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial loss of ₹ 1.52 lakhs has been reclassified to OCI during the year ended 31 March 2018.

b) Notes to first-time adoption:

i) Fair valuation of investments

Under the previous GAAP, mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2018. This increased the retained earnings by ₹ 27 lakhs as at 31 March 2018 (01 April 2017 - ₹ 6 lakhs). Profit beofore tax for the year ended March 31, 2018 increased by ₹ 20 lakhs.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 increased by ₹ 2 lakhs. There is no impact on the total equity as at 31 March 2018.

(All amounts are in INR lakhs, unless otherwise stated)

iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 48

Amounts below .50 lakhs are rounded off and shown as "0".

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May 2019

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

Ajay Menon
Director
DIN: 00024589

Anupam Agal
Director
DIN: 07608920

Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

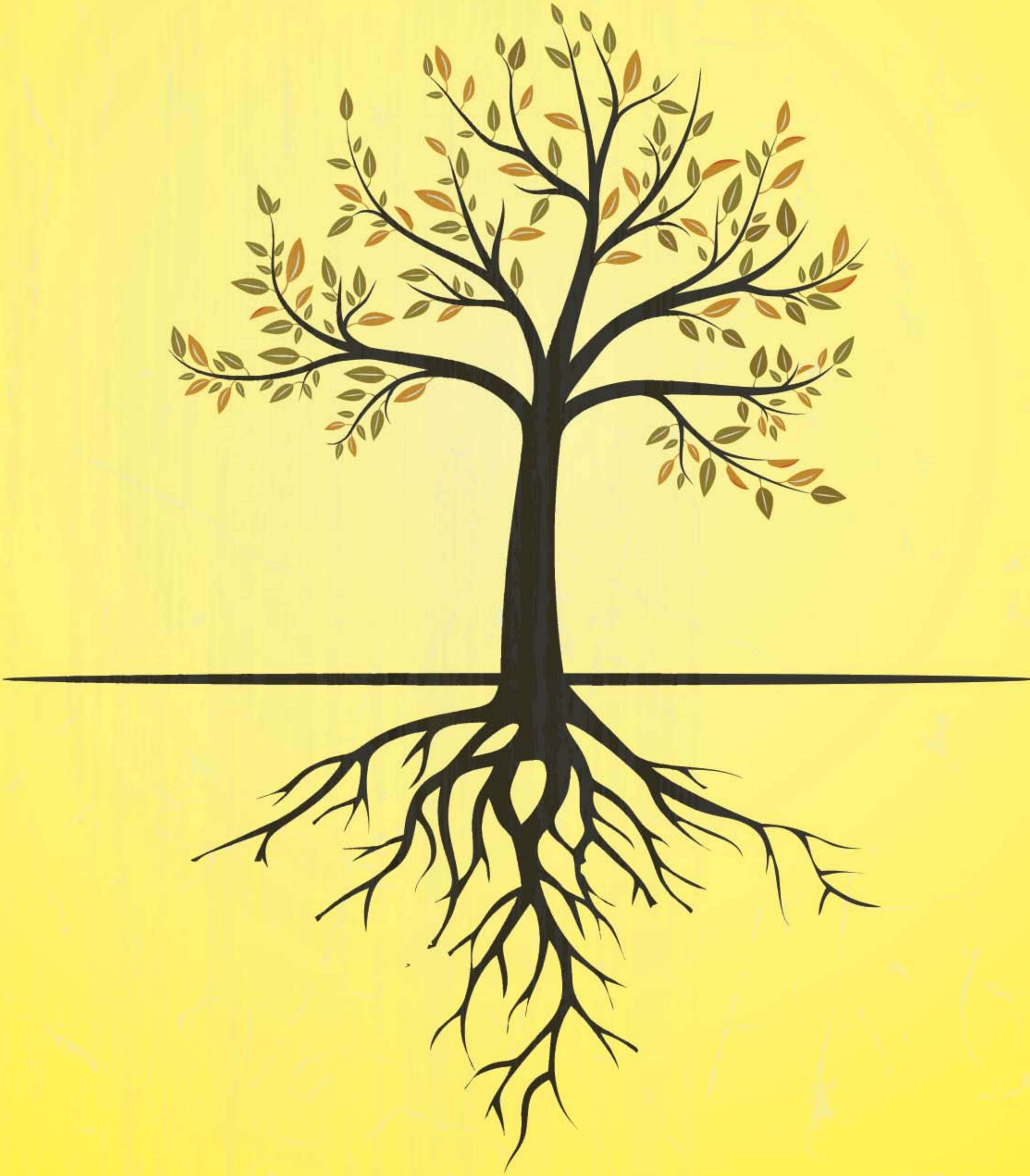
Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 10 May 2019

Motilal Oswal Fincap Private Limited

(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Financial Statement 2018-19



To the Members of **MOTILAL OSWAL FINCAP PRIVATE LIMITED.**

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Motilal Oswal Fincap Private Limited which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
---NIL---	

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.

   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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".

(g) With respect to 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 for which there were any material foreseeable losses; and

  (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Aneel Lasod
(Partner)
M.No.:-040117

Place: Mumbai
Date: 9th May, 2019.

ANNEXURE "A" TO AUDITORS' REPORT:

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

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the companyin 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, 2019 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.

11. Managerial Remuneration:

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

12. Nidhi Company:

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

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Private Placement/ Preferential Allotment:

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

15. Non cash transactions:

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

16. Registration with Reserve Bank of India:

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

The company has surrender its License from IRDA (Regn. No. IRDA/DB439/09 date of Regn. Auguest 20, 2013) on 5th April, 2017 and IRDA has approved the application on 13th April 2018.

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

Aneel Lasod
(Partner)
M.No.:-040117

Place: Mumbai
Date: 9th May, 2019.

ANNEXURE "B" TO AUDITORS' REPORT:

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Fincap Private Limited ('the Company') as of 31 March 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Aneel Lasod
(Partner)
M.No.:-040117

Place: Mumbai
Date: 9th May, 2019.

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31-Mar-2019 (In ₹)	As at 31-Mar-2018 (In ₹)	As at 1-Apr-2017 (In ₹)
I. ASSETS				
1. Non Current Asset				
(i) Tangible assets	4	6,255	42,806	83,544
(ii) Deferred tax assets (net)	5	40,495	66,730	47,488
(iii) Long term loans & advances	6	38,48,769	50,45,721	49,76,546
(iv) Other non current assets	7	54,104	86,07,262	80,60,097
1. Current Asset				
(i) Trade receivables	8	–	13,073	31,790
(ii) Cash & cash equivalents	9	74,74,495	1,08,79,374	1,03,99,903
(iii) Short term loans & advances	10	6,63,814	9,45,675	4,79,452
(iv) Other current assets	11	–	12,293	–
TOTAL ASSETS		**1,20,87,932**	**2,56,12,934**	**2,40,78,820**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Share Holder's Funds :				
(a) Share Capital	12	3,00,00,000	3,00,00,000	3,00,00,000
(b) Reserve & Surplus	13	(1,81,32,608)	(1,76,53,841)	(1,02,09,719)
2. Non Current Liabilities				
(a) Long term provisions	14	87,220	1,03,911	1,22,867
3. Current Liabilities				
(a) Short term borrowings	15	–	1,14,38,387	23,65,056
(b) Other curent liabilities	16	38,343	4,08,589	3,63,141
(c) Short term provisions	17	94,977	13,15,888	14,37,475
TOTAL LIABILITIES		**1,20,87,932**	**2,56,12,934**	**2,40,78,820**

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 : 9th May, 2019

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Place : Mumbai
Dated : 9th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	Year Ended 31-Mar-2019 (in ₹)	Year Ended 31-Mar-2018 (in ₹)
Revenue from operations			
(i) Brokerage Income	18	–	75,674
(ii) Interest income	19	3,59,010	13,24,529
1) Total revenue from operations		**3,59,010**	**14,00,203**
Expenses			
(i) Finance cost	20	1,59,883	7,53,736
(ii) Employee benefits expense	21	3,78,089	61,21,664
(iii) Depreciation and amortisation expense	4	36,552	40,737
(iv) Other expenses	22	3,77,516	19,47,428
2) Total expenses		**9,52,040**	**88,63,565**
3) Profit before tax (1 - 2)		**(5,93,030)**	**(74,63,363)**
Tax expense/(credit):			
(i) Current tax		–	–
(ii) Deferred tax expense/(credit)		26,233	(19,241)
Deferred tax IND AS impact		(36,529)	(10,456)
Minimum alternate tax credit utilised/(entitlement)			
Minimum alternate tax adjustments of earlier years			
Short/(excess) provision for earlier years			
4) Total tax expenses	23	**(10,296)**	**(29,697)**
5) Profit for the period (3 - 4)		**(5,82,733)**	**(74,33,666)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		1,40,496	40,604
(b) Deferred tax impact on the above		(36,529)	(10,456)
6) Other comprehensive income		**1,03,967**	**30,148**
Total comprehensive income for the period (5+6)		**(4,78,766)**	**(74,03,517)**
Earnings per share (₹ 1 each)			
Basic (amount in ₹)	25	(0.16)	(2.47)
Diluted (amount in ₹)		(0.16)	(2.47)

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 : 9th May, 2019

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Place : Mumbai
Dated : 9th May, 2019

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(4,52,536)**	**(74,63,363)**
Adjustment for		
Interest paid	1,59,883	7,53,736
Interest Received	(3,59,010)	(13,24,529)
Depreciation	36,552	40,737
Adjustment for working capital changes		
Increase/(Decrease) other long term provision	(16,691)	(18,956)
Increase/(Decrease) Other Current Liabilities	(3,70,246)	45,447
Increase/(Decrease) Short-term Provision	(12,20,911)	(1,21,587)
(Increase)/Decreasee In Short-term Loans & Advances	2,81,862	(4,66,223)
(Increase)/Decreasee In trade receivables	13,073	18,717
(Increase)/Decreasee In long term loans & advances	11,96,952	(69,175)
(Increase)/Decrease In Other Current Assets	85,65,451	(5,59,458)
CASH USED IN OPERATIONS	**78,34,380**	**(91,64,653)**
Taxes Paid (Net of Refunds)	–	–
NET CASH FROM OPERATING ACTIVITIES	**78,34,380**	**(91,64,653)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received on Fixed Deposits	3,59,010	13,24,529
NET CASH FLOW FROM INVESTING ACTIVITIES	**3,59,010**	**13,24,529**
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	(1,14,38,387)	90,73,331
Interest paid	(1,59,883)	(7,53,736)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(1,15,98,270)**	**83,19,595**
NET CASH FLOW FOR THE YEAR ENDED	**(34,04,880)**	**4,79,471**

	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Cash & Cash Equivalents comprise of		
Cash on hand	14,800	1,48,000
Scheduled Bank - In Current Account	8,64,574	2,51,904
Fixed Deposit with Banks	1,00,00,000	1,00,00,000
Total Cash & Cash Equivalents as at beginning of the year	**1,08,79,374**	**1,03,99,904**
Cash & Cash Equivalents as at end of the year		
Cash on hand	14,800	14,800
Scheduled Bank - In Current Account	14,59,695	8,64,574
Fixed Deposit with Banks	60,00,000	1,00,00,000
Total Cash & Cash Equivalents as at end of the year	**74,74,495**	**1,08,79,374**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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

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

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited

Aneel Lasod
Partner
M.No. : 40117

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Place : Mumbai
Dated : 9th May, 2019

Place : Mumbai
Dated : 9th May, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Fincap Private Limited was incorporated on April 23, 2007. The principal shareholder of the Company as at March 31, 2019 is Motilal Oswal Financial Services Limited (MOFSL). During the FY 2013-14 the company has received license from Insurance Regulatory and Development Authority (IRDA) (Regn No. IRDA/DB439/09 date of Regn Aug 20, 2013) for conducting insurance broking business.

During the financial year, the company has surrendered its License, from IRDA (Regn No. IRDA/DB439/09 date of Regn August 20, 2013) on 05th April 2017 and IRDA has approved the application on 13th April 2018.

NOTE 2 : BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting periods have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind AS has been carried out from the erstwhile Accounting standards notified under the Act read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and corresponding adjustments pertaining to comparative periods as presented in these financial statements have been restated / reclassified in order to conform to the current year presentation.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2019 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOFPL's functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Recognition of deferred tax assets: Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(c) Determination of the estimated useful lives of tangible assets: Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(d) Recognition and measurement of defined benefit obligations: The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(e) Determining whether an arrangement contains a lease: In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(f) Business model assessment: Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOFPL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Equity instruments and financial liability

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. 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.

3.8 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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

3.9 Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.10 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.11 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.12 First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of 01 April 2017 (transition date) by recognising all assets and liabilities whose recognistion is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly availed of the following optional exemptions while preparing its financial statements

(i) The Company has adopted the carrying value determined in accordance with previous GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2017.

(iii) The estimates as at 01 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with previous GAAP.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Computers	4,40,589	–	–	4,40,589	3,97,783	36,552	–	4,34,335	6,254	42,806
Total	**4,40,589**	–	–	**4,40,589**	**3,97,783**	**36,552**	–	**4,34,335**	**6,254**	**42,806**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Computers	4,40,589	–	–	4,40,589	3,57,046	40,737	–	3,97,783	42,806	83,543
Total	**4,40,589**	–	–	**4,40,589**	**3,57,046**	**40,737**	–	**3,97,783**	**42,806**	**83,543**

NOTE 5 : DEFERRED TAX ASSET

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Deferred tax assets			
Provision for gratuity	37,492	70,110	49,893
WDV of Fixed assets	3,004	(3,380)	(2,406)
TOTAL	40,495	66,730	47,488

NOTE 6 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
- Deposit Rent	–	5,65,500	5,65,500
Indirect tax credit receivable	38,48,769	44,80,221	44,05,730
Prepaid Exp (LT)	–	–	5,316
TOTAL	**38,48,769**	**50,45,721**	**49,76,546**

NOTE 7 : OTHER NON CURRENT ASSETS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Other Bank Balance (Lien marked to IRDA)	–	75,81,998	75,81,998
(FD having maturity period more than 12 months)			
Accrued Interest on FDR	54,104	10,25,264	4,78,099
TOTAL	**54,104**	**86,07,262**	**80,60,097**

NOTE 8 : TRADE RECEIVABLES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Considered good - unsecured	–	13,073	31,790
TOTAL	**–**	**13,073**	**31,790**

NOTE 9 : CASH AND CASH EQUIVALENT

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Cash on hand	14,800	14,800	1,48,000
In Current Account	14,59,695	8,64,574	2,51,903
Bank balance other than (a) above	60,00,000	1,00,00,000	1,00,00,000
TOTAL	**74,74,495**	**1,08,79,374**	**1,03,99,903**

NOTE 10 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Other taxes receivable	6,61,951	6,21,671	4,26,143
Prepaid expenses	1,863	65,615	43,608
Other advances	–	–	9,701
Rent Receivable	–	2,58,389	–
TOTAL	6,63,814	9,45,675	4,79,452

NOTE 11 : OTHER CURRENT ASSETS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Other Receivable	–	12,293	–
TOTAL	**–**	**12,293**	**–**

NOTE 12 : SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
AUTHORISED						
Equity Shares of Re. 10/- each (previous year Re. 10 each)	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
ISSUED, SUBSCRIBED & PAID UP						
Equity Shares of Re. 10/- each (previous year Re. 10 each)	30,00,000	3,00,00,000	30,00,000	3,00,00,000	30,00,000	3,00,00,000
TOTAL	**30,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**

12.1 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. 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.

12.2 Reconciliation of the number of shares outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	in ₹	Number of shares	in ₹	Number of shares	in ₹
Number of shares at the beginning	–	3,00,00,000	–	3,00,00,000	–	3,00,00,000
Add: Shares issued during the year	–	–	–			
Number of shares at the end	**–**	**3,00,00,000**	**–**	**3,00,00,000**	**–**	**3,00,00,000**

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

Name of Shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financial Services Limited	30,00,000	100.00	30,00,000	100.00	30,00,000	100.00

12.4 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE 13 : OTHER EQUITY

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
a) Statement of Profit and Loss			
Balance at the beginning of the year	(1,76,53,842)	(1,02,09,719)	(61,54,134)
Add: Transfer from Statement of Profit and Loss	(4,78,766)	(74,44,122)	(40,55,584)
Balance at the end of year	**(1,81,32,608)**	**(1,76,53,841)**	**(1,02,09,719)**

NOTE 14 : LONG TERM PROVISIONS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Gratuity obligation - unamortised amount relating to plan amendment (LT)	87,220	1,03,911	1,22,867
TOTAL	**87,220**	**1,03,911**	**1,22,867**

NOTE 15 : SHORT TERM BORROWINGS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
- From holding company (Motilal Oswal Financial Services Pvt . Ltd.)	–	1,14,38,387	23,65,056
TOTAL	**–**	**1,14,38,387**	**23,65,056**

NOTE 16 : OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Advance received from customers	1	(1)	139
Withholding and other taxes payable	833	99,872	1,04,895
Other payables	37,509	3,08,718	2,58,108
TOTAL	**38,343**	**4,08,589**	**3,63,141**

NOTE 17 : SHORT TERM PROVISIONS

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Gratuity obligation - unamortised amount relating to plan amendment (ST)	56,982	1,68,356	70,892
Incentives Payable	–	5,31,199	5,54,770
Provision for Ex Gratia	–	5,13,765	7,58,370
Leave encashment	2	4,626	513
Provision for Expenses	37,993	97,942	52,930
TOTAL	**94,977**	**13,15,888**	**14,37,475**

REVENUE FROM OPERATIONS

NOTE 18 : FEES AND COMMISSION INCOME

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Brokerage Income	–	75,674
TOTAL	**–**	**75,674**

NOTE 19 : INTEREST INCOME

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Interest on Income tax refund	52,744	4,794
Interest on Fixed Deposit	3,06,266	13,19,734
TOTAL	**3,59,010**	**13,24,529**

NOTE 20 : FINANCE COST

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Interest on borrowings	1,59,883	7,53,736
TOTAL	**1,59,883**	**7,53,736**

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Salary, Bonus and Allowances	5,71,031	54,56,271
Contribution to Provident and other Fund	36,070	1,06,424
Gratuity	(1,28,065)	37,904
Actuarial gain/(loss)	1,40,496	40,604
Staff welfare expenses	27,240	2,11,778
Employee Stock option Scheme	(2,68,683)	2,68,683
TOTAL	**3,78,089**	**61,21,664**

NOTE 22 : OTHER EXPENSES

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
Rates & Taxes	3,994	12,998
Rent	12,000	8,93,166
Insurance	43,256	85,358
Auditors Remuneration	25,000	36,875
Legal & Professional Fees	2,43,400	3,59,374
Communication Expenses	9,912	63,217
Travelling Expenses	–	1,68,703
Entertainment Expenses	–	741
Miscellaneous Expenses	39,953	3,26,996
TOTAL	**3,77,516**	**19,47,428**

NOTE 23 : TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
23.1 Tax expense		
Current tax expense		
Current tax for the year	–	–
Total current tax expense	**–**	**–**
Deferred taxes		
Change in deferred tax liabilities	(10,296)	(29,697)
Net deferred tax expense	**(10,296)**	**(29,697)**
TOTAL	**(10,296)**	**(29,697)**

Particulars	Year Ended 31-Mar-19 (in ₹)	Year Ended 31-Mar-18 (in ₹)
23.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**(5,93,030)**	**(74,63,363)**
Tax at the rate of 29.12% (for 31 March 2018 - 28.84%)	(1,54,188)	(19,21,816)
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purposes	1,44,058	18,92,119
Change due to deferred tax	(167)	
Income tax expense	**(10,296)**	**(29,697)**

23.3 Items of deferred tax asset

Particulars	Year Ended 31-Mar-19 in ₹	Year Ended 31-Mar-18 in ₹	Year Ended 31-Mar-17 in ₹
Deferred tax assets on account of:			
Written Down Value of Fixed Assets	3,004	3,380	2,406
Business Loss	–	–	–
Gratuity provision	37,493	70,109	49,893
Unrealised gain on financial instrument	–	–	–
Total deferred tax assets	**40,496**	**73,489**	**52,299**

NOTE 24 : AUDITORS' REMUNERATION

Particulars	31-Mar-19 (in ₹)	31-Mar-18 (in ₹)
As Auditors:		
Audit fees	25,000	25,000
In any other capacity, in respect of :		
Other Services	–	11,875
Service Tax	–	–
TOTAL	**25,000**	**36,875**

NOTE 25 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	**31-Mar-19 (in ₹)**	**31-Mar-18 (in ₹)**
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	(4,78,766)	(74,03,517)
Weighted Average Number of equity shares issued [B] (₹)	30,00,000	30,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**(0.16)**	**(2.47)**

NOTE 26 : PROVISIONS MADE FOR THE YEAR

Provisions made for the Year ended 31st March, 2019 comprises of: (in ₹)

Particulars	Opening balance	Provided during the year ended 31-Mar-19	Paid /reversed during the year ended 31-Mar-19	Closing balance as of 31-Mar-19
Ex-gratia	5,13,765	–	5,13,765	–
Incentive	5,31,199	–	5,31,199	–
Gratuity	2,72,267	8,577	1,36,642	1,44,202

Provisions made for the Year ended 31st March, 2018 comprises of: (in ₹)

Particulars	Opening balance	Provided during the year ended 31-Mar-18	Paid /reversed during the year ended 31-Mar-18	Closing balance as of 31-Mar-18
Ex-gratia	7,58,370	5,13,765	7,58,370	5,13,765
Incentive	–	5,31,199	–	5,31,199
Gratuity	1,93,759	78,508	–	2,72,267

NOTE 27 : CONTINGENT LIABILITIES

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

NOTE 28 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ Nil (Previous Year : ₹ Nil)

NOTE 29 : DUES TO MICRO AND SMALL ENTERPRISES

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

NOTE 30 : CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTE 31 : 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

- Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Co. Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Securities Limited (Merged with Motilal Oswal Financial Services Limited effective from 1 April 2017)
- 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.
- Motilal Oswal Capital Limited

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agrawal – Director

Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation
- OSAG Enterprises LLP

(ii) Transactions with related parties for the year ended 31st March, 2019 :

Transaction	Name of the related Party	Holding Company		Total	
		2018-19	2017-18	2018-19	2017-18
Interest Expense	Motilal Oswal Financial Services Ltd	1,59,883	7,53,736	1,59,883	7,53,736
Rent Expense	Motilal Oswal Financial Services Ltd	12,000	8,91,750	12,000	8,91,750
Reimbursement of Expenses	Motilal Oswal Financial Services Ltd	–	–	–	–
Reimbursement of Expenses	Motilal Oswal Securities Ltd	–	2,22,033	–	2,22,033
Loans taken (Maximum balance)	Motilal Oswal Financial Services Ltd	1,18,50,000	1,13,50,000	1,18,50,000	1,13,50,000
Outstanding Balances:					
Loans Given / (Taken)	Motilal Oswal Financial Services Ltd	–	1,14,38,387	–	1,14,38,387
Rent Deposit Given / (Taken)	Motilal Oswal Financial Services Ltd	–	5,65,500	–	5,65,500

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

NOTE 32 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

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

(A) Defined contribution plan :

Particulars	31-Mar-19 (in ₹)	31-Mar-18 (in ₹)
Employer's contribution to provident fund	36,070	1,06,424
Employer's contribution to ESIC	–	–
Employer's contribution to National Pension Scheme	–	–
TOTAL	**36,070**	**1,06,424**

(B) Defined benefit plan

	Gratuity	
Valuation results at	**31-Mar-19**	**31-Mar-18**
I) Changes in present value of obligations (PVO)		
PVO at beginning of period	2,72,267	1,93,759
Interest cost	18,650	12,962
Current Service Cost	1,45,391	1,06,150
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	–
Transfer out liability	(1,51,610)	–
Contributions by plan participants	–	–
Business Combinations	–	–
Curtailments	–	–
Settlements	–	–
Actuarial (Gain)/Loss on obligation	(1,39,725)	(40,604)
PVO at end of period	1,44,973	2,72,267
II) Interest expense		
Interest cost	18,650	12,962
III) Fair value of plan assets		
Fair Value of Plan Assets at the beginning	–	–
Interest income	–	–
IV) Net Liability		
PVO at beginning of period	2,72,267	1,93,759
Fair Value of the Assets at beginning report	–	–
Net Liability	2,72,267	1,93,759
V) Net Interest		
Interest Expenses	18,650	12,962
Interest Income	–	–
Net Interest	18,650	12,962
VI) Actual return on plan assets		
Less Interest income included above	–	–
Return on plan assets excluding interest income	–	–
VII) Actuarial (Gain)/loss on obligation		
Due to Demographic Assumption	771	(12,872)
Due to Financial Assumption	960	16,056
Due to Experience	(1,41,456)	(43,788)
Total Actuarial (Gain)/Loss	(1,39,725)	(40,604)

	Gratuity	
Valuation results at	**31-Mar-19**	**31-Mar-18**
VIII) Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–
Return on Plan Assets excl. interest income	–	–
Interest Income	–	–
Contributions by Employer	–	–
Contributions by Employee	–	–
Benefits Paid	–	–
Fair Value of Plan Assets at end	–	–
IX) Past Service Cost Recognised		
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost- non vested benefits	–	–
Recognised Past service Cost- vested benefits	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	1,44,973	2,72,267
Fair Value of Plan Assets at end of period	–	–
Funded Status	(1,44,973)	(2,72,267)
Net Asset/(Liability) recognized in the balance sheet	(1,44,973)	(2,72,267)
XI) Expense recognised in the statement of profit and loss		
Current service cost	1,45,391	1,06,150
Net Interest	18,650	12,962
Past service cost - (non vested benefits)	–	–
Past service cost - (vested benefits)	–	–
Curtailment Effect	–	–
Settlement Effect	–	–
Unrecognised past service cost - non vested benefits	–	–
Actuarial (Gain)/Loss recognized for the period	–	(40,604)
Expense recognized in the statement of profit and loss	1,64,041	78,508
XII) Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	(1,39,725)	–
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(1,39,725)	–
XIII) Movement in liability recognized in balance sheet		
Opening net liability	2,72,267	1,93,759
Adjustment to opening balance	–	–
Expenses as above	1,64,041	78,508
Transfer out Liability	(1,51,610)	–
Contribution paid	–	–
Other Comprehensive Income(OCI)	(1,39,725)	–
Closing net liability	1,44,973	2,72,267
Particulars		
XV) Schedule III of The Companies Act 2013		
Current liability	54,534	1,03,911
Non - current liability	90,439	1,68,356

	Gratuity	
Valuation results at	**31-Mar-19**	**31-Mar-18**
XVI) Projected Service Cost 31 Mar 2020	14,117	–
XVII) Asset Information		
Cash and Cash Equivalents	–	–
Gratuity Fund ()	–	–
Debt Security - Government Bond	–	–
Equity Securities - Corporate debt securities	–	–
Other Insurance contracts	–	–
Property	–	–
Total Itemized Assets	–	–
XVIII)Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.12%	6.85%
Rate of increase in compensation	12.00%	11.21%
Expected rate of return on plan assets (per annum)		
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 38.97%	PS: 0 to 37 : 40.73%
Expected average remaining service	1.55	1.27

