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MOTILAL OSWAL

SUBSIDIARY COMPANIES
FINANCIAL STATEMENT 2019-20

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