XVIII) Sensitivity Analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	62,88,292	65,43,764	1,47,269	1,42,747

XIX) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
Payouts	54,534	37,202	25,374	17,303	11,796	21,514

XX) Asset Liability Comparisons

Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019
PO at End of period	94,279	1,62,055	1,93,759	2,72,267	1,44,973
Plan Assets					
Surplus / (Deficit)	(94,279)	(1,62,055)	(1,93,759)	(2,72,267)	(1,44,973)

Experience adjustments on plan assets

NOTE 33 : FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2019		March 31, 2018		1 April 2017	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Cash and cash equivalents		74,74,495		1,08,79,374		1,03,99,903
Receivables						
(i) Trade receivables		–		13,073		31,790
(ii) Other receivables						
Loans						
Investments						
Other financial assets						
Total financial assets	**–**	**74,74,495**	**–**	**1,08,92,447**	**–**	**1,04,31,693**
Financial liabilities						
Trade payables		–		–		–
Other payables		38,343		4,08,589		3,63,141
Borrowings		–		1,14,38,387		23,65,056
Other financial liabilities		1,82,197		14,19,799		15,60,342
Total financial liabilities	**–**	**2,20,541**	**–**	**1,32,66,775**	**–**	**42,88,539**

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

(Amount in rupees)

Assets measured at fair value - recurring fair value measurements	As at March 31, 2019		As at March 31, 2018		As at 1 April 2017	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial assets						
Financial investments at FVTPL						
- Mutual funds	–	–	–	–	–	–
- Alternative investment funds	–	–	–	–	–	–
Total	–	–	–	–	–	–

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE 34 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of borrowing. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, receivables, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

(Amount in rupees)

Particulars	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
Upto 3 months	–	13,073	31,790
3 - 6 months		–	
6 - 12 months		–	
More than 12 months	–	–	
Total	**–**	**13,073**	**31,790**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	–			–
Other current financial liabilities	37,509			**37,509**
Total	**37,509**	**–**	**–**	**37,509**

As at 31 March 2018

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	–			–
Other current financial liabilities	3,08,718			**3,08,718**
Total	**3,08,718**	**–**	**–**	**3,08,718**

As at 1 April 2017

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	–			–
Other current financial liabilities	2,58,108			**2,58,108**
Total	**2,58,108**	**–**	**–**	**2,58,108**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company’s profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	**31 March 2019 in ₹**	**31 March 2018 in ₹**	**31 March 2017 in ₹**
Impact on profit before tax for 1% increase in NAV/price	–	–	–

NOTE 35 : EFFECT OF IND AS ADOPTION ON THE STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2018 AND 1 APRIL 2017

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Year Ended 31-Mar-18 (Audited)	Year Ended 1-Apr-17 (Audited)
Net worth under IGAAP	1,23,46,160	1,97,90,281
Add/(Less):		
Gain/(loss) on fair valuation of investments	–	–
Decrease in employee benefit expenses due to fair valuation of employee stock options	–	–
Deferred tax adjustments on above	–	–
Total effect of transition to IND AS	**–**	**–**
Net worth under Ind AS	**1,23,46,160**	**1,97,90,281**

ii) Reconciliation of profit as per IndAS with profit reported under previous GAAP:

Particulars	Year Ended 31-Mar-18 (Audited) in ₹
Net profit as per the erstwhile Indian GAAP (IGAAP)	(74,74,270)
Add/(Less):	
Gain/(loss) on fair valuation of investments	–
Decrease in employee benefit expenses due to fair valuation of employee stock options	–
Reclassification of net actuarial loss/(gain) on employee defined benefit obligation to Other Comprehensive Income (OCI)	40,604
Deferred tax adjustments on above	–
Total effect of transition to IND AS	**40,604**
Net profit after tax (before OCI) as per Ind AS	**(74,33,666)**
Other comprehensive Income/(Expense) (net of tax)	30,148
Total Comprehensive Income under Ind AS	**(74,03,517)**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

	Previous GAAP in ₹	Adjustments in ₹	Ind AS in ₹
Net cash flow from operating activities	(91,64,653)	–	(91,64,653)
Net cash flow from investing activities	13,24,529	–	13,24,529
Net cash flow from financing activities	83,19,595	–	83,19,595
Net increase/(decrease) in cash and cash equivalents	**4,79,471**	**–**	**4,79,471**
Cash and cash equivalents as at April 01, 2017	**1,03,99,904**	**–**	**1,03,99,904**
Cash and cash equivalents as at March 31, 2018	**1,08,79,374**	**–**	**1,08,79,374**

b) Notes to first-time adoption:

i) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 36

Previous year figures have been regrouped/ reclassified wherever 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 : 9th May, 2019

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited

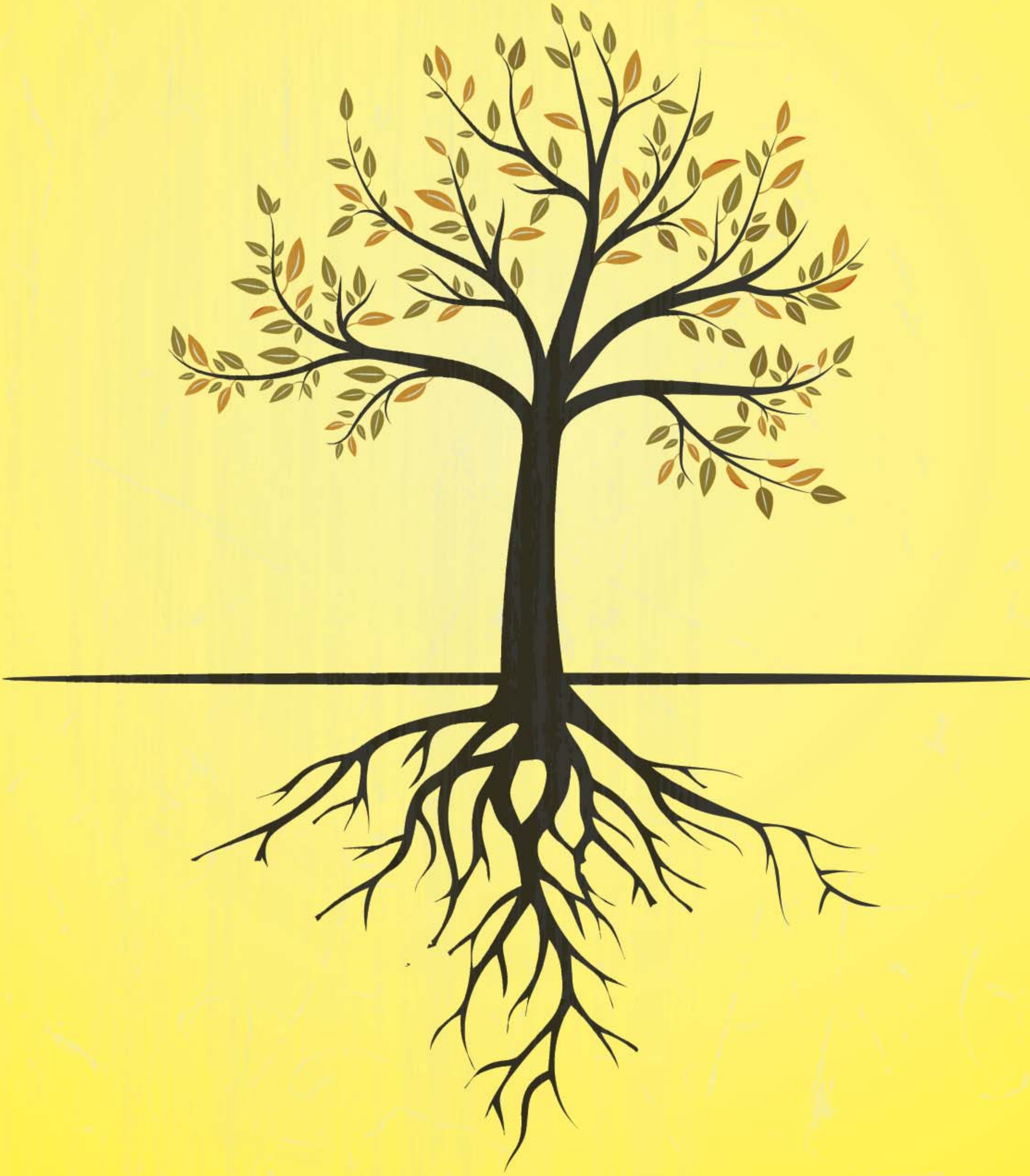
Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Place : Mumbai
Dated : 9th May, 2019

Motilal Oswal Securities International Private Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To,

The Members Motilal Oswal Securities International Private Limited,

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Securities International Private Limited** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the Company based on the amendment to notification no 464 E issued on 13th June 2017;
   (g) With respect to 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 for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 9th May 2019

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. The Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, direct and indirect taxes 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 direct and indirect taxes as at March 31, 2019 which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.
14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 9th May 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Notes	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 1-Apr-17 (In ₹)
I ASSETS				
1. Financial assets				
(a) Cash and Cash Equivalents	1	4,53,30,862	4,10,45,015	3,79,69,168
(b) Trade receivables	2	1,79,682	52,65,962	26,81,461
(c) Current tax assets	3	22,17,247	30,46,467	13,82,433
(d) Other financial assets	4	–	3,60,000	3,60,000
Sub - total Financial assets		**4,77,27,791**	**4,97,17,444**	**4,23,93,062**
2. Non-Financial assets				
(a) Other Non-Financials Assets	5	16,88,107	15,42,560	19,83,855
(b) Deferred Tax Assets (net)	6	4,81,899	6,54,488	8,31,113
(c) Property plants and equipments	7	25,156	40,320	–
Sub - total Non- Financial assets		**21,95,162**	**22,37,368**	**28,14,968**
TOTAL ASSETS		**4,99,22,953**	**5,19,54,812**	**4,52,08,030**
II EQUITY & LIABILITIES				
1. Financial liabilities				
(a) Other financials Liabilities	8	17,03,095	33,73,759	419762
(b) Provisions	9	20,63,852	41,76,165	2471383
(c) Other non - financial liabilities	10	2,965	5,897	17753
Sub - total Financial liabilities		**37,69,912**	**75,55,821**	**29,08,898**
2. Equity:				
(a) Equity share capital	11	4,56,92,000	4,56,92,000	45692000
(b) Other Equity	12	4,61,041	(12,93,009)	(33,92,868)
Sub - total Equity		**4,61,53,041**	**4,43,98,991**	**4,22,99,132**
TOTAL LIABILITIES AND EQUITY		**4,99,22,953**	**5,19,54,812**	**4,52,08,030**

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

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 9th May, 2019

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 9th May, 2019

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

Particulars	Notes	For the Period Ended 31-Mar-19 (In ₹)	For the Period Ended 31-Mar-18 (In ₹)
Revenue from Operations	13	1,43,89,545	2,21,24,954
Other Income	14	1,31,218	–
Total Revenue		**1,45,20,763**	**2,21,24,954**
Expenses:			
Employee Benefits	15	47,55,852	96,08,385
Other Expense	16	77,56,796	95,44,984
Depreciation	7	15,163	7,560
Total Expenses		**1,25,27,811**	**1,91,60,929**
Profit/(Loss) Before Tax		**19,92,952**	**29,64,025**
Tax Expense:			
Current Tax		3,83,444	5,48,461
MAT credit (entitlement)/utilisation		44,939	53,359
Deferred Tax		78,450	1,98,698
Profit/(Loss) for the year		**14,86,117**	**21,63,507**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		3,62,072	(85,721)
Income Tax there on		(94,139)	22,073
Total		**2,67,933**	**(63,648)**
Balance Carried to Balance Sheet		**17,54,050**	**20,99,858**
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.33	0.47

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

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 9th May 2019

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 9th May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	As at 31-Mar-19 In (₹)		As at 31-Mar-18 In (₹)	
CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT/(LOSS) BEFORE TAX		**19,92,952**		**29,64,025**
Add/(Less):				
1) Depreciation	15,164		7,560	
2) Ind AS (Acturial gain and tax thereon)	2,67,933		(63,647)	
2) Effect Of Exchange Rate Changes				
		2,83,097		(56,087)
OPERATING PROFIT/(LOSS)		**22,76,049**		**29,07,938**
Adjustment For:				
(Increase)/Decrease In Trade receivables	50,86,279		(25,84,501)	
(Increase)/Decrease In Current tax Assets	8,29,220		4,41,295	
(Increase)/Decrease In Other financial assets	3,60,000		(16,64,034)	
Increase/ (Decrease) Provisions	(21,12,313)		17,04,782	
Increase/ (Decrease) In Other Non-Financials Assets	(1,45,547)		(11,856)	
Increase/ (Decrease) In Current tax liabilities	(2,932)			
Increase/ (Decrease) In Other Financials Liabilities	(16,70,664)	23,44,043	29,53,997	8,39,684
CASH GENERATED FROM OPERATIONS		**46,20,092**		**37,47,622**
Taxes Paid		(3,34,245)		(6,23,893)
NET CASH FROM OPERATING ACTIVITIES		**42,85,848**		**31,23,728**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		–		(47,881)
NET CASH FLOW FROM INVESTING ACTIVITIES		**–**		**(47,881)**
CASH FLOW FROM FINANCING ACTIVITIES		–		–
NET CASH FLOW FOR THE YEAR		**42,85,847**		**30,75,847**
Cash & Cash Equivalents As At 01.04.2018	**–**	**4,10,45,015**	**–**	**3,79,69,168**
Balances With bank	4,10,45,015	–	3,79,69,168	–
Effect Of Exchange Rate Changes				
Cash & Cash Equivalents As At 31.03.2019	**–**	**4,53,30,862**	**–**	**4,10,45,015**
Cheques In hand				
Balances With bank	4,53,30,862	–	4,10,45,015	–
Effect Of Exchange Rate Changes				

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 'of the companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended)

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

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 09th May 2019

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 09th May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

SHARE CAPITAL

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
As at 1 April 2017	**45,69,200**	**4,56,92,000**	**4,56,92,000**
Changes during the year	–		–
As at 31 March 2018	**45,69,200**	**4,56,92,000**	**4,56,92,000**
Changes during the year	–	–	–
As at 31 March 2019	**45,69,200**	**4,56,92,000**	**4,56,92,000**

OTHER EQUITY

Particulars	Reserves and Surplus	Total Amount (In ₹)
	Retained earnings	
Opening balance as at 1 April 2017	**4,56,92,000**	**4,56,92,000**
Transactions during the year		
Profit for the year	4,56,92,000	4,56,92,000
Other comprehensive income for the year	–	–
Closing balance as at 31 March 2018	**9,13,84,000**	**9,13,84,000**
Transactions during the year		
Profit for the year	4,56,92,000	4,56,92,000
Other comprehensive income for the year	–	–
Closing balance as at 31 March 2019	**13,70,76,000**	**13,70,76,000**

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the company over the years.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 9th May 2019

Harsh Joshi
Director
DIN: 02951058
Place : Mumbai
Date : 9th May 2019

Abhijit Tare
Director
DIN: 07682095

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Financial Services Limited (MOFSL) 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).

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 30.

2.2. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3. Cash and cash equivalents

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

2.4. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

2.5. Financial assets

(i) Classification and subsequent measurement

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

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

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

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

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

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognized only when :

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

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

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

2.6. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.7. Offsetting financial instruments

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

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Assets	Useful life
Computers	3 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.9. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.10. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.12. Rounding of amounts

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

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(e) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

3.1 First time adoption of Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

(i) The company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

NOTE 1 : CASH & CASH EQUIVALENTS

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Balance with bank	–	–	–
Scheduled banks- In current accounts	4,53,30,862	4,10,45,015	3,79,69,168
TOTAL	**4,53,30,862**	**4,10,45,015**	**3,79,69,168**

NOTE 2 : TRADE RECEIVABLES

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Unsecured, Considered Good	1,79,682	52,65,962	26,81,461
TOTAL	**1,79,682**	**52,65,962**	**26,81,461**

NOTE 3 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Advance Tax (net of provisions)	22,17,247	30,46,467	13,82,434
TOTAL	**22,17,247**	**30,46,467**	**13,82,434**

NOTE 4 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Rent Deposit	–	3,60,000	3,60,000
TOTAL	**–**	**3,60,000**	**3,60,000**

NOTE 5 : OTHER NON-FINANCIALS ASSETS

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Prepaid Expense	3,28,479	1,25,302	3,54,756
Service Tax Credit	–	–	1,58,973
Mat Credit Entitlement	13,28,798	13,63,536	14,16,895
Advance Against Expenses	30,830	53,722	53,231
TOTAL	**16,88,107**	**15,42,560**	**19,83,855**

NOTE 6 : DEFERRED TAX (LIABILITIES)/ASSETS

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Provision for Gratuity	49,976	84,723	34,526
WDV of licence	4,31,865	5,70,283	7,96,586
WDV of fixed asset	58	(519)	–
TOTAL	**4,81,899**	**6,54,487**	**8,31,112**

NOTE 7 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(Amount In ₹)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1-04-18	Additions	Deductions	As at 31-03-19	As at 1-04-18	Additions	Deductions	As at 31-03-19	As at 31-03-19	As at 31-03-18
Computer	47,881	–	–	47,881	7,562	15,163	–	22,725	25,156	40,319
Total	**47,881**	**–**	**–**	**47,881**	**7,562**	**15,163**	**–**	**22,725**	**25,156**	**40,319**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01-04-17	Additions	Deductions	As at 31-03-18	As at 01-04-17	Additions	Deductions	As at 31-03-18	As at 31-03-18	As at 31-03-17
Computer	–	47,881	–	47,881	–	7,561	–	7,561	40,320	–
Total	**–**	**47,881**	**–**	**47,881**	**–**	**7,561**	**–**	**7,561**	**40,320**	**–**

NOTE 8 : OTHER FINANCIALS LIABILITIES

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Payable for Expenses	16,22,408	20,87,757	2,32,293
Taxes payable	80,687	12,86,002	1,87,469
TOTAL	**17,03,095**	**33,73,759**	**4,19,762**

NOTE 9 : PROVISIONS

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Ex-gratia Payable	18,00,000	37,00,000	12,00,000
Other Provisions	71,635	1,47,144	11,37,300
Provision for Gratuity	1,92,217	3,29,021	1,34,083
TOTAL	**20,63,852**	**41,76,165**	**24,71,383**

NOTE 10 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Accrued salary and benefits	2,965	5,896	17,753
TOTAL	**2,965**	**5,896**	**17,753**

NOTE 11 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Authorised:			
1,00,00,000 Equity Shares of ₹. 10/- each	10,00,00,000	10,00,00,000	10,00,00,000
	10,00,00,000	**10,00,00,000**	**10,00,00,000**
Issued, Subscribed and Paid Up:			
45,69,200 Equity Shares of ₹ 10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	4,56,92,000	4,56,92,000	4,56,92,000
TOTAL	**4,56,92,000**	**4,56,92,000**	**4,56,92,000**

1.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Number of shares at beginning of the year	45,69,200	45,69,200	45,69,200
Add: Shares issued during this year	–	–	–
Number of shares at the end of the year	45,69,200	45,69,200	45,69,200

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

Motilal Oswal Securities Ltd. (Holding Company)

NOTE 12 : OTHER EQUITY

	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 1-Apr-17 (₹)
Profit & Loss Account			
Opening balance	(12,93,009)	(33,92,868)	(17,52,428)
Add: Additions during the year	14,86,117	21,63,507	(16,55,752)
Add: Ind AS Impact	2,67,933	(63,648)	15,312
TOTAL	**4,61,041**	**(12,93,009)**	**(33,92,868)**

NOTE 13 : REVENUE FROM OPERATIONS

Particulars	For the Period Ended 31-Mar-19 (₹)	For the Period Ended 31-Mar-18 (₹)
Advisory Fees	1,43,89,545	2,21,24,954
TOTAL	**1,43,89,545**	**2,21,24,954**

NOTE 14 : OTHER INCOME

Particulars	For the Period Ended 31-Mar-19 (₹)	For the Period Ended 31-Mar-18 (₹)
Interest on Income tax Refund	1,31,218	–
TOTAL	**1,31,218**	**–**

NOTE 15 : EMPLOYEE BENEFITS

Particulars	For the Period Ended 31-Mar-19 (₹)	For the Period Ended 31-Mar-18 (₹)
Salaries and Incentives	45,30,584	94,99,167
Gratuity	2,25,268	1,09,218
TOTAL	**47,55,852**	**96,08,385**

NOTE 16 : OTHER EXPENSES

Particulars	For the Period Ended 31-Mar-19 (₹)	For the Period Ended 31-Mar-18 (₹)
Remuneration to Auditors	18,08,113	16,44,437
Legal & Professional Fees	32,93,750	38,11,615
Examination Fees	90,141	1,26,283
Rent Expenses	7,20,000	7,20,900
Consultancy Charges	1,48,000	8,88,000

Particulars	For the Period Ended 31-Mar-19 (₹)	For the Period Ended 31-Mar-18 (₹)
Membership and Subscription Fees	2,22,417	7,61,793
Communication Expenses	13,761	20,841
Rent Rates & Taxes	1,629	2,154
Travelling Expenses	1,74,671	5,75,474
Back up Charges	41,542	(337)
Bank Charges	1,18,785	63,747
Business Support Charges	1,80,000	1,80,225
Foreign Exchange Fluctuation	1,29,647	(3,331)
Insurance Charges	7,50,850	7,43,513
Miscellaneous Expenses	63,490	9,670
TOTAL	**77,56,796**	**95,44,984**

NOTE 17 : AUDITORS' REMUNERATION

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Auditor's Remuneration (inclusive of Service Tax):			
As Auditors:			
Audit fees	18,08,113	16,44,437	17,63,116
In any other capacity, in respect of:			
Other Certification	–	–	–
TOTAL	**18,08,113**	**16,44,437**	**17,63,116**

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	17,54,050	20,99,858	(16,40,440)
Weighted Average Number of equity shares issued [B]	45,69,200	45,69,200	45,69,200
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	0.38	0.46	(0.36)

NOTE 19 : DEFERRED TAX ASSETS / (LIABILITY)

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

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Provision for gratuity	49,976	84,723	34,526
WDV of assets	4,31,923	5,69,764	7,96,586
Deferred Tax (Liability)/Assets	4,81,899	6,54,487	8,31,112

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.

Period Covered	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Assumptions as at	31/Mar/19	31/Mar/18	31/Mar/17
Interest / Discount Rate	7.12%p.a.	6.85%p.a.	6.69%p.a.
Expected Return On Plan Assets			
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of increase in compensation	16.00%	11.15%	6%p.a.
Disability	Nil	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 33.33%	PS: 0 to 37 : 33.33%	PS: 0 to 37 : 33.33%
Expected average remaining service	1.99	1.99	1.99

NOTE 21 : CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Present value of obligation at beginning of the period	2,83,253	1,06,533	62,750
Interest cost	19,403	7,127	4,700
Current service cost	2,51,633	1,19,989	59,706
Past service cost - (non vested benefit)	376	752	–
Past service cost - (vested benefit)	–	–	–
Benefits paid	–	–	–
Actuarial (gain) loss on obligation	–	48,852	(20,623)
Present value of obligation at end of the period	1,92,217	2,83,253	1,06,533

NOTE 22 : CHANGES IN FAIR VALUE OF THE PLAN ASSETS

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
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	–	–	–

NOTE 23 : FAIR VALUE OF PLAN ASSETS

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
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)	(1,92,217)	(2,83,253)	(1,06,533)
Excess of actual over estimated return on plan assets	–	–	–

NOTE 24 : EXPERIENCE HISTORY

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
(Gain)/Loss on obligation due to change in Assumption	23,891	39,973	(29,806)
Experience (Gain)/Loss on obligation	(3,85,963)	8,879	9,183
Actuarial (Gain)/Loss on plan asset	–	–	–

NOTE 25 : ACTUARIAL GAIN/(LOSS) RECOGNIZED

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Actuarial Gain/(Loss) for the period (obligation)	3,62,072	(48,852)	20,623
Actuarial Gain/(Loss) for the period (plan assets)	–	–	–
Total Gain/(Loss) for the period	3,62,072	(48,852)	20,623
Actuarial Gain/(Loss) recognized for the period	3,62,072	(48,852)	20,623
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–	–

NOTE 26 : PAST SERVICE COST RECOGNIZED

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Past service cost - (non vested benefit)	–	752	–
Past service cost - (vested benefit)	–	–	–
Average remaining future service till vesting benefit	–	2	–
Recognized Past service cost - non vested benefits	376	376	–
Recognized Past service cost - vested benefits	–	–	–
Unrecognized Past service cost - non vested benefits	–	376	–

NOTE 27 : AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Present value of obligation at end of period	1,92,217	2,83,253	1,06,533
Fair value of plan assets at end of period	–	–	–
Funded status	(1,92,217)	(2,83,253)	(1,06,533)
Unrecognised Actuarial Gain/(Loss)	–	–	–
Unrecognised past service cost - non vested benfits	–	376.00	–
Net Liability/ (Asset) recognised in the Balance Sheet	**(1,92,217)**	**(2,82,877)**	**(1,06,533)**

NOTE 28 : PROFIT AND LOSS ACCOUNT – EXPENSE

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Current service cost	2,51,633	1,19,989	59,706
Interest cost	19,403	7,127.00	4,700.00
Past service cost - (non vested benefit)	376	752.00	–
Past service cost - (vested benefit)	–	–	–
Unrecognised past service cost - non vested benefits	–	(376.00)	–
Expected return on plan assets	–	–	–
Net actuarial (gain)/ loss recognised for the period	–	48,852	(20,623)
Expenses Recognised in the statement of Profit & Loss Account	**2,71,412**	**1,76,344**	**43,783**

NOTE 29 : MOVEMENT IN NET LIABILITY RECOGNIZED IN THE BALANCE SHEET

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Opening net liability	2,82,877	1,06,533	62,750
Expenses as above	2,71,412	1,76,344	43,783
Contribution paid	(3,62,072)	–	–
Closing net Liability	1,92,217	2,82,877	1,06,533

NOTE 30 : SCHEDULE III OF THE COMPANIES ACT 2013

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Current Liability	203	72,848	460
Non-Current Liability	1,92,014	2,10,029	1,06,073
Heritage Club Benefits			
Non-Current Liability	–	46,144.00	27,549.00

NOTE 31 : FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will incurr a loss because its customers or counterparties fail to discharge their contractual obligation. The Company does not have credit risk.

B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 32 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities.

(Amount in ₹)

Particulars	As at 31-Mar-19 (₹)		As at 31-Mar-18 (₹)		As at 31-Mar-17 (₹)	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents	–	4,53,30,862		4,10,45,015		3,79,69,168
Trade receivables		1,79,682		52,65,962		26,81,461
Current tax assets		22,17,246		30,46,467		13,82,433
Other financial assets		–		3,60,000		3,60,000
Total Financial Assets		**4,77,27,790**	**–**	**4,97,17,444**	**–**	**4,23,93,062**
Financial Liabilities						
Trade payables						
Other financial liabilities		17,03,095		33,73,759		4,19,762
Provisions		20,63,852		41,76,165		24,71,383
Other non - financial liabilities		2,965		5,897		17,753
		37,69,912	**–**	**75,55,821**	**–**	**29,08,898**

NOTE 33 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in ₹)

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 31-Mar-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	4,53,30,862	–	4,53,30,862	4,10,45,015	–	4,10,45,015	3,79,69,168	–	3,79,69,168
Trade receivables	1,79,682	–	1,79,682	52,65,962	–	52,65,962	26,81,461	–	26,81,461
Deferred Tax Assets (net)	4,81,899	–	4,81,899	6,54,488	–	6,54,488	8,31,113	–	8,31,113
Loan & Advance					3,60,000	3,60,000		3,60,000	3,60,000
financial assets		22,17,246	22,17,246	–	30,46,467	30,46,467		13,82,433	13,82,433
Non-Financial assets									
Property, plant and equipment	–	25,157	25,157	–	40,320	40,320		–	–
Intangible assets under development	–	–	–	–	–	–			–

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 31-Mar-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other Intangible assets	–	–	–	–	–	–			–
Other non-financial assets		16,88,108	16,88,108		15,42,560	15,42,560		19,83,855	19,83,855
Total Assets	**4,59,92,443**	**39,30,511**	**4,99,22,954**	**4,69,65,465**	**49,89,347**	**5,19,54,812**	**4,14,81,742**	**37,26,288**	**4,52,08,030**
Liabilities									
Financial Liabilities									
Trade payables	–	–	–			–			
Other financial liabilities	17,03,095	–	17,03,095	33,73,759		33,73,759	4,19,762	–	4,19,762
Non Financial Liabilities									
Current tax liabilities (net)	–	–	–	–		–	–	–	–
Provisions	20,63,852	–	20,63,852	41,76,165		41,76,165	24,71,383		24,71,383
Ex Gratia						–			–
Defered tax liabilities	–	–	–	–	–	–			
Accrued salary and benefits		2,965	2,965	5,897		5,897		17,753	17,753
Total Liabilities	**37,66,947**	**2,965**	**37,69,912**	**75,55,821**		**75,55,821**	**28,91,145**	**17,753**	**29,08,898**

NOTE 34 : TAX NOTE

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)
Tax expense		
Current tax expense		
Current tax for the year	3,83,444	5,48,461
Tax adjustment in respect of earlier years	44,939	53,359
Total current tax expense	**4,28,383**	**6,01,820**
Deferred taxes		
Change in deferred tax liabilities	78,450	1,98,698
Net deferred tax expense	**78,450**	**1,98,698**
	5,06,833	**8,00,518**
Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	19,92,952	29,64,025
Tax at the rate of 26% (for 31 March 2018 - 25.75%)	5,18,167	7,63,236
Others	(11,334)	37,282
Income tax expense	**5,06,833**	**8,00,518**

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Deferred tax assets on account of:			
Gratuity	49,976	84,723	34,526
WDV of licence	4,31,865	5,70,283	7,96,586
WDV of fixed asset	57	(519)	–
TOTAL	**4,81,898**	**6,54,487**	**8,31,112**

NOTE 35 : DEFERRED TAX RELATED TO THE FOLLOWING:

(Amount in ₹)

Particulars	As at 31 March 2019	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2018	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2017
Deferred tax assets on account of:							
Gratuity	49,976	(59,392)	94,139	84,723	(28,124)	(22,073)	34,526
WDV of licence	4,31,865	1,38,418		5,70,283	2,26,303		7,96,586
WDV of fixed asset	57	(576)		(519)	519		–
Total deferred tax assets	**4,81,898**	**78,450**	**94,139**	**6,54,487**	**1,98,698**	**(22,073)**	
Total deferred tax Assets/ liability (net)	**4,81,898**	**78,450**	**94,139**	**6,54,487**	**1,98,698**	**(22,073)**	

NOTE 36 : RELATED PARTY DISCLOSURE:

I. Names of Related Parties:

A) Enterprises where control exists:

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

Transactions with related parties: 31-03-2019

Particulars	Name of the related Party	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Rent	Motilal Oswal Financial Services Limited	7,20,000	7,20,000	7,20,000
Business Support Service	Motilal Oswal Financial Services Limited	1,80,000	1,80,000	1,80,000
Advisory Fees	Motilal Oswal Financial Services Limited	1,43,89,545	(2,21,24,954)	(1,87,45,322)
Trade Receivables	Motilal Oswal Financial Services Limited	–	–	4,000
Consultancy charges	Rajesh Dharamshi	1,48,000	8,88,000	8,88,000

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

B) Fellow subsidiaries:

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

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

NOTE 37 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 38 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 39 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Audit Fees	17,75,614	16,13,843	17,63,116
Back up charges	41,542	(337)	28,482
Registration Charges	–	–	25,560
Examination Fees	90,141	1,26,283	1,72,644
Membership Charges	2,22,417	7,61,793	5,12,802
Travelling Overseas	–	1,81,788	10,13,054
	21,29,714	**26,83,370**	**35,15,658**

NOTE 40 :

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

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 11th May 2019

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 11th May 2019

DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note	As at 31-Mar-18	As at 1-Apr-17
Net worth under previous GAAP		**4,44,62,639**	**4,58,85,108**
GAAP adjustments:			
Gain on Fair Valuation of Investments	(d) (i)	–	–
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	(d) (iii)	(85,721)	3,62,072
Other comprehensive income	(d) (iv)	–	–
Deferred tax impact on above adjustments	(d) (ii)	22,073	(94,139)
Total GAAP adjustments		**(63,648)**	**2,67,933**
Net worth under Ind AS		**4,43,98,991**	**4,61,53,041**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Note	For the Period Ended 31-Mar-18
Net profit as per the Previous GAAP		**21,63,507**
GAAP adjustments:		
Gain on fair valuation of investments	(d) (i)	–
Increase in employee benefit expenses due to fair valuation of employee stock options	(d) (iii)	(85,721)
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income		–
Other comprehensive income - Fair value of investment	(d) (iv)	(63,648)
Deferred tax on above	(d) (ii)	22,073
Total Comprehensive Income under Ind AS		**20,99,859**

d) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 21,63,506 as at March 31, 2018

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. . There is no impact on the total equity as at 31 March 2018.

iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value of investment. The concept of other comprehensive income did not exist under previous GAAP.

v) Exemptions availed by the company

The exemptions availed by the Company under Ind AS 101 are as follows:

(i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 11th May 2019

For Motilal Oswal Securities International Private Limited

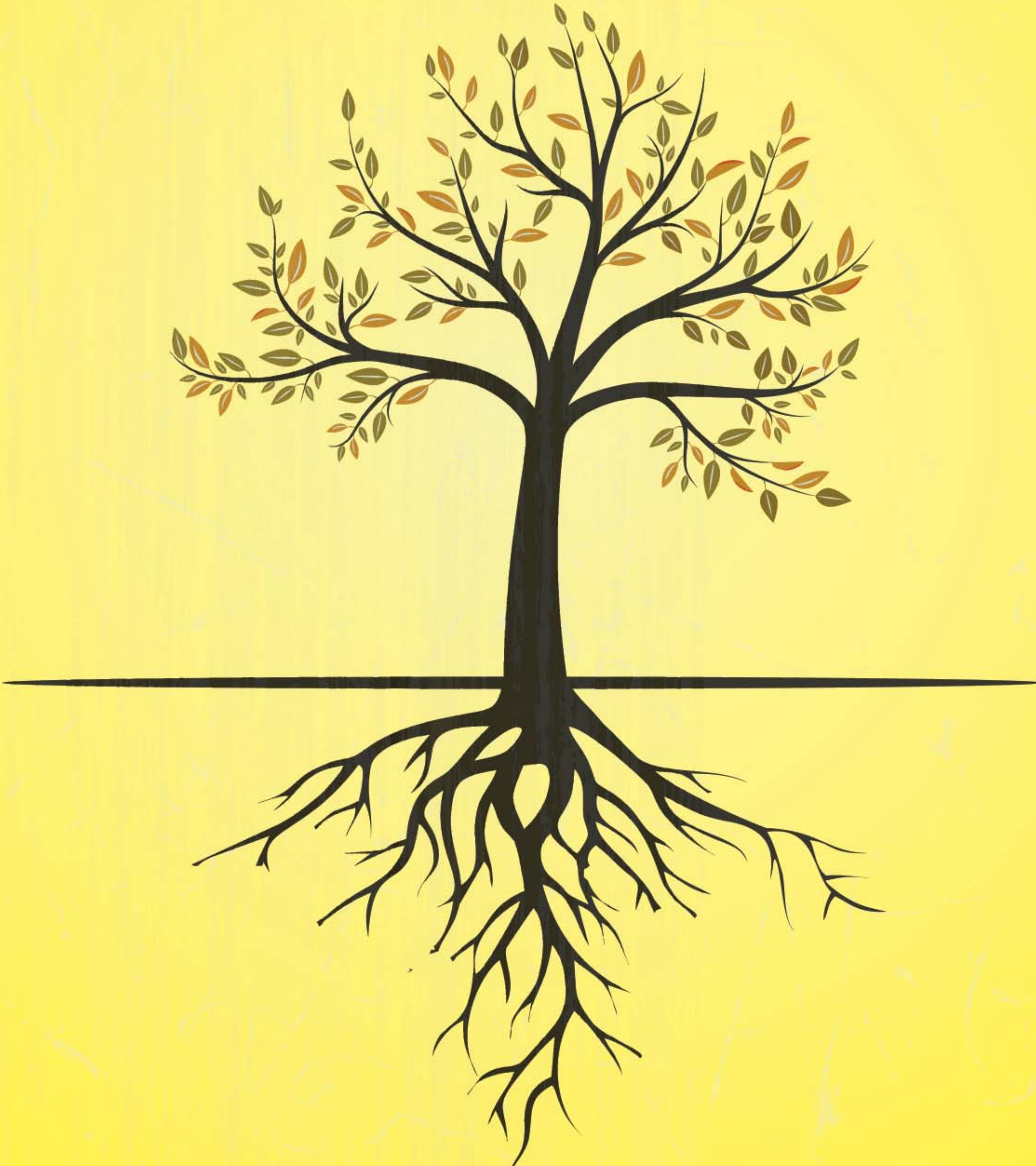
Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 11th May 2019

Motilal Oswal Capital Limited

Financial Statement 2018-19



To the Members of MOTILAL OSWAL CAPITAL LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 24 April 2017 expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 26 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) the financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **WALKER CHANDIOK & CO LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date: 25 April 2019

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited, on the financial statements for the year ended 31 March 2019

ANNEXURE I

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

(i) The Company does not have any property, plant and equipment, Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to a financial institution or a bank. The Company did not have any loan or borrowings to government or outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **WALKER CHANDIOK & CO LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date: 25 April 2019

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited on the financial statements for the year ended 31 March 2019

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Capital Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for the Audit of Internal Financial Controls

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **WALKER CHANDIOK & CO LLP**

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 25 April 2019

BALANCE SHEET

(All amounts are in INR Hundred, unless otherwise stated)

BALANCE SHEET

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
I. ASSETS				
1. Non - current assets				
Non - current tax assets (net)	4	817	–	–
Deferred tax assets (net)	5	6,947	78	270
Total non - current assets (A)		**7,764**	**78**	**270**
2. Current assets				
Financial assets				
(i) Investments	6	2,52,322	–	–
(ii) Trade receivables	7	2,578	16,785	–
(iii) Cash and cash equivalents	8	13,948	6,993	9,999
(iv) Other bank balances	9	5,09,349	–	–
(v) Other current financial assets	10	100	–	–
(vi) Other current assets	11	10,659	1,664	29
Total Current assets (B)		**7,88,956**	**25,442**	**10,028**
Total assets (A+B)		**7,96,720**	**25,520**	**10,298**
II. EQUITY AND LIABILITIES				
A. Equity:				
Equity share capital	12	8,00,000	10,000	10,000
Other equity	13	(17,241)	2,309	(974)
Total equity (A)		**7,82,759**	**12,309**	**9,026**
B. Liabilities				
1. Current liabilities				
Financial liabilities				
(i) Trade payables				
- Total outstanding dues of micro enterprise and small enterprise (refer note 26)				
- Total outstanding dues of creditors other than micro enterprise and small enterprise		–	–	–
(ii) Other payables	14	12,146	10,183	1,192
Other current liabilities	15	1,815	1,962	80
Current tax liabilities (net)	16	–	1,066	–
Total current liability (B)		**13,961**	**13,211**	**1,272**
Total equity and liabilities (A+B)		**7,96,720**	**25,520**	**10,298**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 25 April 2019

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year ended 31-Mar-19	For the year ended 31-Mar-18
REVENUE FROM OPERATIONS			
Fees and commission income	17	37,324	20,188
1) Total revenue from operations		**37,324**	**20,188**
2) Other income	18	13,995	122
3) Total revenue (1 + 2)		**51,319**	**20,310**
EXPENSES			
(i) Finance cost	19	242	–
(ii) Other expenses	20	77,496	15,769
4) Total expenses		**77,738**	**15,769**
5) Profit/(loss) before tax (3 - 4)		**(26,419)**	**4,541**
Tax expense/(credit):			
(i) Current tax	21	–	1,066
(ii) Deferred tax expense/(credit)	21	(6,869)	192
6) Total tax expenses		**(6,869)**	**1,258**
7) Profit/(loss) after tax (5 - 6)		**(19,550)**	**3,283**
8) Other comprehensive income		–	–
Total comprehensive income/ (loss) for the year (7 + 8)		**(19,550)**	**3,283**
Earnings/(Loss) per equity share	29		
Basic and diluted (in Rupees)		(0.92)	3.28
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 25 April 2019

CASH FLOW STATEMENT

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF CASH FLOWS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
A. Cash flow from operating activities		
Profit/(Loss) before taxation	**(26,419)**	**4,541**
Adjustments for :		
Interest income on fixed deposits	(9,349)	–
Net gain /(loss) on fair value change	(2,322)	–
Operating profit/(loss) before working capital changes	**(38,090)**	**4,541**
Adjustment for working capital changes :		
1) Increase/(decrease) in other current liabilities	(147)	1,882
2) Increase/(decrease) in current financial liabilities	1,963	8,991
3) (Increase)/decrease in trade receivables	14,207	(16,785)
4) (Increase)/decrease in other current assets	(8,994)	(1,635)
5) (Increase)/decrease in Other current financial assets	(100)	–
Net changes in working capital	**6,929**	**(7,547)**
Cash generated / (used in) from operating activities	**(31,161)**	**(3,006)**
Income taxes paid (net of refunds)	(1,883)	–
Net cash flow (used in) / generated from operating activities (A)	**(33,044)**	**(3,006)**
B. Cash flow from investing activities		
Investment in fixed deposits	(5,00,000)	–
Investment in mutual fund	(2,50,000)	–
Net cash used in investing activities (B)	**(7,50,000)**	**–**
C. Cash flow from financing activities		
Issue of equity shares	7,90,000	–
Net cash used in financing activities (C)	**7,90,000**	**–**
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	**6,955**	**(3,006)**
Cash and cash equivalent at the beginning of the year	6,993	9,999
Cash and cash equivalents at the end of the year (Refer Note no. 8)	**13,948**	**6,993**
* Composition of cash and cash equivalent		
Closing cash and cash equivalent	13,948	6,993
	13,948	**6,993**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 25 April 2019

(All amounts are in INR Hundred, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued, subscribed and paid up		
As at 1 April 2017	**1,00,000**	**10,000**
Issued during the year	–	–
As at 31 March 2018	**1,00,000**	**10,000**
Issued during the year (refer note 33)	79,00,000	7,90,000
As at 31 March 2019	**80,00,000**	**8,00,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 1 April, 2017	(974)
Profit for the year	3,283
Balance as at 31 March 2018	2,309
Profit for the year	(19,550)
Balance as at 31 March 2019	**(17,241)**

Summary of significant accounting policies and other explanatory information.

The accompanying notes 1 to 36 form an integral part of the financial statements.

This is the Statement of Changes in equity referred to in our report of even date.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 25 April 2019

(All amounts are in INR Hundred, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Motilal Oswal Capital Limited ("MOCL"/ the "Company") was incorporated on 19 September 2016.

The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, and Mumbai-400 025.

The Company provides Investment Advisory to offshore clients. The Company has received registration as an investment advisor under section 203(c) of the Investment Advisers Act of 1940 on 25 May 2017, vide SEC File No 801-110707.

The financial statements were approved for issue by the Company's Board of Directors on 25 April 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as "Indian GAAP" or "Previous GAAP")

These financial statements are the first financial statements of the company under Ind AS. Refer note 35 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

Accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

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

- Certain financial instruments are measured at fair values.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

(All amounts are in INR Hundred, unless otherwise stated)

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Use of estimates and judgments

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

2.2 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized in accordance with the terms of the contract with the clients.

(ii) Interest income

Interest income is recognized using the effective interest rate.

2.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

2.4 Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are

(All amounts are in INR Hundred, unless otherwise stated)

charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.5 Cash and cash equivalents

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

2.6 Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

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

– **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

– **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

– **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 24.

2.7 Financial assets

(i) Classification and subsequent measurement

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

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

(All amounts are in INR Hundred, unless otherwise stated)

1. **Financial assets carried at amortised cost**

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

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

2. **Equity instruments**

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

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

3. **Investments in mutual funds**

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

(All amounts are in INR Hundred, unless otherwise stated)

2.8 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.9 Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.10 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

2.11 Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

(All amounts are in INR Hundred, unless otherwise stated)

2.12 Rounding of amounts

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

2.13 Events after reporting date

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

2.14 Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 1 April 2019. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 4 : NON - CURRENT TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Advance tax and tax deducted at source [(Net of Provision for Income Tax 31 March 2019 : ₹ Nil; 31 March 2018 : ₹ 1,06,579 ; 1 April 2017: ₹ Nil)]	817	–	–
Total	**817**	–	–

NOTE 5 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred tax asset arising on account of :			
Others	52	78	270
Business loss	7,499	–	–
Total deferred tax assets (A)	**7,551**	**78**	**270**
Deferred tax liability arising on account of:			
Net gain on mutual fund investment measured at FVTPL	604	–	–
Total deferred tax liabilities (B)	**604**	**–**	**–**
Deferred tax assets (net) (A-B)	**6,947**	**78**	**270**

NOTE 6 : INVESTMENT

Particulars	Subsidiary / Others	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		Units	Amount	Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Quoted)							
Investment in Mutual Funds measured at FVTPL (Quoted)							
HDFC liquid fund direct plan (G)	Others	6,862.49	2,52,322	-	-	-	-
Total			**2,52,322**		**–**		**–**

NOTE 7 : TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Considered good - unsecured	2,578	16,785	–
	2,578	**16,785**	**–**

Note:

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

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

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 8 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Balance with banks			
In current accounts	13,948	6,993	9,999
	13,948	**6,993**	**9,999**

NOTE 9 : OTHER BANK BALANCES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Fixed Deposit with bank having maturity within twelve months	5,09,349	–	–
	5,09,349	**–**	**–**

Note:

1. Fixed deposit is made for period of one year, depending on the forecast cash requirements of the Company, and earn interest at the respective fixed deposit rates.

NOTE 10 : OTHER CURRENT FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Other deposit	100	–	–
	100	**–**	**–**

Note:

1. The Company's financial assets include cash and deposits and trade receivables. Financial assets are classified as being at FVTPL or as receivables. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

NOTE 11 : OTHER CURRENT ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Prepaid expenses	17	–	–
Indirect tax credit receivable	10,642	1,664	29
	10,659	**1,664**	**29**

NOTE 12 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	80,00,000	8,00,000	1,00,000	10,000	1,00,000	10,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	80,00,000	8,00,000	1,00,000	10,000	1,00,000	10,000
	80,00,000	**8,00,000**	**1,00,000**	**10,000**	**1,00,000**	**10,000**

(All amounts are in INR Hundred, unless otherwise stated)

12.1 : Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	1,00,000	10,000	1,00,000	10,000	1,00,000	10,000
Add: Shares issued during the year	79,00,000	7,90,000	–	–	–	–
Balance at the end of the year	**80,00,000**	**8,00,000**	**1,00,000**	**10,000**	**1,00,000**	**10,000**

12.2 : Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	99,994	99.99%	99,994	99.99%
	79,99,994	**99.99%**	**99,994**	**99.99%**	**99,994**	**99.99%**

12.3 : Shares held by holding company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	99,994	99.99%	99,994	99.99%

12.4 : Rights, preferences and restriction attached to each class of shares

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. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

12.5 : The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2019.

NOTE 13 : OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
a) Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	2,309	(974)	–
Add: Transfer from Statement of Profit and Loss	(19,550)	3,283	(974)
Balance at the end of year	**(17,241)**	**2,309**	**(974)**

Nature and Purpose of Reserves

Surplus in the Statement of Profit and Loss

Surplus in the Statement of Profit and Loss pertain to the accumulated earnings / losses made by the company over the years.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 14 : OTHER PAYABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Other payables	12,146	10,183	1,192
	12,146	**10,183**	**1,192**

NOTE 15 : OTHER CURRENT LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Withholding and other taxes payable	1,815	1,962	80
	1,815	**1,962**	**80**

NOTE 16 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for Income Tax [(Net of Advance tax and tax deducted at source 31 March 2019 ₹ Nil; 31 March 2018 - ₹ Nil ; 1 April 2017: ₹ Nil)]	–	1,066	–
	–	**1,066**	**–**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 17 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Investment advisory fees	37,324	20,188
	37,324	**20,188**

NOTE 18 : OTHER INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(i) Interest income on financial assets measured at amortised cost		
- Interest on fixed deposit	9,349	–
(ii) Net gain on foreign currency transaction and translation	2,324	122
(iii) Net gain on mutual fund investment measured at FVTPL	2,322	–
	13,995	**122**

NOTE 19 : FINANCE COST

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest on borrowing measured at amortised cost	242	–
	242	**–**

NOTE 20 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Advisory expense	21,236	8,926
Legal and professional charges	23,260	6,484
Set up expenses	9,697	–
Membership and subscription charges	1,303	–
Auditors' fees (Refer Note no. 27)	273	309
Registration and filing charges	20,638	39
Communication expenses	896	–
Rent	120	–
Miscellaneous expense	73	11
	77,496	**15,769**

NOTE 21.1: TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is

(All amounts are in INR Hundred, unless otherwise stated)

recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Current tax expense		
Current tax for the year	–	1,066
Total current tax expense	**–**	**1,066**
Deferred taxes		
Change in deferred tax liabilities	(6,869)	192
Net deferred tax expense/ (credit)	**(6,869)**	**192**
Total tax expense/ (credit)	**(6,869)**	**1,258**

NOTE 21.2 :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2019 and 31 March 2018:

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit/(loss) before income tax expense	**(26,419)**	**4,541**
Tax at the rate of 26% (for 31 March 2018 - 25.75%)	–	1,169
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Income not subject to tax		
Brought forward loss	–	(78)
Others	–	(26)
Deferred tax on account of:		
Business loss	(7,499)	
Others	26	193
Net gain on mutual fund investment measured at FVTPL	604	
Income tax expense	**(6,869)**	**1,258**

NOTE 21.3 : NET DEFERRED TAX

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2019 and 31 March 2018:

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Deferred tax assets on account of:			
Business loss	7,499		
Others	52	78	270
Total deferred tax assets (A)	**7,551**	**78**	**270**
Deferred tax liability on account of :			
Net gain on mutual fund investment measured at FVTPL	604	–	–
Total deferred tax liabilities (B)	**604**	**–**	**–**
Net deferred tax assets/(liability) (A-B)	**6,947**	**78**	**270**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 21.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-19	Recognised through profit and loss	As at 31-Mar-18	Recognised through profit and loss	As at 1-Apr-17
Deferred tax assets on account of:					
Business loss	7,499	7,499	–	–	–
Others	52	(26)	78	(192)	270
Total deferred tax assets	**7,551**	**7,473**	**78**	**(192)**	**270**
Deferred tax liabilities on account of:					
Net gain on mutual fund investment measured at FVTPL	604	604	–	–	–
Total deferred tax liabilities	**604**	**604**	**–**	**–**	**–**
Total deferred tax Assets/liability (net)	**6,947**	**6,869**	**78**	**(192)**	**270**

NOTE 22 : CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

NOTE 23 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our statement of profit and loss for the year ended 31 March 2019 or our balance sheet as of 31 March 2019.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company provides Investment Advisory to offshore clients only. The company earns advisory fees from offshore businesses.

(All amounts are in INR Hundred, unless otherwise stated)

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service
	Investment advisory services - Offshore
Total Revenue from contracts with customers	**37,324**
Geographical Markets	
India	–
Outside India	37,324
Total Revenue from contracts with customers	**37,324**
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	37,324
Total Revenue from contracts with customers	**37,324**

b) Contract balances (refer note 7)

Trade receivable are non-interest bearing balances. The outstanding balance as on 31 March 2019 is ₹ 2,577.93 hundreds and on 31 March 2018 is ₹ 16,785.23 hundreds.

c) Performance obligations

The performance obligation of the Company is to provide advisory services, which is completed as per the terms and conditions of the advisory agreement.

NOTE 24 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets - current						
Cash and cash equivalents	–	13,948	–	6,993	–	9,999
Bank balance other than above	–	5,09,349	–	–	–	–
Trade receivables	–	2,578	–	16,785	–	–
Investments	2,52,322	–	–	–	–	–
Other current financial assets	–	100	–	–	–	–
Total Financial Assets	**2,52,322**	**5,25,975**	**–**	**23,778**	**–**	**9,999**
Financial Liabilities - current						
Other payables	–	12,146	–	10,183	–	1,192
Other current liabilities		1,815		1,962		80
Total Financial Liabilities	**–**	**13,961**	**–**	**12,145**	**–**	**1,272**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company

(All amounts are in INR Hundred, unless otherwise stated)

has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in mutual funds only which have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 25 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer Company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

(All amounts are in INR Hundred, unless otherwise stated)

Age of receivables that are past due:

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 31-Mar-17**
Upto 3 months	2,578	16,785	–
3 - 6 months			
6 - 12 months			
More than 12 months			
Total	**2,578**	**16,785**	**–**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities. i.e. other payables

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	12,146	–	–	12,146
Total	**12,146**	**–**	**–**	**12,146**

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	10,183	–	–	10,183
Total	**10,183**	**–**	**–**	**10,183**

As at 1 April 2017

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	1,192			1,192
Total	**1,192**	**–**	**–**	**1,192**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk as it has receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

(All amounts are in INR Hundred, unless otherwise stated)

The Company is not exposed to interest rate risk as it does not have any borrowings or any investments with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 31-Mar-17**
Impact on profit before tax for 1% increase in NAV/price	2,523	–	–

NOTE 26 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**	**As at 31-Mar-17**
The principal amount remaining unpaid at the end of the year	–	–	–
The interest amount remaining unpaid at the end of the year	–	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–	–

NOTE 27 : AUDITORS' FEES

Particulars	**For the year ended 31-Mar-19**	**For the year ended 31-Mar-18**
Statutory audit fees	260	260
Out of pocket expenses	13	49
	273	**309**

NOTE 28 : SEGMENT REPORTING

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

NOTE 29 : EARNINGS / (LOSS) PER SHARE

Particulars	**For the year ended 31-Mar-19**	**For the year ended 31-Mar-18**
Profit/(Loss) attributable to equity shareholders (in Rupees)	(19,54,995)	3,28,275
Weighted average number of equity shares outstanding during the year	21,34,521	1,00,000
Nominal value per share (Rupees)	10	10
Earnings/(Loss) per share (Basic and diluted) (Rupees)	**(0.92)**	**3.28**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 30 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Advisory income	37,324	20,188
	37,324	**20,188**

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

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Legal and professional fees	17,636	6,343
	17,636	**6,343**

NOTE 31 : UNHEDGED FOREIGN CURRENCY

Particulars of unhedged foreign currency exposure as at the reporting date.

Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency exposures of the Company as at year end are:

Particulars	Currency	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Trade receivables	USD	37	258
	INR	2,578	16,785

NOTE 32 : RELATED PARTY DISCLOSURES

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

- Motilal Oswal Asset Management Company Limited

(ii) Holding company of Motilal Oswal Asset Management Company Limited:

- Motilal Oswal Financial Services Limited

(iii) Ultimate holding company:

- Passionate Investment Management Private Limited

(iv) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal 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

(All amounts are in INR Hundred, unless otherwise stated)

- Motilal Oswal Capital Markets (Hong Kong) Private Limited
- Motilal Oswal Capital Markets Singapore Pte Limited
- Motilal Oswal Securities International Private Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro and Cattle Feeds Private Limited

(v) Key Management Personnel (KMP)

(a) Executive directors

Mr. Aashish P Somaiyaa

Mr. Motilal Oswal

Mr. Navin Agrawal

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

- Motilal Oswal Foundation
- Motilal Oswal HUF

(vii) Associate enterprises

- Indian Reality Excellence Fund II LLP

b. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/ Fellow subsidiary	
		Year ended 31-Mar-19	Year ended 31-Mar-18
Advisory income	Motilal Oswal Asset Management (Mauritius) Private Limited	37,324	20,188
Advisory expense	Motilal Oswal Asset Management Company Limited	21,236	8,926
Interest expense	Motilal Oswal Finvest Limited	242	–
Rent expense	Motilal Oswal Financial Services Limited	120	–
Issue of equity shares	Motilal Oswal Asset Management Company Limited	7,90,000	–

Outstanding balances	Name of the related party	Holding company/Fellow subsidiary		
		Year ended 31-Mar-19	Year ended 31-Mar-18	Period ended 19-Sept-16 to 31-Mar-17
Other payables	Motilal Oswal Asset Management Company Limited	828	9,930	982
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	2,578	16,785	–

NOTE 33 : ISSUE OF SHARE CAPITAL

On 28th December, 2018 the Holding company Motilal Oswal Asset Management Company Limited has invested ₹ 79,000,000/- in the share capital of the Company.

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

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

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 35 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

(a) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet as at April 1, 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(b) Ind AS optional exemptions

Revenue from contracts

Ind AS 115 establishes a comprehensive framework for accounting of Revenue from Contracts with Customers

The Company has adopted Ind AS 115 retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, subject to the practical expedients available under the new revenue standard.

The Company has opted for the following practical expedients available under the standard on initial application:

– The entity has not restated contracts that are completed contracts as on the date of initial application April 1, 2017.

– For all reporting periods presented before April 1, 2017, the Company need not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue.

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

a) FVPTL – financial instruments

b) Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well. Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition principles of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply

(All amounts are in INR Hundred, unless otherwise stated)

Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

(c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. There are no adjustments in equity, profit and cash flow from previous GAAP to Ind AS.

NOTE 36:

Amounts below ₹ 50 have been rounded off and shown as “0”.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 25 April 2019

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

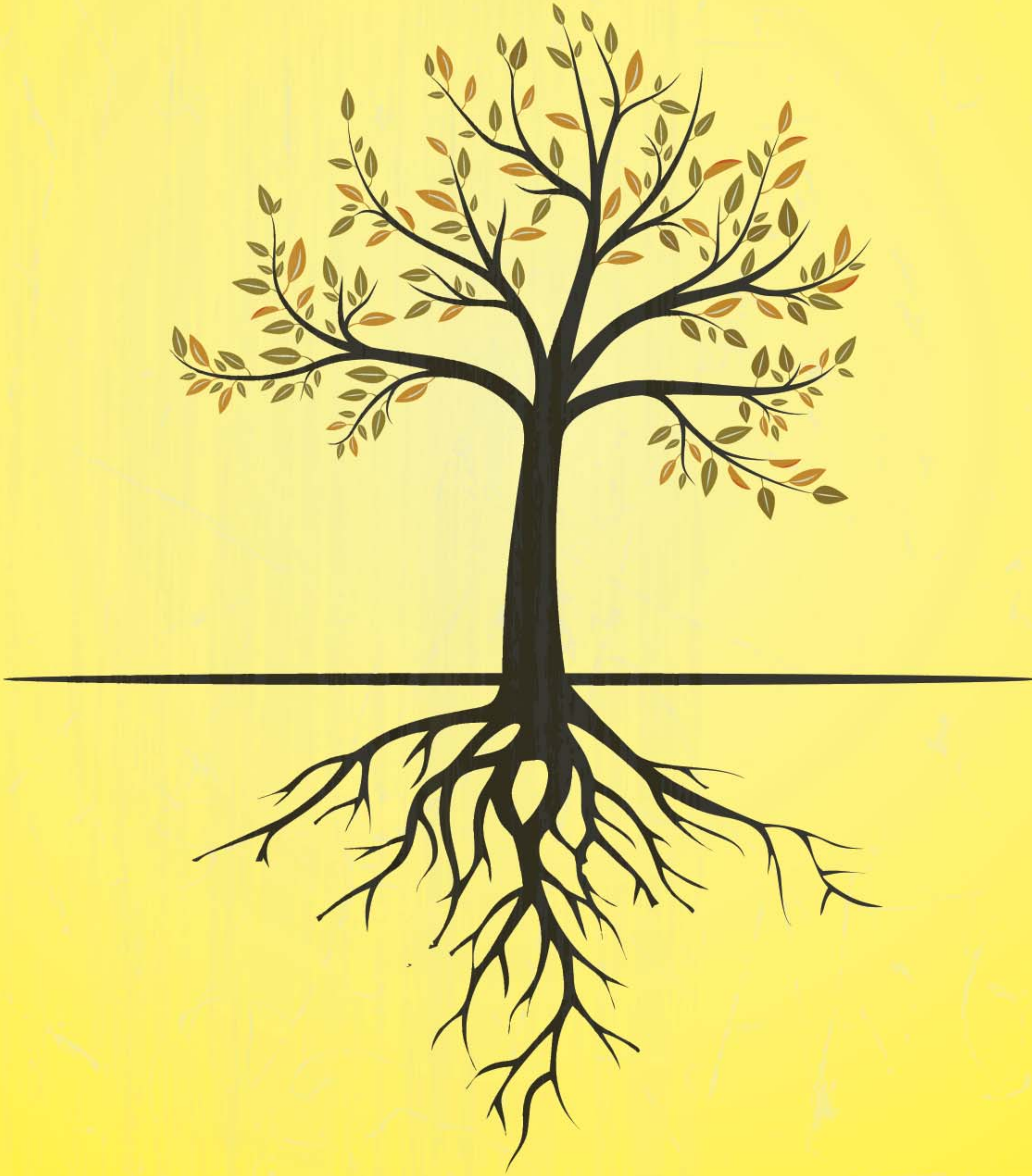
Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 25 April 2019

Motilal Oswal Commodities Broker Private Limited

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To,

The Members Motilal Oswal Commodities Broker Private Limited

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of Motilal Oswal Commodities Broker Private Limited which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Legal & Regulatory Risk: Following default at NSEL in 2012 and initial investigations by Economic Offences Wing (EOW) and complaints received from investors against the broker of the now defunct spot exchange, NSEL and EOW in March and April 2015 had requested SEBI to take appropriate actions. However, In EOW report there was no allegation against MOCBPL. - In this matter, SEBI has issued Show Cause Notice to Motilal Oswal Commodities Broking Pvt. Ltd. (MOCBPL, the company) in last financial year i.e. 2017-18 relating to NSEL Scam, for which management has replied accordingly. - SEBI vide its order dated 22nd February 2019, rejected MOCBPL's registration application on the grounds that it is not fit and proper person to hold, directly or indirectly, the certificate of registration as commodity derivatives broker.	Following are the areas where risks are assessed & procedures were followed. 1. Recording of Receivables & Dues - NSEL: After scrutinizing the books of accounts & discussion with the management it has been found that the amounts receivable from NSEL (Exchange) & due to the clients have direct nexus and MOCBPL has the role of a broker only. Hence, the amount receivable from Exchange has not been provided for Doubtful debts as they are directly payable to the Clients. 2. Impact of SEBI order on the MOCBPL business: The Company has already ceased its Commodity Broking business from April'18. Also, the order of SEBI signifies that MOCBPL's registration application as Commodities Broker may be rejected; however the management doesn't plan to continue its Commodities Broking business under the company (MOCBPL). The company has also filed an appeal against the order of SEBI before the Securities Appellate Tribunal (SAT) & the same is currently pending. 3. The company may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts.

Key audit matter	How our audit addressed the key audit matter
	Our procedures with respect to approaching the KAM: - Enquiring with Accounts & Finance Team: We have discussed with Finance team, Management & have scrutinized books of accounts. - Enquiring with Legal Team: We also discussed the matter with Legal Department and they have shared requisite opinion regarding the notices. - Assessing management's conclusions & ensuring that updates regarding the matter are informed to us on timely basis. Our results: Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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"Annexure B".
   (g) With respect to 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 for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Aneel Lasod
(Partner)
M.No.: 040117

Place: Mumbai
Date: 9th May 2019

ANNEXURE "A" TO AUDITOR'S REPORT

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

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

2. Inventories:

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

3. Loans and Advances:

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

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

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

5. Deposits from Public:

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

6. Cost Records:

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

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

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

9. IPO or further public offer:

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

10. Fraud:

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

11. Managerial Remuneration:

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

12. Nidhi Company:

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

13. Related Party Transaction:

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

14. Private Placement/ Preferential Allotment:

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

15. Non cash transactions:

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

16. Registration with Reserve Bank of India:

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

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

Aneel Lasod
(Partner)
M.No.: 040117

Place: Mumbai
Date: 9th May 2019

ANNEXURE "B" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Motilal Oswal Commodities Broker Private Limited** ('the Company') as of 31 March 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Aneel Lasod
(Partner)
M.No.: 040117

Place: Mumbai
Date: 9th May 2019

BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at 31-March-19 (In ₹)	As at 31-March-18 (In ₹)	As at 1-April-17 (In ₹)
I. ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	3	69,22,816	1,01,06,41,990	60,91,53,326
(b) Receivables	4	2,59,60,45,792	2,58,07,88,023	2,57,94,31,210
(c) Loans	5	4,62,364	5,70,024	5,40,209
(d) Non-current Investment	6	–	12,72,84,119	10,91,52,778
(e) Other Financial Asset	7	2,24,91,729	4,10,42,955	5,59,45,853
Total financial assets		**2,62,59,22,701**	**3,76,03,27,111**	**3,35,42,23,376**
(2) Non - Financial assets				
(a) Inventories	8	44,116	44,116	44,116
(b) Current tax assets	9	1,16,72,454	1,77,33,316	1,76,11,141
(c) Deferred tax assets (net)	10	30,13,068	38,02,038	35,39,269
(d) Property, plant and equipment		–	–	–
(i) Tangible Assets	11	9,18,496	11,34,121	6,54,716
(ii) Intangible Assets		1,245	1,385	71,223
(e) Other non financial assets	12	6,50,00,315	6,43,97,728	6,12,53,459
Total non - financial assets		**8,06,49,694**	**8,71,12,704**	**8,31,73,924**
Total assets		**2,70,65,72,395**	**3,84,74,39,815**	**3,43,73,97,300**
II. LIABILITIES AND EQUITY				
1. Financial liabilities				
(a) Payables		–	–	–
(i) Trade payables		–	–	–
(i) total outstanding dues of micro enterprise and small enterprise		–	–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	13	9,21,90,633	79,67,22,963	44,60,18,800
(ii) Other payables		–	–	–
(i) total outstanding dues of micro enterprise and small enterprise		–	–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		2,45,75,52,773	2,47,58,77,929	2,47,58,77,975
(b) Borrowings	14	–	15,72,00,000	–
(c) Other Financial liabilities	15	6,63,20,325	10,85,26,146	26,22,21,093
		2,61,60,63,731	**3,53,83,27,037**	**3,18,41,17,868**
2. Non - financial liabilities				
(a) Provision	16	9,31,568	1,58,42,588	1,55,20,109
(b) Other non financial liabilities	17	13,562	13,562	7,09,422
Total non - financial liabilities		**9,45,130**	**1,58,56,150**	**1,62,29,531**
3. Equity		**–**	**–**	**–**
(a) Share Capital	18	41,00,440	41,00,440	41,00,440
(b) Reserve and Surplus	19	8,54,63,094	28,91,56,188	23,29,49,461
Total equity		**8,95,63,534**	**29,32,56,628**	**23,70,49,901**
Total Liabilities and equity		**2,70,65,72,395**	**3,84,74,39,815**	**3,43,73,97,300**

The accompanying notes form an integral part of the financial statements

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

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

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 9th May 2019

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 9th May 2019

Kishore Narne
Director
DIN: 07974034

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019

	Note No.	For the Year ended 31-Mar-2019 (In ₹)	For the Year ended 31-Mar-2018 (In ₹)
INCOME			
Income from Operations	20	6,13,90,116	21,79,65,309
Other income	21	76,06,621	–
Total Revenue		**6,89,96,737**	**21,79,65,309**
EXPENDITURE			
Employee Benefits	22	27,50,155	5,76,15,445
Finance costs	23	1,88,956	2,11,62,417
Depreciation and amortization expenses		4,88,547	8,03,925
Operating expense	24	72,456	5,67,70,187
Other Expenses	25	8,54,20,988	1,66,90,517
TOTAL EXPENSES		**8,89,21,102**	**15,30,42,492**
Profit before Tax and exceptional item		**(1,99,24,365)**	**6,49,22,817**
Less: Provision for Taxation			
i) Current tax		–	1,13,78,492
ii) Deferred tax		5,12,678	(8,80,674)
iii) Previous Years Short / (Excess)		32,09,479	2,61,980
Profit / (Loss) After Tax		**(2,36,46,522)**	**5,44,24,998**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		10,62,660	23,99,634
Income Tax there on		(2,76,292)	(6,17,906)
Other comprehensive income / (loss)		7,86,368	17,81,728
Total comprehensive income for the period		**(2,28,60,153)**	**5,62,06,727**

The accompanying notes form an integral part of the financial statements

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

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

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

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 9th May 2019

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 9th May 2019

Kishore Narne
Director
DIN: 07974034

RECONCILIATION OF NET PROFIT FOR THE YEAR AND QUARTER ENDED MAR 31, 2019 BETWEEN THE ERSTWHILE INDIAN GAAP AND IND AS IS AS UNDER

Particulars	Quarter ended 31 March 2019	Quarter ended 31 December 2018	Quarter ended 31 March 2018	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Quarter ended 01 April 2017
Net profit as per the erstwhile Indian GAAP (IGAAP)	**(17,61,191)**	**6,19,01,119**	**40,28,852**	**5,25,74,937**	**7,01,56,705**	**13,71,37,750**
Add/(Less):						
Gain on fair valuation of investments defered tax on above	–	(6,39,80,761)	43,81,446	(7,72,84,119)	(1,81,31,341)	(5,91,52,778)
Increase in employee benefit expenses due to fair valuation of employee stock options defered tax on above						
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	8,68,970.00	(9,343)	14,54,295	10,62,660	23,99,634	2,97,907
Total effect of transition to IND AS	**8,68,970**	**(6,39,90,104)**	**58,35,741**	**(7,62,21,459)**	**(1,57,31,707)**	**(5,88,54,871)**
Net profit after tax (before OCI) as per Ind AS	**(8,92,221)**	**(20,88,985)**	**98,64,592**	**(2,36,46,522)**	**5,44,24,998**	**7,82,82,879**
Other comprehensive Income (net of tax)	6,42,553.58	(6,937)	10,79,814	7,86,368	17,81,728	2,21,196
Total Comprehensive Income under Ind AS	**(2,49,668)**	**(20,95,923)**	**1,09,44,406**	**(2,28,60,153)**	**5,62,06,727**	**7,85,04,075**

As Per our Attached Report of Even Date

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

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 9th May 2019

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 9th May 2019

Kishore Narne
Director
DIN: 07974034

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

SHARE CAPITAL

Particulars	Equity share capital		Amount
	Number of shares	Amount	
As at 1 April 2017	**4,10,044**	**41,00,440**	**41,00,440**
Changes during the year	–	–	–
As at 31 March 2018	**4,10,044**	**41,00,440**	**41,00,440**
Changes during the year	–	–	–
As at 31 March 2019	**4,10,044**	**41,00,440**	**41,00,440**

OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	General Reserves	Surplus	
Opening balance as at 1 April 2016	**60,00,000**	**2,00,000**	**14,82,45,386**	**15,44,45,386**
Transactions during the year				
Profit for the year	–	–	7,82,82,879	7,82,82,879
Ind AS Impact	–	–	2,21,196	2,21,196
Closing balance as at 31 March 2017	**60,00,000**	**2,00,000**	**22,67,49,461**	**23,29,49,461**
Transactions during the year				
Profit for the year	–	–	5,44,24,998	5,44,24,998
Ind AS Impact	–	–	17,81,728	17,81,728
Closing balance as at 31 March 2018	**60,00,000**	**2,00,000**	**28,29,56,187**	**28,91,56,187**
Transactions during the year				
Profit for the year			(2,36,46,522)	(2,36,46,522)
Dividend paid			(18,08,32,940)	(18,08,32,940)
Ind AS Impact			7,86,368	7,86,368
Closing balance as at 31 March 2019	**60,00,000**	**2,00,000**	**7,92,63,094**	**8,54,63,094**

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the company over the years.

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

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 9th May 2019

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 9th May 2019

Kishore Narne
Director
DIN: 07974034

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018

Particulars	For the Year ended 31-Mar-2019 (In ₹)	For the Year ended 31-Mar-2018 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(1,99,24,365)**	**6,49,22,817**
Adjustment for		
Unrealised gain	–	(1,81,31,341)
Interest expense	2,72,394	1,98,17,810
Profit on sale of fixed assets	–	–
Depreciation	4,88,547	8,03,925
Provision for Bad & Doubtful debts	–	6,30,246
Bad debts written off	(33)	54,902
Adjustment for working capital changes		
(Increase)/Decrease in receivables	(1,52,57,736)	(20,41,961)
(Increase)/Decrease in loans	1,07,660	(29,815)
(Increase)/Decrease in other financial assets	1,85,51,226	1,49,02,898
(Increase)/Decrease in current tax assets	60,60,862	(1,22,175)
(Increase)/Decrease in other non financial assets	(6,02,587)	(31,44,269)
Increase/(Decrease) in payables	(72,28,57,485)	35,07,04,116
Increase/(Decrease) in other financial liabilities	(4,22,05,821)	(15,36,94,947)
Increase/(Decrease) in provisions	(1,38,48,361)	27,22,114
Increase/(Decrease) in other non financial liabilities	–	(6,95,860)
CASH GENERATED FROM OPERATIONS	**(78,92,15,699)**	**27,66,98,460**
Taxes Paid (Net of Refunds)	(32,09,479)	(1,13,78,492)
NET CASH FROM OPERATING ACTIVITIES	**(79,24,25,178)**	**26,53,19,968**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from fixed deposit		
Proceeds From sale of investments	12,72,84,119	
Purchase of fixed assets	(2,72,782)	(12,13,492)
NET CASH FLOW FROM INVESTING ACTIVITIES	**12,70,11,337**	**(12,13,492)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from holding company	(15,72,00,000)	15,72,00,000
Interest paid	(2,72,394)	(1,98,17,810)
Dividend Paid	(18,08,32,940)	
NET CASH FLOW FROM FINANCING ACTIVITIES	**(33,83,05,334)**	**13,73,82,190**
NET CASH FLOW FOR THE YAER ENDED	**(1,00,37,19,175)**	**40,14,88,666**
Cash & Cash Equivalents comprise of		
Cash on hand	1,04,000	2,94,000
Scheduled Bank - In Current Account	9,64,09,840	7,40,45,177
Fixed Deposit with Banks	91,41,28,150	53,48,14,149
Total Cash & Cash Equivalents as at beginning of year	**1,01,06,41,990**	**60,91,53,326**
Cash & Cash Equivalents as at end of year :		
Cash on hand	99,000	1,04,000
Scheduled Bank - In Current Account	27,23,816	9,64,09,840
Fixed Deposit with Banks	41,00,000	91,41,28,150
Total Cash & Cash Equivalents as at end of year	**69,22,817**	**1,01,06,41,989**

As per our attached Report of even Date

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

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 09th May 2019

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 09th May 2019

Kishore Narne
Director
DIN: 07974034

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

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.

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

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

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

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements for the year ended March 31 2019 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first standalone financial statements of the Company under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

2.2. Financial instruments

Initial recognition and measurement

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

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

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

2.3. Financial assets

(i) Classification and subsequent measurement

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

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

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

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

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

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

2.4. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.5. Revenue Recognition

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

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

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

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

(i) Brokerage fee income

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

(ii) Interest income

Interest income is recognized using the effective interest rate.

(iii) Dividend income

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

(iv) Fees and commission income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognized on accrual basis over the life of the instrument.

2.6. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.7. Brokerage Sharing with Intermediaries

Brokerage sharing with intermediaries is charged to Statement of Profit and Loss on accrual basis.

2.8. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companys of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9. Cash and cash equivalents

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

2.10. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.11. Intangible assets

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.12. Inventories

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.

Financial instruments held as inventory are measured at fair value through profit or loss.

2.13. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

Compensated absences

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

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

2.16. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17. Dividends

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

2.18. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

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

2.19. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.20. Fiduciary assets

Assets held by the Company in its own name, but on the account of third parties, are not reported in the standalone balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

2.21. Rounding of amounts

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

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Stock based compensation – The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

NOTE 3 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Cash & Cash Equivalents:			
Cash on hand	99,000	1,04,000	2,94,000
Balance with banks:			
Cheques in hand	27,23,816	9,64,09,840	7,40,45,177
Fixed deposit with banks (Maturity within 3 months)	41,00,000	91,41,28,150	53,14,64,149
Fixed deposits (maturity more than 12 months)	–	–	33,50,000
Total	**69,22,816**	**1,01,06,41,990**	**60,91,53,326**

NOTE : 4 RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Trade receivables			
a) Outstanding for a period exceeding six months from the date they are due for payment:	2,59,25,92,253	2,57,73,34,484	2,57,49,86,359
b) Outstanding for a period less than six months from the date they are due for payment:	87,65,705	87,65,705	67,14,371
Less Doubtful Debts (US)	(53,12,166)	(53,12,166)	(22,69,520)
Total	**2,59,60,45,792**	**2,58,07,88,023**	**2,57,94,31,210**

NOTE : 5 LOANS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Loans to related parties	45,863	–	–
Loans and Advances to employees	4,16,501	5,70,024	5,40,209
Total	**4,62,364**	**5,70,024**	**5,40,209**

NOTE 6 : NON CURRENT INVESTMENTS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Investment in			
Motilal Oswal MOSt Focused Multicap 35 Fund - Direct Growth	–	12,72,84,119	10,91,52,778
Total	**–**	**12,72,84,119**	**10,91,52,778**

NOTE 7: OTHER FINANCIAL ASSET

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Rent deposits	69,645	2,34,841	2,34,841
Deposits with Exchange	2,18,33,667	2,08,38,794	4,07,79,665
Accrued interest but not due on Fixed Deposits	5,88,194	1,95,75,827	1,49,22,192
Interest accrued and due on loan	223	3,93,493	9,155
Total	**2,24,91,729**	**4,10,42,955**	**5,59,45,853**

NOTE 8 : INVENTORIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Stock in Trade - Commodities			
Equity Shares	44,116	44,116	44,116
Total	**44,116**	**44,116**	**44,116**

NOTE 9 : CURRENT TAX ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Advance Tax (net of provision for tax)	1,16,72,454	1,77,33,316	1,76,11,141
Total	**1,16,72,454**	**1,77,33,316**	**1,76,11,141**

NOTE 10 : DEFERRED TAX ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred Tax Asset:			
Difference in Net Block of Fixed Assets	84,323	1,25,003	74,544
Provision for VAT	13,81,163	14,63,635	12,89,986
Gratuity Provision	94,822	6,73,893	6,35,232
Loss on sale of Office premises	14,52,760	15,39,507	15,39,507
Total	**30,13,068**	**38,02,038**	**35,39,269**

NOTE 11 : PROPERTY PLANT AND EQUIPMENTS

Current Period

Particulars	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
OFFICE PREMISES	7,367,429.75			7,367,429.75	7,367,430.85			7,367,430.85	-1.10	-1.10
Office equipments	616,513.00			616,513.00	554,990.99	859.87		555,850.86	61,522.01	60,662.14
Plant and Machinery	5,723,579.70			5,723,579.70	4,899,124.59	34,789.94		4,933,914.53	824,455.11	789,665.17
Vehicle	81,885.00			81,885.00	17,115.92	626.19		17,742.11	64,769.08	64,142.89
Furniture and Fixtures	114,852.00			114,852.00	110,825.49			110,825.49	4,026.51	4,026.51
Intangibles	4,982,061.00			4,982,061.00	4,980,816.52			4,980,816.52	1,244.48	1,244.48
	18,886,320.45	**0.00**	**0.00**	**18,886,320.45**	**17,930,304.36**	**36,276.00**	**0.00**	**17,966,580.36**	**956,016.09**	**919,740.09**

NOTES TO FINANCIAL STATEMENT

NOTE 12: OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Prepaid expense	14,964	5,48,350	5,42,311
Others	41,38,347	56,00,494	76,65,269
For supply of services	2,10,046	1,98,531	2,46,567
Balance with Government Authorities	1,58,360	12,45,034	12,21,692
VAT/Tax credit receivables	6,04,53,298	5,67,80,019	5,15,77,620
Capital Advances	25,300	25,300	–
Total	**6,50,00,315**	**6,43,97,728**	**6,12,53,459**

NOTE 13 : PAYABLES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Creditors	9,21,90,633	79,67,22,963	44,60,18,800
Other trade payables	2,45,75,52,773	2,47,58,77,929	2,47,58,77,975
Total	**2,54,97,43,406**	**3,27,26,00,892**	**2,92,18,96,775**

NOTE 14 : BORROWINGS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Loans from holding company	–	15,72,00,000	–
Total	**–**	**15,72,00,000**	**–**

NOTE 15 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Interest accrued and due on borrowings	6,33,701	–	–
For other Liabilities			
– For expenses	318	–	–
– Margin Money	2,76,495	3,46,54,224	18,47,21,901
– Other Payables	6,58,97,781	7,30,13,306	7,19,66,012
Withholding and other taxes payable	(4,87,970)	8,58,616	55,33,180
Total	**6,63,20,325**	**10,85,26,146**	**26,22,21,093**

NOTE 16 : PROVISIONS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for gratuity	3,64,700	24,45,852	25,08,463
Provision for Employee Benefits (Ex-gratia)	3,47,693	96,40,106	1,00,60,963
Other provisions (includes provision for expenses)	2,19,175	37,56,630	29,50,683
Total	**9,31,568**	**1,58,42,588**	**1,55,20,109**

NOTE 17 : OTHER NON FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Accrued salaries & benefits	13,562	13,562	–
Capital expenses	–	–	7,09,422
Total	**13,562**	**13,562**	**7,09,422**

NOTE 18 : SHARE CAPITAL

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
AUTHORISED			
500,000 Equity Shares of ₹ 10/- each	50,00,000	50,00,000	50,00,000
600,000 Preference Shares of ₹ 10/- each	60,00,000	60,00,000	60,00,000
TOTAL	**1,10,00,000**	**1,10,00,000**	**1,10,00,000**
ISSUED, SUBSCRIBED & PAID UP			
410,044 Equity Shares of ₹ 10-/ each	41,00,440	41,00,440	41,00,440
Total	**41,00,440**	**41,00,440**	**41,00,440**

Rights, preferences and restrictions attached to shares

Equity Shares :

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

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

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Number of shares at the beginning	41,00,440	41,00,440	41,00,440
Number of Share at the end of the year	**41,00,440**	**41,00,440**	**41,00,440**

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

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Motilal Oswal Financial Services Ltd., the Holding Company	**4,10,044**	**4,10,044**	**4,10,044**

NOTE 19 : RESERVE AND SURPLUS

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Capital Redemption Reserve			
Balance b/f	60,00,000	60,00,000	60,00,000
Addition during the year			
Balance as at end of the year	**60,00,000**	**60,00,000**	**60,00,000**
General Reserves			
Balance b/f	2,00,000	2,00,000	2,00,000
Addition during the year			
Balance as at end of the year	**2,00,000**	**2,00,000**	**2,00,000**

	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Surplus	28,29,56,188	22,67,49,461	14,82,45,386
Add: Net profit after tax transferred from Statement of Profit and Loss	(2,36,46,522)	5,44,24,998	7,82,82,879
Amount available for appropriation	25,93,09,666	28,11,74,459	22,65,28,265
Less: Dividend paid	(15,00,00,000)	–	–
Less DDT Paid	(3,08,32,940)	–	–
Add: Ind AS Impact	7,86,368	17,81,728	2,21,196
Balance in profit and loss account	**7,92,63,094**	**28,29,56,188**	**22,67,49,461**
Total	**8,54,63,094**	**28,91,56,188**	**23,29,49,461**

NOTE 20 : INCOME FROM OPERATIONS

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Brokerage and Commission Income	84,601	16,01,49,792
Unrealised gains		1,81,31,341
Realised Gain	6,78,18,801	
Other Operating Revenue	(65,13,286)	3,96,84,176
Total	**6,13,90,116**	**21,79,65,309**

NOTE 21 : OTHER INCOME

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest	6,44,842	–
Referral Fees	69,61,779	–
Total	**76,06,621**	**–**

NOTE 22 : EMPLOYEE BENEFIT EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Salary, Bonus and Allowances	27,26,554	5,19,46,630
Contribution to Provident and other funds	(46,002)	15,89,203
Employee Stock Option-Expenses	8,97,698	11,04,644
Gratuity	(10,18,492)	25,39,954
Staff Welfare Expenses	1,90,397	4,35,014
Total	**27,50,155**	**5,76,15,445**

NOTE 23 : FINANCE COST

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest Expense	2,72,394	1,98,17,810
Other borrowing cost	(83,438)	13,44,607
Total	**1,88,956**	**2,11,62,417**

NOTE 24 : OPERATING EXPENSE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Brokerage Sharing with Intermediaries	72,456	5,67,70,187
Total	**72,456**	**5,67,70,187**

NOTE 25 : OTHER EXPENSES

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net loss on fair value changes	7,72,84,119	–
Insurance	2,30,557	7,76,921
Computer Maintenance & Software Charges	–	6,898
Legal & Professional Charges	48,52,444	36,18,542
Marketing & Brand Promotion	66,732	16,67,537
Remuneration to Auditors	2,72,500	1,89,750
Data Processing Charges	68,064	4,07,818
Entertainment Expenses	1,00,650	4,62,415
Rates & Taxes	22,766	(14,884)
Rent	26,250	3,35,510
Power & Fuel	–	38,957
Communication Expenses	13,37,556	27,27,219
Bad Debts	(33)	54,902
Provision on Doubtful Debts	–	6,30,246
Travelling & conveyance Expenses	5,22,584	42,83,622
CSR	–	66,947
Miscellaneous Expenses	6,08,299	14,38,117
Repairs - Building	28,500	–
Total	**8,54,20,988**	**1,66,90,517**

NOTE 26 : AUDITORS REMUNERATION:

Particulars	31-03-2019	31-03-2018
Audit fees	1,80,000	1,80,000
Tax Audit fees	–	–
In any other capacity, in respect of:		
Other Services	92,500	9,750
Total	**2,72,500**	**1,89,750**

NOTE 27 : BASIC AND DILUTED EPS

Particulars	31-03-2019	31-03-2018
Net Profit /(Loss) attributable to equity shareholders [A] (₹)	(2,28,60,153)	5,62,06,727
Number of equity shares issued [B]	4,10,044	4,10,044
Basic & Diluted Earnings/(Loss) per share [A/B] (₹)	(55.75)	137.07

NOTE 28 :

The following table sets out gratuity plan as required under Ind AS 19.

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

		March 31, 2019	March 31, 2018
I	**Assumptions as at**		
	Mortality	IALM (2006-08 Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	7.12%	6.85%
	Rate of increase in compensation	10.00%	9.75%
	Rate of return (expected) on plan assets	–	–
	Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 24.94%	PS: 0 to 37 : 25.28%
	Expected average remaining service	2.99	2.93
II	**Changes in present value of obligations (PVO)**		
	PVO at beginning of year	24,45,852	23,05,532
	Interest cost	1,67,541	1,54,240
	Current Service Cost	9,92,507	14,38,411
	Transfer out liability	21,78,540	–
	Past Service Cost- (non vested benefits)	–	–
	Past Service Cost -(vested benefits)	–	1,964
	Benefits Paid	–	–
	Actuarial (Gain)/Loss on obligation	10,62,660	(14,54,295)
	PVO at end of year	3,64,700	24,45,852

	March 31, 2019	March 31, 2018
(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)	(3,64,700)	(24,45,852)
Excess of actual over estimated return on Plan Assets	–	–
(V) Experience History		
(Gain)/Loss on obligation due to change in Assumption	(49,666)	92,318
Experience (Gain)/ Loss on obligation	(14,04,629)	(40,748)
Actuarial Gain/(Loss) on plan assets	–	–
(VI) Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	10,62,660	14,54,295
Actuarial Gain/(Loss) for the year (Plan Assets)	–	–
Total Gain/(Loss) for the year	10,62,660	14,54,295
Actuarial Gain/(Loss) recognized for the year	10,62,660	14,54,295
Unrecognized Actuarial Gain/(Loss) at end of year	–	–
(VII) Past Service Cost Recognised		
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	1964
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost- non vested benefits	–	–
Recognised Past service Cost- vested benefits	–	1964
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	3,64,700	24,45,852
Fair Value of Plan Assets at end of year	–	
Funded Status	(3,64,700)	(24,45,852)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(3,64,700)	(24,45,852)

	March 31, 2019	March 31, 2018
(IX) Expense recognized in the statement of profit and loss		
Current Service Cost	9,92,507	14,38,411
Interest cost	1,67,451	1,54,240
Past Service Cost- (non vested benefits)	–	–
past Service Cost - (vested benefits)	–	1,964
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	–	(14,54,295)
Expense recognized in the statement of profit and loss	11,60,048	1,40,320
(X) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	24,45,852	23,05,532
Expenses as above	11,60,048	1,40,320
Contribution paid	(32,41,200)	
Closing Net Liability	3,64,700	24,45,852
(XI) Revised schedule VI		
Current liability	81,478	5,60,249
Non-current liability	2,83,222	18,85,603

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
(XII) Sensitivity analysis				
PVO	3,51,622	3,78,857	3,76,202	3,53,559

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
(XIII) Expected Payouts						
Payouts	81,478	67,194	55,411	52,520	43,305	1,25,886

Year	31-03-2015	31-03-2016	31-03-2017	31-03-2018	31-03-2019
(XIV) Asset Liability Comparison					
PVO at the end of the year	6,01,844	16,22,448	23,05,532	24,45,852	3,64,700
Plan Assets					
Surplus/(Deficit)	(6,01,844)	(16,22,448)	(23,05,532)	(24,45,852)	(3,64,700)
Experience adjustments on plan assets					

NOTE 29 : SEGMENT REPORTING

As per IND AS 108 para 4, Segment has been disclosed in Consolidated financial statement, Hence no separate disclosure has been given in standalone financial statements of the Company.

NOTE 30 : PROVISIONS MADE FOR THE YEAR ENDED 31 MARCH 2019 CONSISTS OF

Particulars	Opening balance	Provided during the year ended 31.03.19	Provision Paid /reversed during the year ended 31.03.19	Closing balance as of 31.03.19
Ex-gratia	96,40,106	–	92,92,413	3,47,693
Gratuity	24,45,852	2,83,257	23,64,409	3,64,700

Particulars	Opening balance	Provided during the year ended 31.03.18	Provision Paid /reversed during the year ended 31.03.18	Closing balance as of 31.03.18
Ex-gratia	1,00,60,963	3,49,85,901	3,54,06,758	96,40,106
Gratuity	25,08,462		62,610	24,45,852

Particulars	Opening balance	Provided during the year ended 31.03.17	Provision Paid /reversed during the year ended 31.03.17	Closing balance as of 31.03.17
Ex-gratia	52,94,934	1,02,50,056	54,84,027	1,00,60,963
Gratuity	16,22,448	8,86,014	–	25,08,462

NOTE 31 : CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

Contingent liabilities:

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

Pending against Forum	As at 31st March 2019		As at 31st March 2018		As at 31st March 2017	
	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
Arbitration Cases	–	–	–	–	1	3,40,000

b) Demand in respect of Income Tax matters for which appeal is pending is ₹ 1,46,74,909 (Previous Year ₹ 1,47,09,884/-) . This is disputed by the company and hence not provided for.The company has paid demand by way of deposit/adjustment of refund of ₹ 30,75,000 by way of regular assessment till date.Above liablity 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 ₹ Nil (Previous Year : ₹ 22,426)

NOTE 32 :

Trade receivables in case of the company includes ₹ 24,994.00Lakhs (Previous year ₹ 25,179.14 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,575.53 Lakhs (Previous year ₹ 24,758.78 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTE 33 : CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹ Nil (Previous year : ₹ Nil)

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

NOTE 34 : MICRO SMALL AND MEDIUM 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 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 35 : RELATED PARTY DISCLOSURE :

RELATED PARTY DISCLOSURE :

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant infulence along with the transactions and year end balances with them as identified and certified by the management are as follows:"

I) List of related parties and their relationships

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

Fellow subsidiaries:

1) Motilal Oswal Investment Advisors Limited
2) MOPE Investment Advisors Private Limited
3) Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
4) Motilal Oswal Wealth Management Limited
5) Motilal Oswal Fincap Private Limited. (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
6) Motilal Oswal Asset Management Company Limited
7) Motilal Oswal Trustee Company Limited
8) Motilal Oswal Securities International Private Limited
9) Motilal Oswal Capital Market (Hongkong) Private Limited
10) Motilal Oswal Capital Market (Singapore) Pte Limited
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) Pvt. Ltd.
16) Motilal Oswal Capital Limited

Key management personnel

- Mr Kishore Narne - Director
- Mr Anupam Agal - Director
- Mr Harsh Joshi - Director

Relatives of Key management personnel

1) Mrs Rajya Lakshmi Narne - Spouse of the director
2) Mrs Poonam Agal - Spouse of the director
3) Mrs Smita Parekh - Spouse of the director
4) Mr Prasad Rao Narne - Father of the director
5) Mr Shivraj Agal - Father of the director
6) Mr Kanhaiyalal Joshi - Father of the director
7) Mrs Anjani Devi- - Mother of the director
8) Mrs Late Kamla Agal - Mother of the director
9) Mrs Kumud Joshi - Mother of the director
10) Mstr Aakash Narne - Son of the director
11) Mstr Jeet Agal - Son of the director
12) Miss Aakanksha Narne - Daughter of the director

13) Miss Kamya Agal - Daughter of the director
14) Miss Tashvi Joshi - Daughter of the director
15) Manju Deopura, Alka Mundra, Minu Chaparwal, Honey Malani.- Sister of the director
16) Mrs Hinoti Joshi - Sister of the director

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

II) Transactions with related parties for the year ended 31 March 2019 :"

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Interest Expense	Motilal Oswal Financial Services Limited	1,94,454	1,98,17,810	–	–	1,94,454	1,98,17,810
Rent Expense	Motilal Oswal Financial Services Limited	26,250	3,30,396	–	–	26,250	3,30,396
Reimbursement of Expenses Paid	Motilal Oswal Financial Services Limited	–	66,738	–	–	–	66,738
	Motilal Oswal Financial Services Limited	–	10,38,890	–	–	–	10,38,890
Loan Taken	Motilal Oswal Financial Services Limited	(87,06,32,052)	(7,99,79,21,908)	–	–	(87,06,32,052)	(7,99,79,21,908)
Motilal Oswal Finvest Limited	(35,20,987)	–	–	–	–	–	
Loan Repaid	Motilal Oswal Financial Services Limited	87,06,32,052	8,15,51,21,908	–	–	87,06,32,052	8,15,51,21,908
Motilal Oswal Finvest Limited	35,66,850	–	–	–	–	–	
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	(73,72,00,000)	72,00,00,000	–	–	(73,72,00,000)	72,00,00,000
Motilal Oswal Finvest Limited	(24,12,713)	–	–	–	(24,12,713)	–	
Referral Fees	Motilal Oswal Financial Services Limited	(69,61,779)	–	–	–	(69,61,779)	–
Outstanding Balances:							
Corporate Guarantees	Motilal Oswal Financial Services Limited	–	(5,00,00,000)	–	–	–	(5,00,00,000)
Other liabilities	Motilal Oswal Financial Services Limited	–	(1,56,925)	–	–	–	(1,56,925)
Other Receivables	Motilal Oswal Financial Services Limited	224	3,93,494	–	–	224	3,93,494
Rent Deposit Receivable	Motilal Oswal Financial Services Limited	–	1,65,196	–	–	–	1,65,196

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

NOTE 36 : TAX DISCLOSURES

(Amount in rupees)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1 Tax expense		
Current tax expense		
Current tax for the year	–	1,13,78,492
Tax adjustment in respect of earlier years	32,09,479	–
Total current tax expense	**32,09,479**	**1,13,78,492**
Deferred taxes		
Change in deferred tax liabilities	5,12,678	(8,80,674)
Net deferred tax expense	**5,12,678**	**(8,80,674)**
	37,22,157	**1,04,97,819**
Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**(1,99,24,364)**	**6,49,22,817**
Tax rate: 26% for 31 March 2019 and 25.75% for 31 March 2018	(51,80,335)	1,67,17,625
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Changes due to deferred tax		
Previous Years Short /(Excess)	32,09,479	
Items considered under other heads		
Expenses not deductible for tax purpose	56,93,013	(62,19,807)
Income tax expense	**37,22,157**	**1,04,97,819**

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
2 Deferred tax assets on account of:			
Provision for gratuity	94,822	6,73,893	6,35,232
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	84,323	1,25,003	74,544
Provision for VAT	13,81,163	14,63,635	12,89,986
Loss on sale of Office premises	14,52,760	15,39,507	15,39,507
Total deferred tax assets (A)	**30,13,068**	**38,02,038**	**35,39,269**
Net deferred tax assets	**30,13,068**	**38,02,038**	**35,39,269**

Note : Since it is not probable that sufficient tax profits would be available for set off of current tax losses, deferred tax assets have been created to the extent of deferred tax liabilities.

3 Deferred tax related to the following:

(Amount in rupees)

Particulars	As at 31 March 2019	Recognised through profit and loss	As at 31 March 2018	Recognised through profit and loss	As at 1 April 2017
Deferred tax assets on account of:					
Provision for gratuity	94,822	(5,79,071)	6,73,893	38,662	6,35,232
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	84,323	(40,680)	1,25,003	50,458	74,544
Provision for VAT	13,81,163	(82,471)	14,63,635	1,73,649	12,89,986
Loss on sale of Office premises	14,52,760	(86,747)	15,39,507	–	15,39,507
Total deferred tax assets					
Total deferred tax Assets/liability (net)	**30,13,068**	**(7,88,969)**	**38,02,038**	**2,62,769**	**35,39,269**

NOTE 37: MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Assets	31 March 19			31 March 18			31 March 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	99,000	68,23,816	69,22,816	1,04,000	1,01,05,37,991	1,01,06,41,991	2,94,000	60,88,59,326	60,91,53,326
Trade receivables	2,59,60,45,792	2,59,60,45,792	2,58,07,88,023	2,58,07,88,023	2,57,94,31,209	2,57,94,31,209			
Loans	4,62,364	4,62,364	5,70,024	5,70,024	5,40,209	5,40,209			
Investments	–	–	12,72,84,119	12,72,84,119	10,91,52,778	10,91,52,778			
Other financial assets	2,24,91,729	2,24,91,729	4,10,42,957	4,10,42,957	5,59,45,853	5,59,45,853			
Non-Financial assets									
Property, plant and equipment	–	9,18,496	9,18,496	–	11,34,121	11,34,121	–	6,54,716	6,54,716
Intangible assets	–	1,245	1,245	–	1,385	1,385	–	71,224	71,224
Inventories	–	44,116	44,116	–	44,116	44,116	–	44,116	44,116
Current tax assets	1,16,72,454	–	1,16,72,454	1,77,33,316	–	1,77,33,316	1,76,11,141	–	1,76,11,141
Defered tax assets	30,13,068	–	30,13,068	38,02,038	–	38,02,038	35,39,269	–	35,39,269
Other non-financial assets	2,25,010	6,47,75,306	6,50,00,315	7,46,881	6,36,50,847	6,43,97,728	7,88,877	6,04,64,581	6,12,53,458
Total Assets	**2,61,15,17,688**	**9,50,54,707**	**2,70,65,72,395**	**2,60,37,44,280**	**1,24,36,95,535**	**3,84,74,39,816**	**2,60,22,04,706**	**83,51,92,594**	**3,43,73,97,300**
Liabilities									
Financial Liabilities									
Trade payables	2,54,97,43,406	–	2,54,97,43,406	3,27,26,00,892	–	3,27,26,00,892	2,92,18,96,777		2,92,18,96,777
Borrowings	–	–	–	15,72,00,000	–		15,72,00,000		
Other financial liabilities	6,63,20,325	–	6,63,20,325	10,85,26,146	–	10,85,26,146	26,22,21,093		26,22,21,093
Non Financial Liabilities									
Current tax liabilities (net)			–			–			–
Provisions	9,31,568	–	9,31,568	1,58,42,588	–	1,58,42,588	1,55,20,108		1,55,20,108
Other non financial liabilities	13,562	–	13,562	13,562	–	13,562	7,09,422		7,09,422
Total Liabilities	**2,61,70,08,861**	**–**			**–**	**3,55,41,83,188**	**3,20,03,47,400**	**–**	**3,20,03,47,400**

NOTE 38: FAIR VALUE MEASUREMENT

Financial instruments by category:

(Amount in rupees)

Particulars	31 March 2019		31 March 2018		1 April 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents		69,22,816		1,01,06,41,991		60,91,53,326
Trade receivables		2,59,60,45,792		2,58,07,88,023		2,57,94,31,209
Loans		4,62,364		5,70,024		5,40,209
Investments	–		12,72,84,119		10,91,52,778	
Other financial assets		2,24,91,729		4,10,42,957		5,59,45,853
Total Financial Assets	**–**	**2,62,59,22,700**	**12,72,84,119**	**3,63,30,42,994**	**10,91,52,778**	**3,24,50,70,599**
Financial Liabilities						
Trade payables		2,54,97,43,406		3,27,26,00,892		2,92,18,96,777
Borrowings		–		15,72,00,000		
Other financial liabilities		6,63,20,325		10,85,26,146		26,22,21,093
	–	**2,61,60,63,731**	**–**	**3,53,83,27,037**	**–**	**3,18,41,17,870**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

NOTE 39 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

a) Reconciliations between previous Indian GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous Indian GAAP to Ind AS.

i) Reconciliation of total equity between previous Indian GAAP and Ind AS:

Particulars	Note	Year Ended 31 March 2018	Year Ended 1 April 2017
Net worth under previous Indian GAAP		**21,59,72,509**	**17,81,00,053**
Indian GAAP adjustments:			
Gain on Fair Valuation of Investments	(d) (i)	7,72,84,119	5,91,52,778
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	(d) (iii)	(26,97,541)	(5,00,837)
Other comprehensive income	(d) (v)	20,02,924	2,21,196
Deferred tax impact on above adjustments	(d) (ii)	6,94,617	76,711
Total Indian GAAP adjustments		**7,72,84,119**	**5,89,49,848**
Net worth under Ind AS		**29,32,56,628**	**23,70,49,901**

ii) Reconciliation of profit as per Ind AS with profit reported under previous IIndian GAAP: (₹ in Lacs)

Particulars	Note	Year Ended 31 March 2018
Net profit as per the Previous IIndian GAAP		**3,38,94,024**
IIndian GAAP adjustments:		
Gain on fair valuation of investments	(d) (i)	1,81,31,341
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income	(d) (iii)	23,99,634
Deferred tax on above	(d) (ii)	6,94,617
Total IIndian GAAP adjustments		**2,05,30,975**
Other comprehensive Income (net of tax)	(d) (ii)	17,81,728
Total Comprehensive Income under Ind AS		**5,62,06,727**

d) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Indian GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

i) Fair valuation of investments

Under the previous IIndian GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by ₹ 772.84 Lakhs as at March 31, 2018 (April 01, 2017 - ₹ 591.52 Lakhs). Profit for the year ended March 31, 2018 decreased by ₹ 181.31 Lakhs.

ii) Deferred tax

Indian Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian IIndian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Employee stock option expense

Under the previous IIndian GAAP, the company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity.

iv) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous IIndian GAAP.

v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value of investment. The concept of other comprehensive income did not exist under previous IIndian GAAP.

vi) Exemptions availed by the company

The exemptions availed by the Company under Ind AS 101 are as follows:

(i) The Company has adopted the carrying value determined in accordance with Indian Indian GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017. The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian Indian GAAP.

NOTE 40 :

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
Date : 09th May 2019

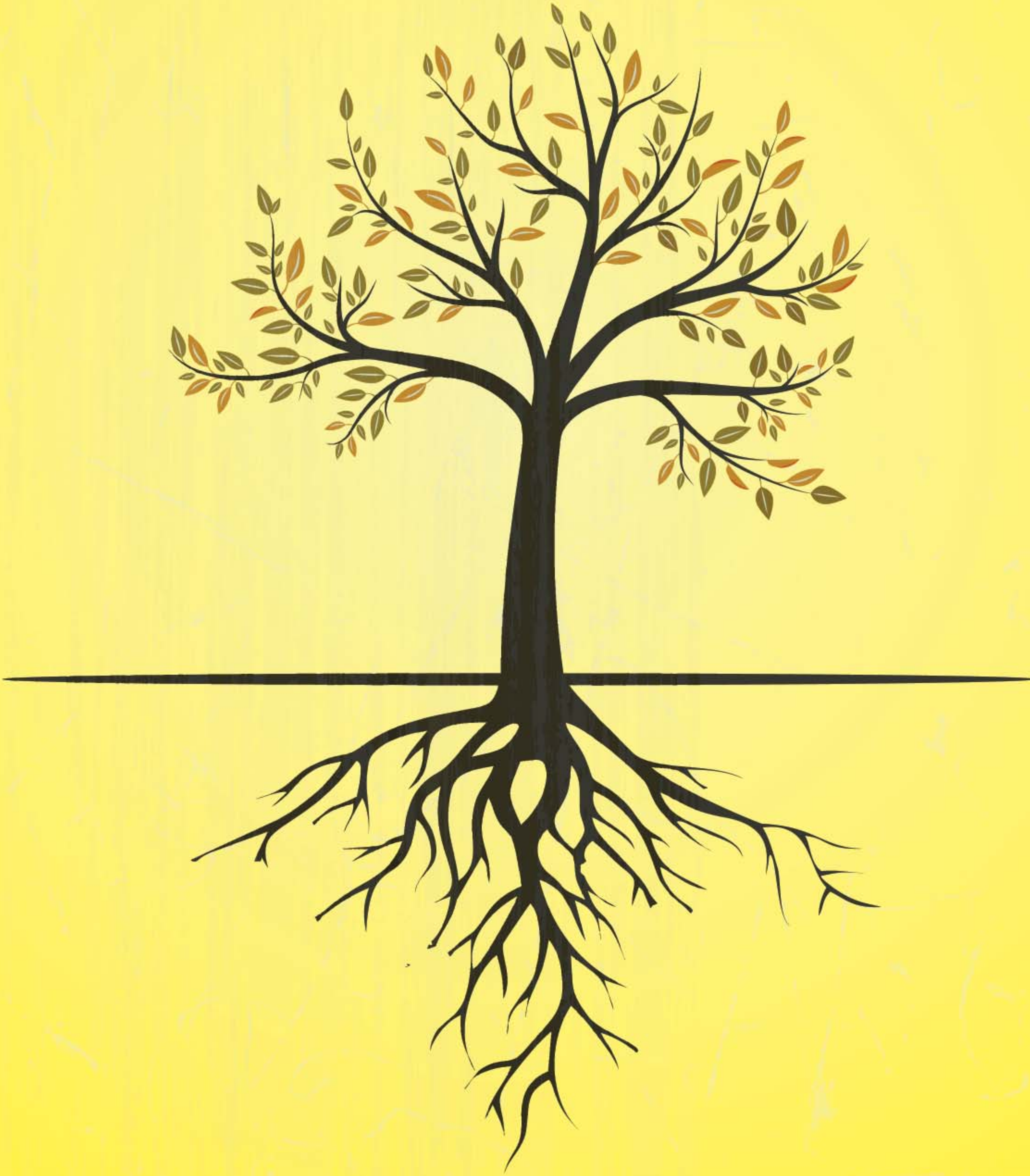
For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 09th May 2019

Kishore Narne
Director
DIN: 07974034

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Financial Statement 2018-19



ACCOUNTANTS CERTIFICATE

The Board of Directors
Motilal Oswal Asset Management (Mauritius) Private Limited

We have verified the conversion and GAAP adjustments from IFRS to IndAS of the accompanying balance sheet of Motilal Oswal Asset Management (Mauritius) Private Limited as on March 31, 2019 and the related Statement of Profit and Loss for the year ended 31st March 2019 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in U S Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

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

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

Premal Gandhi
Partner
Membership No.: 111592

Place: Mumbai
Date: 25th April, 2019

BALANCE SHEET AS AT 31 MARCH, 2019

Particulars	Note No.	As on 31-Mar-19 (In ₹)	As on 31-Mar-18 (In ₹)	As on 31-Mar-17 (In ₹)
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	69,09,302	1,13,67,104	37,10,033
(b) Receivables				
(i) Trade receivables	5	7,02,403	12,00,508	–
(c) Investments	6	6,945	6,495	6,480
Sub - total financial assets		**76,18,650**	**1,25,74,107**	**37,16,513**
2. Non - financial assets				
(a) Other non-financial assets	7	5,70,259	6,96,311	16,42,876
Sub - total non-financial assets		**5,70,259**	**6,96,311**	**16,42,876**
Total assets		**81,88,909**	**1,32,70,418**	**53,59,389**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(i) Trade payables				
(i) total outstanding dues of micro enterprise and small enterprise				
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	8	2,56,331	16,62,669	10,60,801
(b) Other financial liabilities	9	6,07,653	5,45,563	15,53,569
Sub - total financial liabilities		**8,63,984**	**22,08,232**	**26,14,370**
2. Equity:				
(a) Equity share capital	10	2,68,81,155	1,65,32,655	1,32,90,750
(b) Other equity	11	(1,95,56,230)	(54,70,469)	(1,05,45,731)
Sub - total equity		**73,24,925**	**1,10,62,186**	**27,45,019**
Total Liabilities and equity		**81,88,909**	**1,32,70,418**	**53,59,389**

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

As per our report of attached even date

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

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
Membership No. 111592

Director ***Director***

Place : Mumbai
Date : 25 April, 2019

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Note No.	Year ended 31-Mar-19 (In ₹)	Year ended 31-Mar-18 (In ₹)
1) Income			
a) Revenue from operations			
Fees and commission income	12	1,00,63,813	2,06,62,317
Total Income		**1,00,63,813**	**2,06,62,317**
2) Expenses :			
Other Expenses	13	2,50,69,166	1,54,62,489
Total expenses		**2,50,69,166**	**1,54,62,489**
Profit/(Loss) before taxation		(1,50,05,353)	51,99,828
Tax expenses			
Current Tax			1,54,656
Profit/(Loss) after taxation		**(1,50,05,353)**	**50,45,173**

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

As per our report of attached even date

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

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
Membership No. 111592

Director ***Director***

Place : Mumbai
Date : 25 April, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Year ended 31-Mar-19 (In ₹)	Year ended 31-Mar-18 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	**(1,50,05,353)**	**51,99,828**
Adjustment for FCTR	9,19,592	30,089
Operating profit	**(1,40,85,761)**	**52,29,917**
Adjustment for working capital changes		
1) Increase/(decrease) in financial liabilities	62,089	(10,08,005)
2) Increase/(decrease) in trade payables	(14,06,337)	6,01,868
3) (Increase)/decrease in trade receivables	4,98,105	(12,00,508)
4) (Increase)/decrease in other non-financial assets	1,26,053	9,46,564
Cash generated from operations	**(1,48,05,852)**	**45,69,836**
Taxes Paid (Net of Refunds)	–	(1,54,656)
Net cash generated from operating activities	**(1,48,05,852)**	**44,15,180**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in mutual fund	(450)	(15)
Net cash used in investing activities	**(450)**	**(15)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	1,03,48,500	32,41,905
Share Application Money pending allotment	–	–
Interest paid		
Net cash used in financing activities	**1,03,48,500**	**32,41,905**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(44,57,801)**	**76,57,070**
Cash & cash equivalents as at beginning of the year	**1,13,67,104**	**37,10,033**
Cash & cash equivalents as at end of the year	**69,09,302**	**1,13,67,104**
Components of cash & cash equivalents (also refer note 3)		
Balances with banks		
in current accounts	69,09,302	1,13,67,104
	69,09,302	**1,13,67,104**

Note : (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
Membership No. 111592

Director ***Director***

Place : Mumbai
Date : 25 April 2019

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

SHARE CAPITAL

(Amount in rupees)

Particulars	Equity share capital		Total
	Number of shares	Amount	
As at 1 April 2017	**2,05,000**	**1,32,90,750.00**	**1,32,90,750**
Issue of Equity shares	50,000	32,41,905.00	32,41,905
As at 31 March 2018	**2,55,000**	**1,65,32,655**	**1,65,32,655**
Issue of Equity shares	–	–	–
As at 31 March 2019	**2,55,000**	**1,65,32,655**	**1,65,32,655**

Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus		Reserves and Surplus		Total	Total	Total
	31 March 2019		31 March 2018		1 April 2017		31 March 2019	31 March 2018	31 March 2017
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss			
Balance at the beginning of the reporting period	2,14,518	(56,84,987)	1,84,429	(1,07,30,160)	18525	(40,32,551)	**(54,70,469)**	**(1,05,45,731)**	**(40,14,026)**
Profit/(loss) during the year	8,75,043	(86,45,010)	30,089	50,45,173	165904	(66,97,608)	**(77,69,967)**	**50,75,262**	**(65,31,704)**
Balance at the end of the reporting period	**10,89,561**	**(1,43,29,997)**	**2,14,518**	**(56,84,987)**	**1,84,429**	**(1,07,30,160)**	**(1,32,40,436)**	**(54,70,469)**	**(1,05,45,731)**

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
Membership No. 111592

Director ***Director***

Place : Mumbai
Date : 25 April, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd. (the “Company”) was incorporated on 8 January 2015 under the Mauritius Companies Act 2001 as a public company limited by shares and holds a Category 1 Global Business License issued by the Financial Services Commission (“FSC”) under the Financial Services Act 2007.

The Company is also licensed as a CIS Manager under the Securities Act 2005 and its principal activity is to act as Investment Manager.

The Company is engaged towards holding standards of corporate governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The transactions of the Company are denominated in US Dollars which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 24 for an explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

2.2 Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company’s functional and presentation currency as the USD. 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 Ind AS in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.3 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Management fees

The Company has entered into an Investment Management Agreement, on 1st March 2016, with Motilal Oswal India Fund ('the Fund") which has retained the Company to act as Investment Manager and to provide services with respect to the assets of the Fund. In consideration of and as compensation for services to be rendered, the Company is entitled to a Management Fee not exceeding 1.25% per annum of the Net Asset Value attributable to Class A shares of the Fund.

(ii) Incentive fees

The Company is entitled to a performance profit allocation from Motilal Oswal India Fund ("the Fund") based on the performance of the Fund equal to 20% of any appreciation in the value of the Fund during the performance period.

(iii) Dividend Income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

   When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.7 Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortized cost using the effective interest rate method.

2.11 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12 Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.15 Expenses

Advisory fees

An Investment Advisory agreement was made on 11th February 2016 between the Company and Motilal Oswal Asset Management Company Limited which terminated on the 6th November 2017 due to professional reasons.

As from 7th November 2017, Motilal Oswal Capital Limited has been appointed as investment advisor and in connection with the performance of its services, the Company will pay the Investment Advisor advisory fees on an arm's length basis and which shall be determined between the parties.

NOTE 3:

3.1 First time adoption of Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

(i) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Balances with bank	69,09,302	1,13,67,104	37,10,033
Total	**69,09,302**	**1,13,67,104**	**37,10,033**

NOTE 5 : RECEIVABLES

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
(I) Trade receivables			
Considered good - unsecured	7,02,403	12,00,508	–
Total	**7,02,403**	**12,00,508**	**–**

NOTE 6 : INVESTMENTS

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Motilal Oswal India Fund	6,945	6,495	6,480
Total	**6,945**	**6,495**	**6,480**

NOTE 7 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Prepaid Expenses	5,70,259	5,39,787	9,10,782
Other		1,56,525	7,32,094
Total	**5,70,259**	**6,96,311**	**16,42,876**

NOTE 8 : TRADE PAYABLE

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Others	2,56,331	16,62,669	10,60,801
Total	**2,56,331**	**16,62,669**	**10,60,801**

NOTE 9 : OTHER FINANCIAL LIABILITY

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Creditors for Expenses	6,07,653	5,45,563	15,53,569
Total	**6,07,653**	**5,45,563**	**15,53,569**

NOTE 10 : SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Authorised :						
Equity Shares of USD 1 each	2,55,000	1,65,32,655	2,55,000	1,65,32,655	2,05,000	1,32,90,750
Issued, Subscribed and Paid Up :						
Equity Shares of USD 1 each fully Paid up	2,55,000	1,65,32,655	2,55,000	1,65,32,655	2,05,000	1,32,90,750
Equity share application	30,000	1,03,48,500				
Total	**2,85,000**	**2,68,81,155**	**2,55,000**	**1,65,32,655**	**2,05,000**	**1,32,90,750**

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

NOTE 11 : OTHER EQUITY

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
a) Foreign Currency Translation Reserves			–
Balance at beginning of the year	2,14,518	1,84,429	18,525
Add:- Gain/(loss) on translation during the period	9,19,592	30,089	1,65,904
Balance at the end of year	11,34,110	2,14,518	1,84,429
b) Profit/(Deficit) in the statement of profit and loss			–
Balance at beginning of the year	(56,84,987)	(1,07,30,160)	(40,32,551)
Add: Transfer from Statement of Profit and Loss	(1,50,05,353)	50,45,173	(66,97,608)
Balance at the end of year	**(2,06,90,340)**	**(56,84,987)**	**(1,07,30,160)**
Total	**(1,95,56,230)**	**(54,70,469)**	**(1,05,45,731)**

Nature and Purpose of Reserves

Profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

NOTE 12 : FEES AND COMMISSION INCOME

Particulars	**Year ended 31-Mar-19 (In ₹)**	**Year ended 31-Mar-18 (In ₹)**
Incentive Fee Income	4,36,149	1,69,82,465
Management fee	96,27,664	36,79,851
Total	**1,00,63,813**	**2,06,62,317**

NOTE 13 : OTHER EXPENSES

Particulars	**Year ended 31-Mar-19 (In ₹)**	**Year ended 31-Mar-18 (In ₹)**
Advisory Fee Expense	38,22,121	28,42,067
Accounting fees	1,64,129	1,70,837
Admin Fees	10,33,661	1,38,603
Bank charges	4,15,934	3,74,874
Corporate secretary fees	97,779	90,253
Directors fees	1,74,605	4,88,583
FSC fees - GBL and CIS	2,61,907	2,41,750
MLRO fees	87,302	80,583
Professional fees	–	–
Registered office fees	34,921	32,233
ROC Fees	23,573	21,759
Insurance Charges	2,31,631	2,07,969
Taxation fees	34,921	32,233
TRC fees	48,889	45,127
Audit fees	3,87,274	3,16,406
Other Expenses	6,15,774	14,26,634
MOIF Expenses	49,11,418	57,53,803
Disbursements/Distribution Fee	1,27,23,327	31,98,774
Total	**2,50,69,166**	**1,54,62,489**

NOTE : 14.1 TAX EXPENSE

Particulars	**Year ended 31-Mar-19 (In ₹)**	**Year ended 31-Mar-18 (In ₹)**
Current tax expense		
Current tax for the year	–	1,54,656
Total current tax expense	**–**	**1,54,656**
Deferred taxes		
Change in deferred tax liabilities	–	–
Net deferred tax expense	**–**	**–**
Total	**–**	**1,54,656**

NOTE : 14.2 TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	Year ended 31-Mar-19 (In ₹)	Year ended 31-Mar-18 (In ₹)
Profit/(loss) before income tax expense	(1,50,05,353)	51,99,828
Tax at the rate of 15% (for 31 March 2018 - 15%)	–	7,79,974
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years		
Tax credit		(6,25,318)
Change due to deferred tax		
		1,54,656
Income tax expense	**–**	**1,54,656**

NOTE : 15 CAPITAL MANAGEMENT

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTE 16 : MATURITY ANALYSIS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in Rupees)

Particulars	31 March 2019			31 March 2018			1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	69,09,302	–	69,09,302	1,13,67,104		1,13,67,104	37,10,033		37,10,033
Trade receivables	7,02,403	–	7,02,403	12,00,508		12,00,508	–		–
Investments		6,945	6,945		6,495	6,495	–	6,480	6,480
Non-Financial assets									
Other non-financial assets	5,70,259		5,70,259	6,96,311		6,96,311	16,42,876		16,42,876
Total Assets	**81,81,964**	**6,945**	**81,88,909**	**1,32,63,923**	**6,495**	**1,32,70,418**	**53,52,909**	**6,480**	**53,59,389**
Liabilities	–	–	–	–	–	–	–	–	–
Financial Liabilities	–	–	–	–	–	–	–	–	–
Trade payables	2,56,331	–	2,56,331	16,62,669		16,62,669	10,60,801		10,60,801
Other financial liabilities	6,07,653	–	6,07,653	5,45,563		5,45,563	15,53,569		15,53,569
Total Liabilities	**8,63,984**	**–**	**8,63,984**	**22,08,232**	**–**	**22,08,232**	**26,14,370**	**–**	**26,14,370**

NOTE : 17 FAIR VALUE MEASUREMENTS

Financial instruments by category:

(Amount in rupees)

Particulars	31 March 2019		31 March 2018		1 April 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Cash and cash equivalents		69,09,302		1,13,67,104		37,10,033
Trade receivables		7,02,403		12,00,508		–
Investments	6,945		6,495		6,480	
Total Financial Assets	**6,945**	**76,11,706**	**6,495**	**1,25,67,612**	**6,480**	**37,10,033**
Financial Liabilities						
Other financial liabilities		6,07,653		5,45,563		15,53,569
	–	**6,07,653**	**–**	**5,45,563**	**–**	**15,53,569**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the quoted market prices and Fair valus of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value heirarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE : 18 FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-19 (In ₹)	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Upto 3 months	7,02,403	12,00,508	–
3 - 6 months		–	–
6 - 12 months		–	–
More than 12 months		–	–
Total	**7,02,403**	**12,00,508**	**–**
Provision for expected credit loss		–	–

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019

Particulars	Upto 1 year (In ₹)	Between 1 and 5 years (In ₹)	Beyond 5 years (In ₹)	Total (In ₹)
Financial Liabilities				
Trade payables	2,56,331			2,56,331
Other current financial liabilities	6,07,653			6,07,653
Total	**8,63,984**	**–**	**–**	**8,63,984**

As at 31 March 2018

Particulars	Upto 1 year (In ₹)	Between 1 and 5 years (In ₹)	Beyond 5 years (In ₹)	Total (In ₹)
Financial Liabilities				
Trade payables	16,62,669			16,62,669
Other current financial liabilities	5,45,563			5,45,563
Total	**22,08,232**	**–**	**–**	**22,08,232**

As at 31 March 2017

Particulars	Upto 1 year (In ₹)	Between 1 and 5 years (In ₹)	Beyond 5 years (In ₹)	Total (In ₹)
Financial Liabilities				
Trade payables	10,60,801			10,60,801
Other current financial liabilities	15,53,569			15,53,569
Total	**26,14,370**	**–**	**–**	**26,14,370**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

NOTE 19 : TAXATION

No provision for the current tax has been made in view of taxable loss for the period.

NOTE 20 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss attributable to equity shareholders (Rupees)	(1,50,05,353)	50,45,173
Weighted average number of equity shares outstanding during the year	2,55,000	41,472
Nominal value per share (Rupees)	64.83	64.83
Earnings / (Loss) per share (Basic and diluted) (Rupees)	(58.84)	121.65

NOTE 21 :

During the year, The Company has issued 30,000 equity shares of USD 5 (INR 68.97) each fully paid up on 26th March,2019. All the shares have been subscribed by its Holding Company Motilal Asset Management Company Limited. The same is shown as pending allotment in share capital.

NOTE 22 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 23 : RELATED PARTIES TRANSACTIONS

(i) Relationships during the period

A) Enterprises where control exists

Holding Company

– Motilal Oswal Asset Management Company Limited

Holding Company of Motilal Oswal Asset Management Company Limited

– Motilal Oswal Financial Services Limited

Ultimate Holding Company

– Passionate Investment Management Private Limited

B) Fellow subsidiaries

– Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Fincap Private Limited
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Investment Advisors Limited
– MOPE Investment Advisors Private Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Asset Management Company
– Motilal Oswal Capital Market (Singapore) Pte Ltd.
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited
– Aspire Home Finance Corporation Limtied
– India Business Excellence Management Company
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Limited

C) Enterprises in which key management personnel exercise significant Influence

Nil

ii) Transactions with related parties for the period ended March 31, 2019

Transactions	Name of the related Party	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Advisory Expense	Motilal Oswal Asset Management Company Limited	–	8,36,519	–
	Motilal Oswal Capital Limited	38,22,121	20,05,547	–
Payable/ Receivable	Motilal Oswal Asset Management Company Limited	–	–	(10,60,801)
	Motilal Oswal Capital Limited	(2,56,331)	(16,62,669)	–
Share Capital Subscribed	Motilal Oswal Asset Management Company Limited		32,41,905	84,88,142
Share Application Money pending Allotment		1,03,48,500	–	–
Total		**1,06,04,831**	**15,79,236**	**74,27,341**

Note: Income/receipts figures are shown in brackets.

NOTE 24 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
Net worth under IGAAP	1,10,62,186	27,45,019
Ind AS adjustments	–	–
Net worth under Ind AS	1,10,62,186	27,45,019

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Year ended 31-Mar-19 (In ₹)	Year ended 31-Mar-18 (In ₹)
Net profit as per the erstwhile Indian GAAP (IGAAP)	(1,50,05,353)	50,45,173
Total effect of transition to Ind AS	–	–
Net profit after tax (before OCI) as per nd AS	(1,50,05,353)	50,45,173
Other comprehensive Income (net of tax)	–	–
Total Comprehensive Income under Ind AS	(1,50,05,353)	50,45,173

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	44,15,180	–	44,15,180
Net cash flow from investing activities	(15)	–	(15)
Net cash flow from financing activities	32,41,905	–	32,41,905
Net increase/(decrease) in cash and cash equivalents	76,57,070	–	76,57,070
Cash and cash equivalents as at April 01, 2018	**37,10,033**	–	**37,10,033**
Effects of exchange rate changes on cash and cash equivalents	–	–	–
Cash and cash equivalents as at March 31, 2019	**1,13,67,104**	–	**1,13,67,103**

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

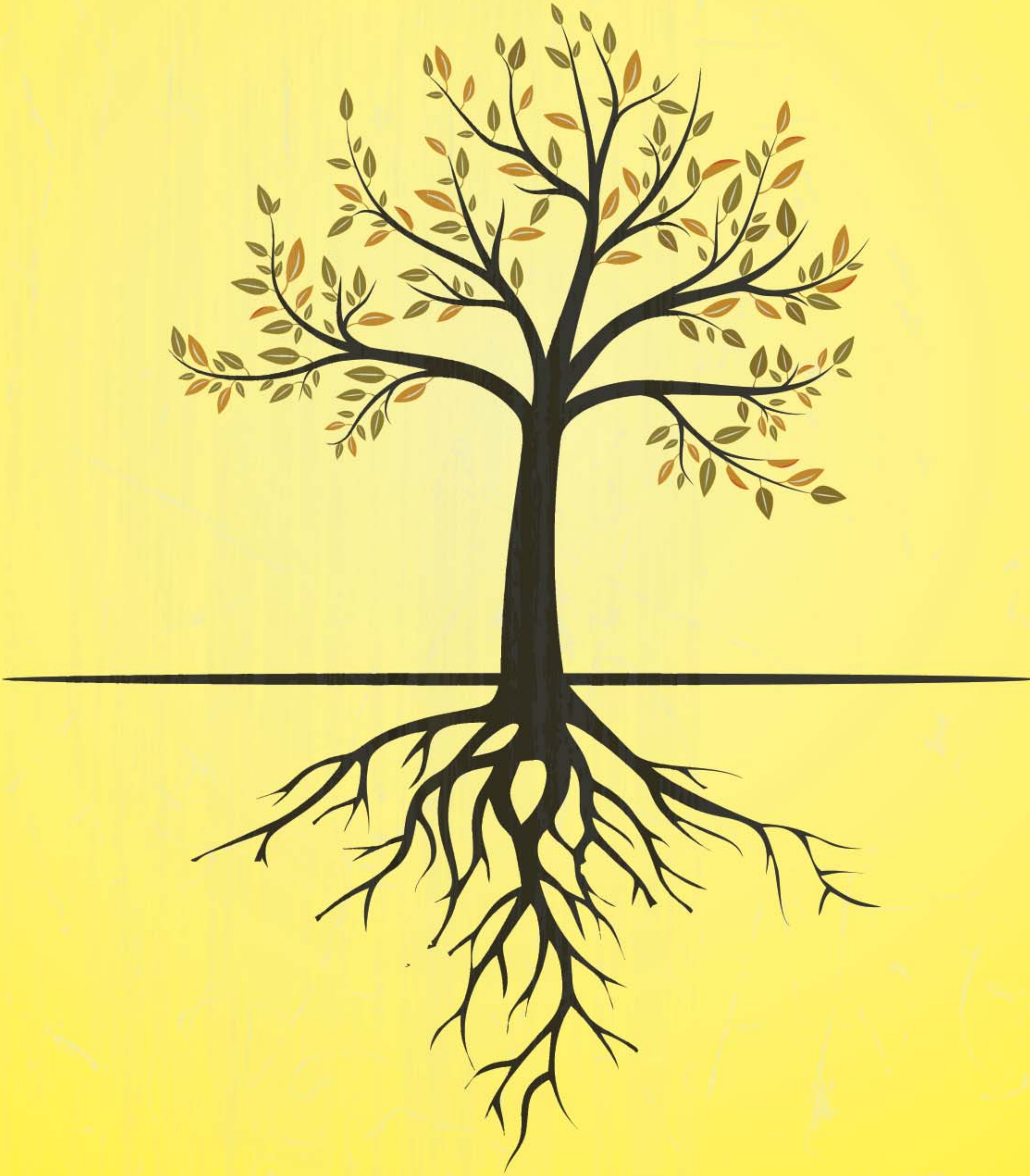
Place : Mumbai
Dated : 25 April 2019

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director ***Director***

India Business Excellence Management Company

Financial Statement 2018-19



INDEPENDENT AUDITORS' REPORT

To ,

The Members India Business Excellence Management Company

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **India Business Excellence Management Company** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are 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 and financial performance 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
   (c) The Balance Sheet & 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 Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) The adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the Company based on the amendment to notification no 464 E issued on 13th June 2017;
   (g) With respect to 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 for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 10 May 2019

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.

3. The Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.

4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.

5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.

6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.

7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, direct and indirect taxes 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 direct and indirect taxes as at March 31, 2019 which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.

11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.

14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 10 May 2019

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at 31-March-19 (In ₹)	As at 31-March-18 (In ₹)	As at 1-April-17 (In ₹)
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	4,92,13,950	3,50,90,244	13,57,991
(b) Receivables				
(I) Trade receivables	5	3,72,68,890	7,35,27,542	4,51,994
(c) Investments	6	84,863	12,999	6,546
Sub - total financial assets		**8,65,67,703**	**10,86,30,784**	**18,16,531**
2. Non-financial assets				
(a) Other non-financial assets	7	14,37,56,692	7,42,29,204	11,93,66,757
Sub - total non financial assets		**14,37,56,692**	**7,42,29,204**	**11,93,66,757**
Total Assets		**23,03,24,395**	**18,28,59,989**	**12,11,83,287**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(i) Trade payables				
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	8	3,71,32,846	7,04,65,194	2,13,15,904
(b) Other financial liabilities	9	8,32,171	11,08,197	16,40,269
Sub - total financial liabilities		**3,79,65,017**	**7,15,73,391**	**2,29,56,173**
2. Non-Financial liabilities				
(c) Current tax liabilities (net)	10	6,07,791	19,42,725	9,01,331
(d) Other non financial liabilities	11	5,20,845	54,72,324	–
Sub - total non financial liabilities		**11,28,636**	**74,15,048**	**9,01,331**
3. Equity:				
(a) Equity share capital	12	18,32,005	18,32,005	18,32,005
(b) Other equity	13	18,93,98,737	10,20,39,545	9,54,93,778
Sub - total equity		**19,12,30,742**	**10,38,71,550**	**9,73,25,783**
Total Liabilities and equity		**23,03,24,395**	**18,28,59,989**	**12,11,83,288**

Notes referred to above form an integral part of these financial statements

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 10 May 2019

For India Business Excellence Management Company

Director *Director*

Place : Mauritius
Dated : 10 May 2019

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

Particulars		Note No.	Year Ended 31-March-19 (In ₹)	Year Ended 31-March-18 (In ₹)
REVENUE FROM OPERATIONS				
(i) Fees and commission income		14	19,24,58,714	86,86,91,541
Total	**(A)**		**19,24,58,714**	**86,86,91,541**
EXPENSES :				
(i) Other expenses		15	10,99,03,214	32,69,29,748
TOTAL	**(B)**		**10,99,03,214**	**32,69,29,748**
Profit before Exceptional Item and tax	**(C) = (A) - (B)**		**8,25,55,500**	**54,17,61,794**
Tax Expenses :				
Provision for Tax	**(D)**		19,33,014	23,38,979
Profit for the Year / Period	**(E) = (C) - (D)**		**8,06,22,486**	**53,94,22,814**
Earnings Per Share (Rupees)				
Equity share of par value USD 1/- each				
Basic and Diluted			2,015.56	13,485.57

Notes referred to above form an integral part of these Financial Statements

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 10 May 2019

For India Business Excellence Management Company

Director *Director*

Place : Mauritius
Dated : 10 May 2019

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year ended 31-March-19 (In ₹)	Year ended 31-March-18 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	**8,25,55,500**	**54,17,61,794**
Adjustment for FCTR	67,36,706	57,75,991
Operating profit	**8,92,92,206**	**54,75,37,784**
Adjustment for working capital changes		
1) Increase / (decrease) in financial liabilities	(2,76,026)	(5,32,071)
2) Increase / (decrease) in non-financial liabilities	(49,51,479)	54,72,324
3) Increase / (decrease) in trade payables	(3,33,32,348)	4,91,49,289
4) (Increase) / decrease in trade receivables	3,62,58,651	(7,30,75,548)
5) (Increase) / decrease in other non-financial assets	(6,95,27,488)	4,51,37,552
Cash generated from operations	**1,74,63,517**	**57,36,89,330**
Taxes Paid (Net of Refunds)	(32,67,947)	(12,97,586)
Net cash generated from operating activities	**1,41,95,570**	**57,23,91,745**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Current investments	(71,864)	(6,453)
Net cash used in investing activities	**(71,864)**	**(6,453)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	–	(53,86,53,039)
Net cash used in financing activities	**–**	**(53,86,53,039)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**1,41,23,706**	**3,37,32,252**
Cash & cash equivalents as at beginning of the year	**3,50,90,244**	**13,57,991**
Cash & cash equivalents as at end of the year	**4,92,13,950**	**3,50,90,244**
Components of cash & cash equivalents (also refer note 4)		
Balances with banks		
in current accounts	4,92,13,950	3,50,90,244
	4,92,13,950	**3,50,90,244**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 10 May 2019

For India Business Excellence Management Company

Director *Director*

Place : Mumbai
Date : 10 May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
Share Capital			
As at 1 April 2017	**40,000**	**18,32,005**	**18,32,005**
Changes during the year	–	–	–
As at 31 March 2018	**40,000**	**18,32,005**	**18,32,005**
Changes during the year	–	–	–
As at 31 March 2019	**40,000**	**18,32,005**	**18,32,005**

Other Equity

(in ₹)

	Reserves and Surplus		Reserves and Surplus		Reserves and Surplus		Total		
	31 March 2019	31 March 2019	31 March 2018	31 March 2018	1 April 2017	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	Foreign exchange translation reserve	Surplus / (deficit) in the statement of profit and loss	Foreign exchange translation reserve	Surplus / (deficit) in the statement of profit and loss	Foreign exchange translation reserve	Surplus / (deficit) in the statement of profit and loss			
Balance at the beginning of the reporting period	67,35,916	9,53,03,629	9,59,925	9,45,33,853	74,48,596	11,69,83,501	10,20,39,544	9,54,93,778	12,44,32,097
Dividends				(53,86,53,039)		(57,09,42,740)	–	(53,86,53,039)	(57,09,42,740)
Profit during the year		8,06,22,486		53,94,22,814		54,84,93,093	8,06,22,486	53,94,22,814	54,84,93,093
Addition during the year	67,36,706		57,75,991		(64,88,671)		67,36,706	57,75,991	(64,88,671)
Balance at the end of the reporting period	**1,34,72,622**	**17,59,26,115**	**67,35,916**	**9,53,03,629**	**9,59,925**	**9,45,33,853**	**18,93,98,737**	**10,20,39,544**	**9,54,93,778**

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 10 May 2019

For India Business Excellence Management Company

Director

Director

Place : Mauritius
Dated : 10 May 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

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 Services Commission (the "FSC"). The address of the Company's registered office is IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius.

The Company has obtained authorisation from the FSC to act as a CIS Manager under Section 98 of the Securities Act 2005 to Fund I and to Fund IIIA on 7 January 2009 and 22 May 2017 respectively. On 29 April 2011, the Company has also received the FSC's authorisation to provide advisory services to Fund IIA incorporated on 4 July 2011.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 10 May 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 25 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 18.

2.2 Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company's functional and presentation currency as the USD. 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 Ind AS in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

2.3 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Investment Management Agreement with Fund I

The Company had entered into an Investment Management Agreement with Fund I. Pursuant to this agreement, the Company assumes the investment management functions and has obtained the relevant authorisations to carry out the role of Investment Manager.

The Company is entitled to a management fee payable as follows:

(i) during the first year, 2% of the aggregate Capital Commitment of Fund I

(ii) from the second year onwards during the Commitment Period 2% per annum of the aggregate Capital Commitment of Fund I and

(iii) after the Commitment Period, 2% per annum of the aggregate direct investment.

As from December 2010, date of the end of commitment period, management fees have been calculated based on 2% per annum of the aggregate of the direct investments.

As per the Constitution of Fund I, its life had to terminate on 27 September 2016. Fund I has extended its life by 1.25 years upto 31 December 2018 based on approval of Class A Participating Shareholders to enable Fund I to maximise returns of its remaining portfolio companies. Following a decision of the Board of Directors, the Company stopped charging management fees to Fund I effectively January 2017.

(ii) Investment Management Agreement with Fund - IIIA

The Company had entered into an Investment Management Agreement with Fund-IIIA and assumes the investment management functions. The Company has obtained the relevant authorisations to carry out the role of Investment Manager.

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-IIIA at a rate of not more than 2% per annum based on the aggregate capital commitment of the relevant Class A Shareholders. As per the Constitution of Fund-IIIA, the fees payable to the Company would be upto 2% per annum, as reduced by the management fees being charged at India Business Excellence Fund - III, the Indian Fund in which Fund-IIIA invests.

The Board of directors of Fund IIIA had resolved, on 3 November 2017, that the management fees to be paid to the Company be calculated at 0.5% of the aggregate capital commitments of its Class A Shareholders.

(iii) Advisory Income:

Under the terms of Amended and Restated Investment Advisory Agreement dated 22 August 2013 the Company has been appointed by Fund-IIA as Investment Advisor to provide advisory and consultancy services on investment, divestment and all other related matters and to execute and deliver the documents on its behalf (excluding authority to aquire 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.

(iv) Dividend Income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.7 Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognised only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.11 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12 Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.15 Expenses

Advisory Expenses:

The Company has entered into an Investment Advisory Service Agreement with MOPE Investment Advisors Private Limited ("MOPE"). Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. Effective as from 1 April 2007, the Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment and divestment advice.

Sub advisory expenses:

The Company has entered in an Amended and Restated Sub-advisory Agreement with MOPE on 22 August 2013 . Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. The Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment advice. In addition to the minimum fees, MOPE is also entitled to a performance incentive fee payable on the half yearly basis as may be decided by the Board of the Company and paid within 30 days of such decision by the Board.

Placement agreement:

The Company has entered into placement agreement with several placement agents and the fees payable to the agents between the parties from time to time and the payment mode are defined in the agreement.

3.1 First time adoption of Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

(i) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Balances with bank	4,92,13,950	3,50,90,244	13,57,991
TOTAL	**4,92,13,950**	**3,50,90,244**	**13,57,991**

NOTE 5 : TRADE RECEIVABLES

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Unsecured, considered good			
Trade Receivables(Outstanding for less than six months)	3,72,68,890	7,35,27,542	4,51,994
TOTAL	**3,72,68,890**	**7,35,27,542**	**4,51,994**

NOTE 6 : INVESTMENT

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
India Business Excellence Fund-I (200 Units of USD 0.01 each)	84,863	12,999	6,546
TOTAL	**84,863**	**12,999**	**6,546**

NOTE 7 : OTHER NON FINANCIAL ASSET

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Prepaid Expenses	5,25,42,357	2,55,70,807	4,42,403
Advance paid to MOPE against Sub advisory	9,12,14,335	4,86,58,397	11,89,24,353
TOTAL	**14,37,56,692**	**7,42,29,204**	**11,93,66,757**

NOTE 8 : TRADE PAYABLE

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Advisory Fees Payable	3,71,32,846	4,41,61,254	2,13,15,904
Placement fees payable	–	2,63,03,940	–
TOTAL	**3,71,32,846**	**7,04,65,194**	**2,13,15,904**

NOTE 9 : OTHER FINANCIAL LIABILITIES

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Others	4,22,996	7,60,011	12,96,040
Creditors for Expenses	4,09,176	3,48,186	3,44,228
TOTAL	**8,32,171**	**11,08,197**	**16,40,269**

NOTE 10 : CURRENT TAX LIABILITIES (NET)

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Provision for Taxation	6,07,791	19,42,725	9,01,331
TOTAL	**6,07,791**	**19,42,725**	**9,01,331**

NOTE 11 : OTHER NON FINANCIAL LIABILITIES

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
Management fees received in Advance	5,20,845	54,72,324	–
TOTAL	**5,20,845**	**54,72,324**	**–**

NOTE 12 : SHARE CAPITAL

	As at 31-March-19		As at 31-March-18		As at 1-April-17	
	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)
Authorised :						
Equity Shares of USD 1 each	40,000	18,32,005	40,000	18,32,005	40,000	18,32,005
Issued, Subscribed and Paid Up :						
Equity Shares of USD 1 each fully Paid up	40,000	18,32,005	40,000	18,32,005	40,000	18,32,005
TOTAL	**40,000**	**18,32,005**	**40,000**	**18,32,005**	**40,000**	**18,32,005**

NOTE 13 : OTHER EQUITY

	As at 31-March-19 In (₹)	As at 31-March-18 In (₹)	As at 1-April-17 In (₹)
a) Foreign exchange translation reserve			
Balance at the beginning of the year	67,35,916	9,59,925	74,48,596
Add: Transferred during the year	67,36,706	57,75,991	(64,88,671.28)
Balance at the end of year	**1,34,72,622**	**67,35,916**	**9,59,925**
b) Statement of Profit and Loss			
Balance at the beginning of the year	9,53,03,629	9,45,33,854	11,69,83,501
Add: Transfer from Statement of Profit and Loss	8,06,22,486	53,94,22,814	54,84,93,093
Less : Dividend paid	–	(53,86,53,039)	(57,09,42,740)
Balance at the end of year	**17,59,26,115**	**9,53,03,629**	**9,45,33,853**
TOTAL	**18,93,98,737**	**10,20,39,545**	**9,54,93,778**

NOTE 14 : FEES AND COMMISSION INCOME

	Year ended 31 March 2019 In (₹)	Year ended 31 March 2018 In (₹)
a) Revenue from operations		
Management and advisory fees	15,17,21,261	86,73,92,925
Other Income	4,07,37,453	12,98,616
TOTAL	**19,24,58,714**	**86,86,91,541**

NOTE 15 : OTHER EXPENSES

	Year ended 31 March 2019 In (₹)	Year ended 31 March 2018 In (₹)
Advisory and sub-advisory fees	9,80,17,799	32,06,47,065
Miscellaneous Expenses	59,48,854	2,64,607
Legal and professional fees	27,63,225	23,73,763
Audit fees	8,55,563	5,42,567
Rates and taxes	8,80,637	7,81,897
Referral fees	8,04,229	11,82,318
Insurance	5,49,656	5,09,222
Communication expenses	83,252	63,371
Travelling and boarding expenses	–	2,46,328
Foreign exchange fluctuation	–	3,18,610
TOTAL	**10,99,03,214**	**32,69,29,748**

NOTE 16.1 : TAX EXPENSE

	Year ended 31 March 2019 In (₹)	Year ended 31 March 2018 In (₹)
Current tax expense		
Current tax for the year	19,33,014	23,38,979
Total current tax expense	**19,33,014**	**23,38,979**
Deferred taxes		
Change in deferred tax liabilities	–	–
Net deferred tax expense	**–**	**–**
TOTAL	**19,33,014**	**23,38,979**

NOTE 16.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	Year ended 31 March 2019 In (₹)	Year ended 31 March 2018 In (₹)
Profit / (loss) before income tax expense	**8,25,55,500**	**54,17,61,794**
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt income	(3,62,34,397)	(74,38,23,823)
Items outside scope of taxation	(45,03,057)	3,18,610
Non-allowable expenses	12,70,564	1,42,213
Unauthorised deductions	2,13,38,198	27,95,67,179
Profit adjusted for tax purposes	**6,44,26,809**	**7,79,65,973**

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	Year ended 31 March 2019 In (₹)	Year ended 31 March 2018 In (₹)
Tax calculated at the rate of 15%	96,64,021	1,16,94,896
Deemed tax credit at 80%	(77,31,217)	(93,55,917)
Under provision for the previous year	210	–
Tax charge for the year	**19,33,014**	**23,38,979**
Income tax expense	**19,33,014**	**23,38,979**

NOTE 17 : CAPITAL MANAGEMENT

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

	31 March 19 In (₹)	31 March 18 In (₹)	31 March 17 In (₹)
Cash and cash equivalents	4,92,13,950	3,50,90,244	13,57,991
Total Cash and cash equivalents	**4,92,13,950**	**3,50,90,244**	**13,57,991**
Equity	18,32,005	18,32,005	18,32,005
Retained earnings	18,93,98,737	10,20,39,545	9,54,93,778
Total Capital	**19,12,30,742**	**10,38,71,550**	**9,73,25,783**

NOTE 18 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	March 31, 2019			March 31, 2018			March 31, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	4,92,13,950	–	4,92,13,950	3,50,90,244		3,50,90,244	13,57,991		13,57,991
Trade receivables	3,72,68,890	–	3,72,68,890	7,35,27,542		7,35,27,542	4,51,994		4,51,994
Investments		84,863	84,863		12,999	12,999	–	6,546	6,546
Non-Financial assets									
Other non-financial assets		14,37,56,692	14,37,56,692		7,42,29,204	7,42,29,204		11,93,66,757	11,93,66,757
Total Assets	**8,64,82,840**	**14,38,41,555**	**23,03,24,395**	**10,86,17,786**	**7,42,42,203**	**18,28,59,989**	**18,09,985**	**11,93,73,302**	**12,11,83,287**
Liabilities									
Financial Liabilities									
Trade payables	3,71,32,846	–	3,71,32,846	7,04,65,194		7,04,65,194	2,13,15,904		2,13,15,904
Other financial liabilities	8,32,171	–	8,32,171	11,08,197		11,08,197	16,40,269		16,40,269

Particulars	March 31, 2019			March 31, 2018			March 31, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non Financial Liabilities									
Current tax liabilities (net)	6,07,791		6,07,791	19,42,725		19,42,725	9,01,331	–	9,01,331
Other non - financial liabilities	5,20,845	–	5,20,845	54,72,324		54,72,324			
Total Liabilities	**3,90,93,653**	**–**	**3,90,93,653**	**7,89,88,439**	**–**	**7,89,88,439**	**2,38,57,504**	**–**	**2,38,57,504**

NOTE 19 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

(Amount in rupees)

Particulars	31 March, 2019		31 March, 2018		1 April, 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets						
Cash and cash equivalents		4,92,13,950		3,50,90,244		13,57,991
Trade receivables		3,72,68,890		7,35,27,542		4,51,994
Investments	84,863		12,999		6,546	
Total Financial Assets	**84,863**	**8,64,82,840**	**12,999**	**10,86,17,786**	**6,546**	**18,09,985**
Financial Liabilities						
Trade payables		3,71,32,846		7,04,65,194		2,13,15,904
Other Financial Liabilities		**8,32,171**		**11,08,197**		**16,40,269**
	–	3,79,65,017	–	7,15,73,391	–	2,29,56,173

i) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

• the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair values of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value hierarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE : 20 FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

(A) Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

(Amount in rupees)

Particulars	31-Mar-19	31-Mar-19	1 April 2017
Upto 3 months	3,72,68,890	7,35,27,542	4,51,994
3 - 6 months		–	–
6 - 12 months		–	–
More than 12 months		–	–
TOTAL	**3,72,68,890**	**7,35,27,542**	**4,51,994**
Provision for expected credit loss	–		

(B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2019 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	3,71,32,846			3,71,32,846
Other financial liabilities	8,32,171			8,32,171
TOTAL	**3,79,65,017**	**–**	**–**	**3,79,65,017**

As at 31 March 2018 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	7,04,65,194			7,04,65,194
Other financial liabilities	11,08,197			11,08,197
TOTAL	**7,15,73,391**	**–**	**–**	**7,15,73,391**

As at 1 April 2017 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	2,13,15,904			2,13,15,904
Other financial liabilities	16,40,269			16,40,269
TOTAL	**2,29,56,173**	**–**	**–**	**2,29,56,173**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

NOTE 21 : TAXATION

Provision for the current tax has been made for ₹ 19,33,014 Previous year ₹ 23,38,979/-

NOTE 22 : 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 31 March, 2019 In (₹)	For the year ended 31 March, 2018 In (₹)	For the year ended 31 March, 2017 In (₹)
Net Profit attributable to equity shareholders [A] (Rupees)	8,06,22,486	53,94,22,814	54,84,93,093
Weighted Average of equity shares issued [B] (face value of Re. 1 each)	40,000	40,000	40,000
Basic and Diluted Earnings per share [A/B] (Rupees)	**2,015.56**	**13,485.57**	**13,712.33**

NOTE 23 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 24 : 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 Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited

(ii) Transactions with related parties for the period ended March 31, 2019

Transactions	Name of the related Party	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Dividend paid	MOPE Investment Advisors Private Limited	-	53,86,53,039	57,09,42,740
Advisory Fee	MOPE Investment Advisors Private Limited	9,26,55,128	21,05,14,525	12,17,14,825
Trade Payables	MOPE Investment Advisors Private Limited	(1,90,76,886)	(4,41,61,254)	(2,13,15,905)
Prepaid Advisory Fee	MOPE Investment Advisors Private Limited	9,12,14,335	4,86,58,397	11,89,24,353

Note: Income/receipts figures are shown in brackets.

NOTE 25 : DISCLOSURE PURSUANT TO IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

(Amount in rupees)

Particulars	Year Ended 31 March, 2018	Year Ended 1 April, 2017
Net worth under IGAAP	10,38,71,550	9,73,25,783
Ind AS adjustments	**–**	**–**
Net worth under Ind AS	**10,38,71,550**	**9,73,25,783**

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(Amount in rupees)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Net profit as per the erstwhile Indian GAAP (IGAAP)	8,06,22,486	53,94,22,814
Total effect of transition to Ind AS	**–**	**–**
Net profit after tax (before OCI) as per Ind AS	**8,06,22,486**	**53,94,22,814**
Other comprehensive Income (net of tax)	–	–
Total Comprehensive Income under Ind AS	**8,06,22,486**	**53,94,22,814**

iii) Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2018

(Amount in rupees)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	57,23,91,745	–	57,23,91,745
Net cash flow from investing activities	(6,453)	–	(6,453)
Net cash flow from financing activities	(53,86,53,039)	–	(53,86,53,039)
Net increase / (decrease) in cash and cash equivalents	**3,37,32,252**	**–**	**3,37,32,252**
Cash and cash equivalents as at April 1, 2018	13,57,991	13,57,991	
Effects of exchange rate changes on cash and cash equivalents	–	–	
Cash and cash equivalents as at March 31, 2019	**3,50,90,244**		**3,50,90,243**

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 10 May 2019

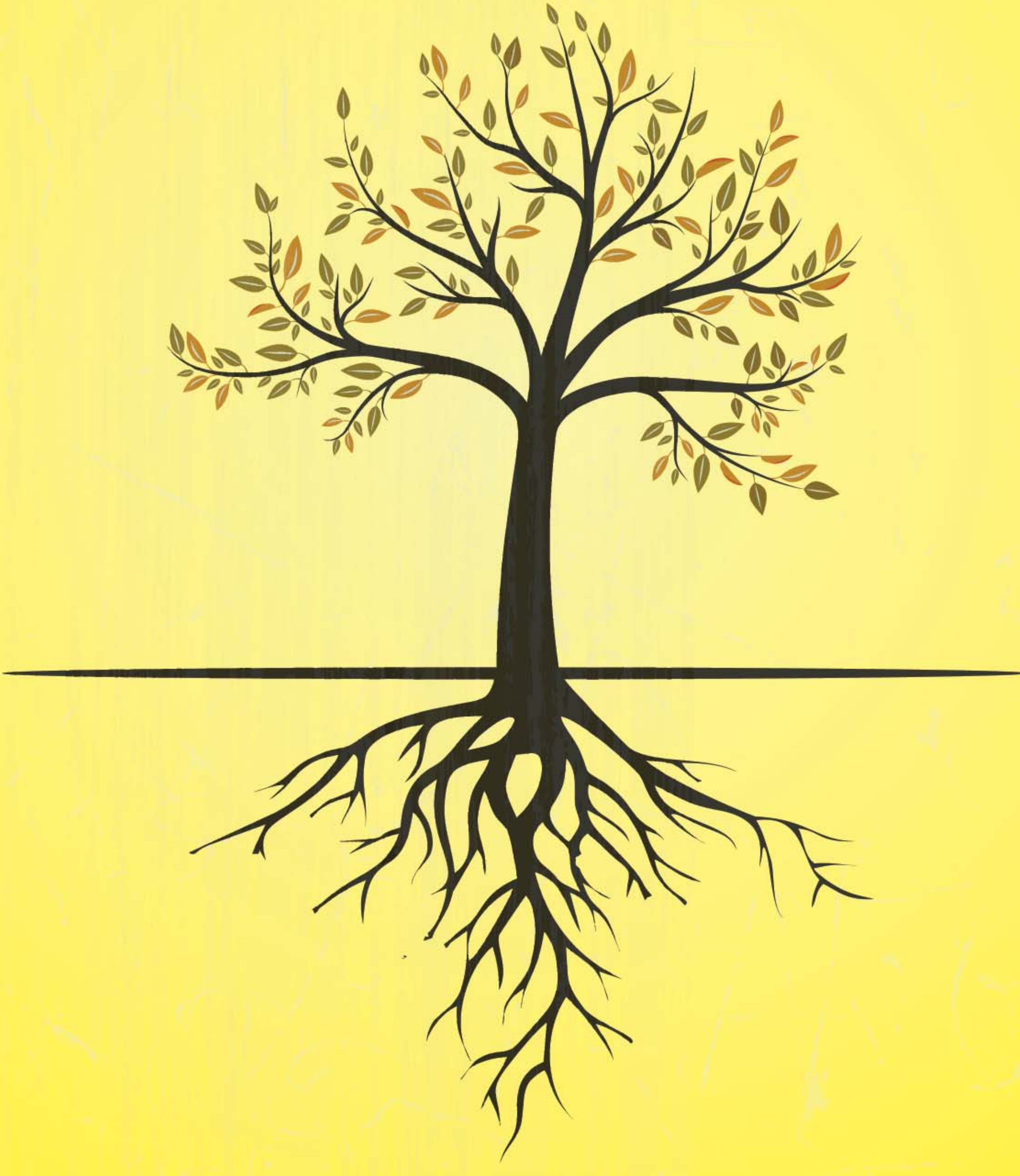
For India Business Excellence Management Company

Director *Director*

Place : Mauritius
Date : 10 May 2019

Motilal Oswal Capital Markets (Hongkong) Private Limited

Financial Statement 2018-19



ACCOUNTANTS CERTIFICATE

The Board of Directors

Motilal Oswal Capital Markets (Hong Kong) Private Limited

We have verified the conversion and GAAP adjustments form IFRS to IndAS of the accompanying balance sheet of Motilal Oswal Capital Markets (Hong Kong) Private Limited as on March 31, 2019 and the related Statement of Profit and Loss for the period ended March 31, 2019 has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Hong Kong Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statements and should not be used for any other purpose.

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal Gandhi
Partner
Membership No.: 111592

Place: Mumbai
Date: May 11, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 1-Apr-17 in ₹
I. ASSETS				
1. Financial assets				
a. Cash and Cash Equivalents	1	92,68,416	1,71,05,696	79,94,612
b. Loans and Advances	2	52,20,900	4,30,624	4,36,959
Total Assets		**1,44,89,316**	**1,75,36,320**	**84,31,571**
II. LIABILITIES AND EQUITY				
2. Financial liabilities				
a. Trade Payables	3	–	55,17,442	–
b. Other Financial Liabilities	4	16,212	8,82,605	8,12,608
3. Non - financial liabilities				
a. Short Term Provisions	5	26,540	1,53,908	–
4. Equity				
a. Share Capital	6	4,12,02,000	4,12,02,000	4,12,02,000
b. Reserve and Surplus	7	(2,67,55,436)	(3,02,19,635)	(3,35,83,037)
Total Liabilities and Equity		**1,44,89,316**	**1,75,36,320**	**84,31,571**

Notes referred to above form an Integral part of these Financial Statements

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Martin Brendon Marnick
Director

Place : Mumbai
Date : 11th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	For the Year Ended 31-Mar-19 in ₹	For the Year Ended 31-Mar-18 in ₹
INCOME :			
Income From Operation	8	1,56,31,028	1,75,48,994
Other Income	9	65	132
TOTAL REVENUE		**1,56,31,093**	**1,75,49,126**
EXPENSES:			
Employee Benefits	10	51,83,409	48,12,229
Operating Expense	11	32,93,703	55,04,590
Other Expenses	12	44,30,707	38,17,890
TOTAL EXPENSES		**1,29,07,819**	**1,41,34,709**
Profit/(Loss) Before Tax		27,23,274	34,14,417
Tax expense:			
Current tax:		–	–
Deferred tax		–	–
Profit/(Loss) for the Year		**27,23,274**	**34,14,417**
Earnings per equity share:			
Basic and Diluted		0.45	0.57
Equity Shares of Par Value HK $ 1 each			

Notes referred to above form an integral part of these financial statements

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 11th May, 2019

Martin Brendon Marnick
Director

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019 in ₹	As at March 31, 2018 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	**27,23,274**	**34,14,417**
Add :		
Adjustments for:		
Interest Income	65	(132)
Translation Differences on Foreign Currency Taken to Reserves	7,40,926	(51,015)
Adjustment for working capital changes		
Increase/(Decrease) in Trade payables	(55,17,442)	55,17,442
Increase/(Decrease) in Other Current Liabilities	(8,66,393)	69,997
Increase/(Decrease) in Short Term Provision	(1,27,368)	1,53,908
Increase/(Decrease) in Long Term Loans and Advances	(47,90,276)	41
Increase/(Decrease) in Short Term Loans and Advances		6,294
CASH GENERATED FROM OPERATIONS	**(78,37,214)**	**91,10,952**
Taxes Paid	–	–
NET CASH FROM OPERATING ACTIVITIES	**(78,37,214)**	**91,10,952**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	(65)	132
NET CASH FROM INVESTING ACTIVITIES	**(65)**	**132**
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FROM FINANCING ACTIVITIES		**–**
NET CASH FLOW FOR THE YEAR	**(78,37,279)**	**91,11,084**
Balance with Bank in Current Account as at the beginning of the year	1,71,05,696	79,94,613
Balance with Bank in Current Account as at the end of the year	92,68,417	1,71,05,697

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 11th May, 2019

Martin Brendon Marnick
Director

NOTE 1 : CASH AND BANK BALANCES

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Balance with Banks in Current Accounts	92,68,416	1,71,05,696	79,94,613
Total	**92,68,416**	**1,71,05,696**	**79,94,613**

NOTE 2 : LOANS AND ADVANCES

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Rent Deposit	3,02,793	2,76,439	2,80,618
Advance for Expenses	48,49,686	92,146	92,149
Prepaid Expenses	63,998	57,902	64,193
Other Deposits	4,423	4,137	–
Total	**52,20,900**	**4,30,624**	**4,36,960**

NOTE 3 : TRADE PAYABLES

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Advisory Fees Payable	–	55,17,442	
Total	**–**	**55,17,442**	

NOTE 4 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Creditors for Expenses	16,212	8,82,605	8,12,608
Total	**16,212**	**8,82,605**	**8,12,608**

NOTE 5 : SHORT TERM PROVISIONS

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Provision for Expenses	26,540	1,53,908	–
Total	**26,540**	**1,53,908**	**–**

NOTE 6 : SHARE CAPITAL

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Authorised :			
Equity Shares of HK$ 1 Each	7,00,00,000	7,00,00,000	7,00,00,000
Issued, Subscribed and Paid Up :			
Equity Shares of HK $ 1 each fully paid up	4,12,02,000	4,12,02,000	4,12,02,000
(All of the above 6,000,000 equity shares are held by Motilal Oswal Securities Limited, the Holding Company)			
Total	**4,12,02,000**	**4,12,02,000**	**4,12,02,000**

NOTE 7 : RESERVES AND SURPLUS

	As at 31-Mar-19 in ₹	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Deficit in the Statement of Profit and Loss			
Opening Balance	(3,66,24,528)	(4,00,38,945)	(3,12,69,903)
Net loss for the Year	27,23,274	34,14,417	(87,69,042)
Opening Balance	64,04,893	64,55,908	65,22,816
Add : For the Current Year	7,40,926	(51,015)	(66,908)
Closing Balance	71,45,818	64,04,893	64,55,908
Closing Balance	**(2,67,55,436)**	**(3,02,19,635)**	**(3,35,83,037)**

NOTE 8 : INCOME FROM OPERATION

	For the Period Ended 31-Mar-19 in ₹	For the Period Ended 31-Mar-18 in ₹
Research & Advisory Fees	1,56,31,028	1,75,48,994
Total	**1,56,31,028**	**1,75,48,994**

NOTE 9 : OTHER INCOME

	For the Period Ended 31-Mar-19 in ₹	For the Period Ended 31-Mar-18 in ₹
Interest Income	65	132
Total	**65**	**132**

NOTE 10 : EMPLOYEE BENEFITS

	For the Period Ended 31-Mar-19 in ₹	For the Period Ended 31-Mar-18 in ₹
Employee Benefits		
Salaries and Incentives	50,23,098	46,56,018
Contribution to Provident Fund	1,60,311	1,48,596
Insurance	–	7,615
Total	**51,83,409**	**48,12,229**

NOTE 11 : OPERATING EXPENSE

	For the Period Ended 31-Mar-19 in ₹	For the Period Ended 31-Mar-18 in ₹
Advisory and other fees	32,93,703	55,04,590
Total	**32,93,703**	**55,04,590**

NOTE 12 : OTHER EXPENSES

	For the Period Ended 31-Mar-19 in ₹	For the Period Ended 31-Mar-18 in ₹
Rent Rates and Taxes	11,95,016	10,96,079
Foreign Exchange Gain / (Loss)	43,849	16,387
Travelling expenses	–	–
Courier Charges	2,369	644
Legal and Professional Fees	25,61,817	21,76,156
Auditor's Remuneration	5,03,206	4,74,070
Printing Charges	13,329	8,657
Insurance	–	–
Communication expenses	–	–
Bank Charges	80,400	40,943
Miscellaneous Expenses	30,721	4,954
Total	**44,30,707**	**38,17,890**

NOTE 13 : 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, 2019 is Motilal Oswal Financial Services Limited (MOFSL).

The Company's principal activity is to distribute research (produced by MOFSL) 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 14 : 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.

NOTE 15 : FINANCIAL INSTRUMENTS

The Company is exposed to credit risk, liquidity risk and market risk arising in the normal course of its because and financial instruments. The Company's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

a. Market risk

(i) Foreign exchange risk

The Company has no significant concentration of foreign exchange risk

(ii) Interest rate risk

The Company has no significant concentration of interest rate risk

b. Credit risk

The Company's operations involve the risk that counterparties may be unable to meet the terms of their agreements.

The Company's credit risk is primarily attributable to cash at bank. The Company places its cash with creditworthy institutions.

c. Liquidity risk

The Company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any emergency liquidity requirements.

Summary quantitative data

At 31 March 2019 (in ₹)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accrued expenses and other payables	42,752	–	–	–	42,752
Total	**42,752**	**–**	**–**	**–**	**42,752**

At 31 March 2018 (in ₹)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accrued expenses and other payables	10,36,513	–	–	–	10,36,513
Amount due immediate holding company	55,17,442	–	–	–	55,17,442
Total	**65,53,955**	**–**	**–**	**–**	**65,53,955**

NOTE 16 : SFC LICENCE

Motilal Oswal Capital Markets (Hong Kong) Private Limited ("Motilal HK") was incorporated in Hong Kong on 30 September 2011 (CR No 1668413).

The Company received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301.

The license allows Motilal HK to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors.

Motilal HK is 100% owned subsidiary of Motilal Oswal Securities Limited a 100% subsidiary of Motilal Oswal Financial Services Limited subsidiary of Passionate Investment Management Private Limited which is its ultimate holding company.

NOTE 17 : TAXATION

No provision for the current tax has been made in view of prior year's taxable loss.

NOTE 18 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year ₹ 11,95,016 (Previous year ₹ 10,96,079) being lease rentals for the current year are recognized in the statement of profit and loss under the head " rent ".

As at March 31, 2019 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Particulars	For the Year Ended 31-Mar-19 in ₹	For the Year Ended 31-Mar-18 in ₹
Payable within 1 year	11,95,016	10,98,638
Payable after 1 year but not later than 5 years		
Total	**11,95,016**	**10,98,638**

NOTE 19 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Year Ended 31-Mar-19 in ₹	For the Year Ended 31-Mar-18 in ₹
Profit/(Loss) attributable to equity shareholders (₹)	27,23,274	34,14,417
Weighted average number of equity shares outstanding during the year	60,00,000	60,00,000
Nominal value per share (₹)	6.87	6.87
Earnings per share (Basic and diluted) (₹)	0.57	0.57

NOTE 20 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 21 : RELATED PARTIES TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements the company had the following transactions with its related parties during the year.

Particulars	For the Year Ended 31-Mar-19 in ₹	For the Year Ended 31-Mar-18 in ₹
Services fee paid to immediate holding company	32,93,703	55,04,590

A) Enterprises where control exists

- Motilal Oswal Financial Services – Holding Company
- Passionate Investment Management Private Limited - Ultimate Holding Company

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited

C) Key management personnel

- Abhijeet Tare - Director
- Martin Brendon Marnick - Director

ii) Transactions with related parties for the period ended March 31, 2019

Transactions	Name of the related Party	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Director's Remuneration	Martin Brendon Marnick	50,23,098	46,56,018
Advisory Fees	Motilal Oswal Financial Services Limited	32,93,703	55,04,590
Total		**83,16,801**	**1,01,60,608**

Note: 'Income/receipts figures are shown in brackets.

NOTE 22 :

Previous period's figures have regrouped/rearranged where necessary to confirm the current year's classifications.

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

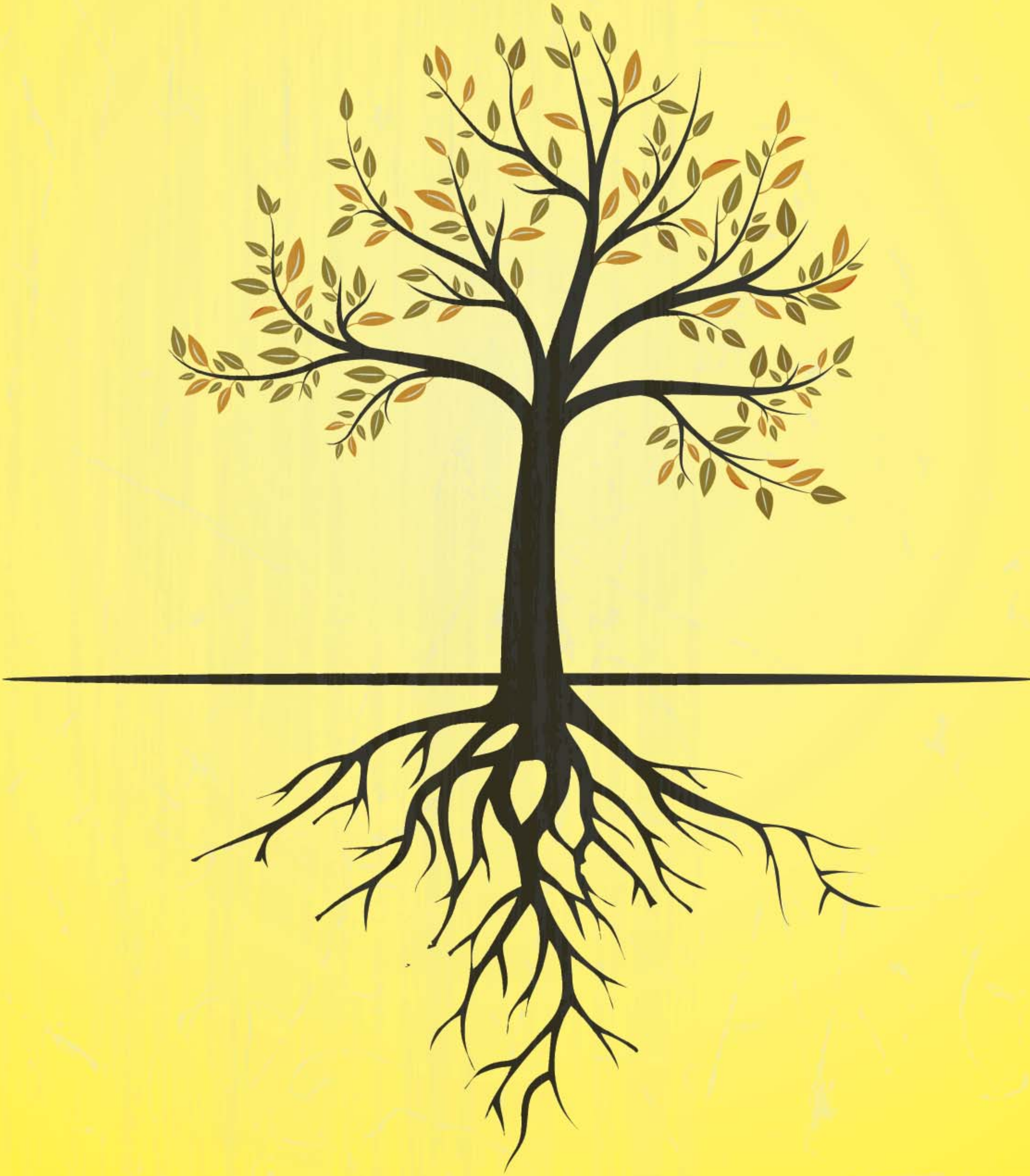
Abhijit Tare
Director
DIN No. 07682095

Martin Brendon Marnick
Director

Place : Mumbai
Date : 11th May, 2019

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

Financial Statement 2018-19



ACCOUNTANTS CERTIFICATE

The Board of Directors

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

We have verified the conversion and GAAP adjustments form IFRS to IndAS of the accompanying balance sheet of Motilal Oswal Capital Markets (Singapore) Pte. Ltd. as on March 31, 2019 and the related Statement of Profit and Loss for the year ended 31st March 2019 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Singapore Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statements and should not be used for any other purpose.

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal Gandhi
Partner
Membership No.:111592

Place: Mumbai
Date: May 11, 2019

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
I. ASSETS				
1. Financial Assets				
(a) Cash and Cash Equivalent	1	113,951,522	93,960,374	97,880,054
(b) Trade Receivables	2	11,971,663	25,457,300	5,886,764
(c) Loan and Advances	3	6,370,852	5,972,113	6,086,331
2. Non - financial assets				
(a) Property, Plant & Equipment	4	29,830	70,592	105,218
Total		**132,323,867**	**125,460,379**	**109,958,368**
II. LIABILITIES AND EQUITY				
1. Financial Liabilities				
(a) Other Financials Liabilities	5	6,638,373	4,264,158	476,852
(b) Short Term Provisions	6	259,308	3,277,327	2,082,869
2. Equity				
(a) Share Capital	7	104,087,500	104,087,500	104087500
(b) Reserve and Surplus	8	21,338,686	13,831,394	3,311,147
Total		**132,323,867**	**125,460,379**	**109,958,368**

Notes Referred to above form an Integral part of the Financial Statements

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 11th May, 2019

Kadambari Balachandran
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

Particulars	Note	For the Period Ended March 31, 2019 (₹)	For the Period Ended March 31, 2018 (₹)
INCOME :			
Income from Operations	9	26,984,377	24,442,991
Other Income	10	–	4,282
TOTAL REVENUE		**26,984,377**	**24,447,273**
EXPENSES :			
Employee Benefits	11	16,863,164	16,796,129
Depreciation	12	43,368	40,098
Other Expenses	13	6,558,144	4,418,545
TOTAL EXPENSES		**23,464,676**	**21,254,772**
Profit Before Tax		3,519,701	3,192,501
Tax Expense:			
Current Tax		85,111	84,415
Prior Year			
Profit for the year /period		**3,434,590**	**3,108,086**
Earnings per Equity Share:			
Basic		2.52	2.37
Diluted		2.52	2.37

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date : 11th May, 2019

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019 in ₹	As at March 31, 2018 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	**3,519,701**	**3,192,501**
Change in Translation Differences on Foreign Currency Taken to Reserves	4,070,096	7,406,690
Depreciation	43,368	40,097
Adjustment for working capital changes :		
Increase/ (Decrease) in Current Liabilities	2,374,215	3,787,307
Increase/ (Decrease) in Short Term Provisions	(3,018,019)	1,194,458
(Increase) / Decrease in Short Term Loans and Advances	(398,739)	(373,901)
(Increase) / Decrease in Trade Receivables	13,485,637	(19,570,536)
(Increase) / Decrease Long Term Loan and Advances	–	488,119
CASH GENERATED FROM OPERATIONS	**20,076,259**	**(3,835,265)**
Change in Tax Balance	(85,111)	(84,415)
NET CASH FROM OPERATING ACTIVITIES	**19,991,148**	**(3,919,680)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Interest Received		
Dividend Received		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
NET CASH FLOW FROM INVESTING ACTIVITIES	**–**	**–**
CASH FROM FINANCING ACTIVITIES		
Issue of Shares		
Proceed / (Repayment) of Unsecured Loans		
Interest Paid		
NET CASH FROM FINANCING ACTIVITIES	**–**	**–**
NET CASH FLOW FOR THE YEAR	**19,991,148**	**(3,919,681)**
Balance with Bank in Current Account as at the Opening of the Year	93,681,132	97,850,385
Cash On Hand	279,242	29,669
Balance with Bank In Current Account as at the End of the Year	113,662,605	93,681,132
Cash on Hand	288,917	279,242

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 11th May, 2019

Kadambari Balachandran
Director

NOTE 1 : CASH AND BANK BALANCES

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Cash on Hand	288,917	279,242	29,669
Balance with Banks			
In Current Accounts	113,662,605	93,681,132	97,850,385
Total	**113,951,522**	**93,960,374**	**97,880,054**

NOTE 2 : TRADE RECEIVABLES

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Unsecured,Considered Good,Outstanding for a Period Less than Six Months	11,971,663	25,457,300	5,886,764
Total	**11,971,663**	**25,457,300**	**5,886,764**

NOTE 3 : LOAN AND ADVANCES

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Advance Rent	153,685	129,905	121,437
Prepaid Expenses	582,331	430,024	64,590
Deposits	5,634,836	5,412,184	5,900,304
Total	**6,370,852**	**5,972,113**	**6,086,331**

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

Particulars	GROSS BLOCK				DEPRICIATION				NET BLOCK (MSG)		NET BLOCK (₹)	
	As on April 01, 2018	Additions 2018-19	Deductions 2018-19	As on March 31, 2019	As on April 01, 2018	For the Year 2018-19	Deductions 2018-19	As on March 31, 2019	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
TANGIBLE ASSETS												
Computer	1,426	–	–	1,426	1,236	843	–	2,079	582	1,426	29,830	–
Total	**1,426**	**–**	**–**	**1,426**	**1,236**	**843**	**–**	**2,079**	**582**	**1,426**	**29,830**	**–**

NOTE 5 : OTHER FINANCIALS LIABILITIES

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
(a) Income received in advance			
Other Payables			
Creditors for Expenses	6,556,107	4,101,440	403,437
Outstanding Expenses	82,266	162,718	73,414
Total	**6,638,373**	**4,264,158**	**476,852**

NOTE 6 : SHORT TERM PROVISION

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Provision for Taxes	(211,177)	152,882	169,279
Provision for Ex Gratia	470,483	3,124,446	1,913,590
Total	**259,306**	**3,277,327**	**2,082,869**

NOTE 7 : SHARE CAPITAL

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Authorized :			
10,00,00,000 Equity Shares of SGD 1 Each	3,700,000,000	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)	9,887,500	9,887,500	9,887,500
Equity shares of SGD 1.8 each fully paid up (All of the above 1,111,111 shares are held by Motilal Oswal Securities Limited, the Holding company)	94,200,000	94,200,000	94,200,000
Total	**104,087,500**	**104,087,500**	**104,087,500**

NOTE 8 : RESERVES AND SURPLUS

	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Deficit in the statement of profit and loss			
Opening Balance	6,736,769	3,628,682	1,066,785
Net Profit for the year	3,434,590	3,108,087	2,561,897
	10,171,359	**6,736,769**	**3,628,682**
Foreign Currency Translation Reserve			
Opening Balance	7,094,625	(317,536)	1,973,029
Add : For the Current Year	4,072,702	7,436,683	(2,290,565)
Closing Balance	11,167,327	7,094,625	(317,536)
Closing Balance	**21,338,686**	**13,831,394**	**3,311,146**

NOTE 9 : INCOME FROM OPERATIONS

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Advisory Fees	26,984,377	24,442,991
Total	**26,984,377**	**24,442,991**

NOTE 10 : OTHER INCOME

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Interest Income	–	4,282
Total	**–**	**4,282**

NOTE 11 : EMPLOYEE BENEFITS

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Salaries and Incentives	14,009,203	12,828,569
Contribution to Provident Fund	758,103	490,607
ESOP Expense	2,046,843	3,434,283
Staff Welfare	49,015	42,670
Total	**16,863,165**	**16,796,129**

NOTE 12 : DEPRECIATION

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Depreciation on Tangible Assets	43,368	40,097
Total	**43,368**	**40,097**

NOTE 13 : OTHER EXPENSES

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Rent	3,036,070	2,652,471
Legal and Professional Fees	1,785,442	699,056
Travelling	10,283	107,690
Auditor's Remuneration	951,215	166,388
Repairs and Maintenance	242,122	266,071
Insurance	455	
Communication Charges	344,182	126,829

	For the period ended March 31, 2019 (₹)	For the period ended March 31, 2018 (₹)
Printing and Stationery	49,178	122,458
Client Entertainment Expenses	35,509	74,259
Foreign exchange (Gain)/Loss	14	
Membership and Subscription Charges	34,843	5,087
Bank Charges	68,832	65,148
Miscellaneous Expenses	–	133,088
Total	**6,558,144**	**4,418,545**

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

Motilal Oswal Capital Markets (Singapore) Pte. Ltd. (the "Company") is a private limited liability company incorporated and domiciled in Singapore. The registered office of the Company is located at 80 Raffles Place, #32-01 UOB Plaza, Singapore 048624 and the principal place of business is Level 21 (Suite 31), 16 Collyer Quay, Singapore 049318.

During the financial year, Motilal Oswal Securities Limited, an existing immediate holding company of the Company amalgamated with Motilal Oswal Financial Services Limited, an existing intermediate holding company of the Company. After the amalgamation, Motilal Oswal Financial Services Limited becomes the immediate holding company of the Company.

The principal activity of the Company is the provision of financial advisory services.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements, expressed in Singapore Dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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.

(b) Adoption of New and Revised Standards

On 1 April 2018, the Company adopted the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new and revised FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years except as described below.

FRS 109 – Financial Instruments

The Company has applied FRS 109 in accordance with the transition provisions set out in FRS 109, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained earnings and other components of assets of liabilities, without restating comparative information.

The board of directors reviewed and assessed the Company's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the Company's financial assets are continue to be measured at amortised cost upon adoption of FRS109 which is the same as measured under FRS 39.

Additionally, the board of directors also reviewed and assessed the Company's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of FRS 109 and concluded that no material financial impact exists, and therefore no adjustment to the opening retained earnings at 1 April 2018 was recognised.

FRS 115 – Revenue from Contracts with Customers

The Company has applied FRS 115 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained earnings and other components of assets or liabilities as appropriate and comparative information have not been restated.

The board of directors reviewed and assessed the Company's revenue framework in accordance with the requirements of FRS 115 and concluded that no material financial impact exists, and therefore no adjustment to the opening retained earnings at 1 April 2018 was recognised.

(c) Standards Issued but not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2019 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised standards and FRS interpretations will have no material impact on the financial statements of the Company in the period of their initial application except for FRS 116 as described below.

FRS 116 supersedes FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a "right-of-use" asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

On initial adoption of FRS 116, there may be a potentially significant impact on the accounting treatment for leases, which the Company as lessee currently accounts for as operating leases. On adoption of FRS 116, the Company will be required to capitalise its rented office premises on the statement of financial position by recognising them as "right-of-use" assets and their corresponding lease liabilities for the present value of future lease payments. The Company plans to adopt the standard in the financial year beginning on 1 April 2019 using the modified retrospective method in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

(d) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(e) Financial Assets

Accounting policy for financial assets from 1 April 2018

(i) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- at fair value through other comprehensive income ("FVOCI"),
- at fair value through profit or loss ("FVPL"), and

- at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company's financial assets measured at amortised cost include other receivables, amount due from immediate holding company and cash and cash equivalents.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

There are three subsequent measurement categories, depending on the company's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:**

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

- **FVOCI:**

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/ (losses)".

- **FVPL:**

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income" or "other expenses".

(ii) Equity instruments

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/ (losses)", except where the Company has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in Other Comprehensive Income.

(ii) Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its assets carried at amortised cost and debt instruments measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on financial assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instruments, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Accounting policy for financial assets prior to 1 April 2018

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired.

The Company's financial assets comprise other receivables; amount due from immediate holding company and cash and cash equivalents. The financial assets are recognised in the statement of financial position, when and only when, the Company becomes a party to the contractual agreements governing the financial instruments.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Loans and Receivables

Loans and receivables are initially recognised at fair value and subsequently re-measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment on loans and receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the loans and receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the profit or loss.

(f) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss recognised in accordance with Note 2(h) to the financial statements. Depreciation is calculated on the straight-line basis so as to write off the cost of the assets over their estimated useful lives, as follows:

Office equipment 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted as appropriate, at the end of each financial year.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash on hand which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amounts at which they are readily convertible into cash.

(h) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation, in which case, it will be charged to equity. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(i) Financial Liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements governing the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(j) Other Financial Liabilities

The financial liabilities measured at amortised cost comprise other payables and amount due to immediate holding company, which are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

(k) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from financial advisory services is based on a cost plus mark-up basis on the expenses incurred and recognised at point in time when the services are rendered. Performance obligation is satisfied when the services transferred to the customers.

(l) Employee Benefits

(i) Defined contribution plans

As required by law, the Company makes contributions to the state pension schemes in the countries that operate in accordance with local regulatory requirements. The state pension scheme for Singapore is Central Provident Fund ("CPF"). The defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employees' annual leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

The fair value of options granted by immediate holding company to the employees of the Company is recognised as an employee expenses with a corresponding increase in amount due to immediate holding company.

The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

(m) Leases

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 recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(n) Taxation

Current income tax assets and liabilities for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised.

(o) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting period are translated at exchange rates ruling at that date. Foreign currency exchange differences arising from translation are recognised in the statement of comprehensive income.

(p) Related Party

A related party is defined as follows:

(a) A person, or a close member of that person's family, is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary corporation and fellow subsidiary corporation is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

NOTE 14 : TAXATION

Provision for the current tax has been made for ₹ 85,111, Previous year ₹ (84,415).

NOTE 15 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year ₹ 30,36,070/- (Previous year ₹ 26,52,471/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head " Rent ".

As at March 31, 2019 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Operating Lease Commitments

Particulars	April 1, 2018 to March 31, 2019 (₹)	April 1, 2017 to March 31, 2018 (₹)	April 1, 2016 to March 31, 2017 (₹)
Payable within 1 year	3,036,070	2,717,032	2,736,999
Payable after 1 year but not later than 5 years			
TOTAL	**3,036,070**	**2,717,032**	**2,736,999**

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 16 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	April 1, 2018 to March 31, 2019 (₹)	April 1, 2017 to March 31, 2018 (₹)	April 1, 2016 to March 31, 2017 (₹)
Profit attributable to equity shareholders (₹)	3,434,590	3,108,087	2,561,897
Weighted average number of equity shares outstanding during the year	1,361,111	1,361,111	511,796
Nominal value per share (₹)	76.47	76.47	76.47
Earnings per share (Basic and diluted) (₹)	2.52	2.28	5.01

NOTE 17 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 18 : RELATED PARTY TRANSACTIONS

(i) Relationships during the year

A) Enterprises where control exists

- Motilal Oswal Financial Services Limited – Holding company
- Passionate Investment Management Private Limited – Ultimate Holding company

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Insurance Brokers Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Private Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Honkong) Pvt Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company

- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited

C) Key management personnel

- Abhijit Tare – Director
- Kadambari Balachandaran – Director

ii) Transactions with related parties for the year ended March 31, 2019

Transactions	Name of the related Party	2018-19 (₹)	2017-18 (₹)	2016-17 (₹)
Advisory Fees (charged) / paid	Motilal Oswal Financial Services Limited	(26,984,377)	(24,442,991)	(18,069,244)
Director's remuneration	Kadambari Balachandaran	3,164,006	3,429,112	2,974,064
Director's remuneration	Varun Kumar	–	3,327,615	3,392,166
Director's remuneration	Sanghavi Ankit Kumarpal	5,057,201	1,421,000	
Advisory fees outstanding at the year end	Motilal Oswal Financial Services Limited	11,971,663	25,457,300	5,886,764

Note: Income/receipts figures are shown in brackets.

NOTE 19 : AUDITOR'S REMUNERATION

Particulars	2018-19 (₹)	2017-18 (₹)	2016-17 (₹)
As Auditors:			
Audit fees	951,215	140,529	140,529
In any other capacity, in respect of:			
Other Certification		–	–
TOTAL	**951,215.24**	**1,644,437**	**1,763,116**

NOTE 20 :

Previous year figures have regrouped/ rearranged where necessary to confirm to current year's classifications.

Signatures to Notes forming part of the financial statements

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W
M.No.: 033624

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 11th May, 2019

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date : 11th May, 2019

SUBSIDIARY COMPANIES
FINANCIAL STATEMENT 2018-19

www.motilaloswalgroup.com

VSTS Corporation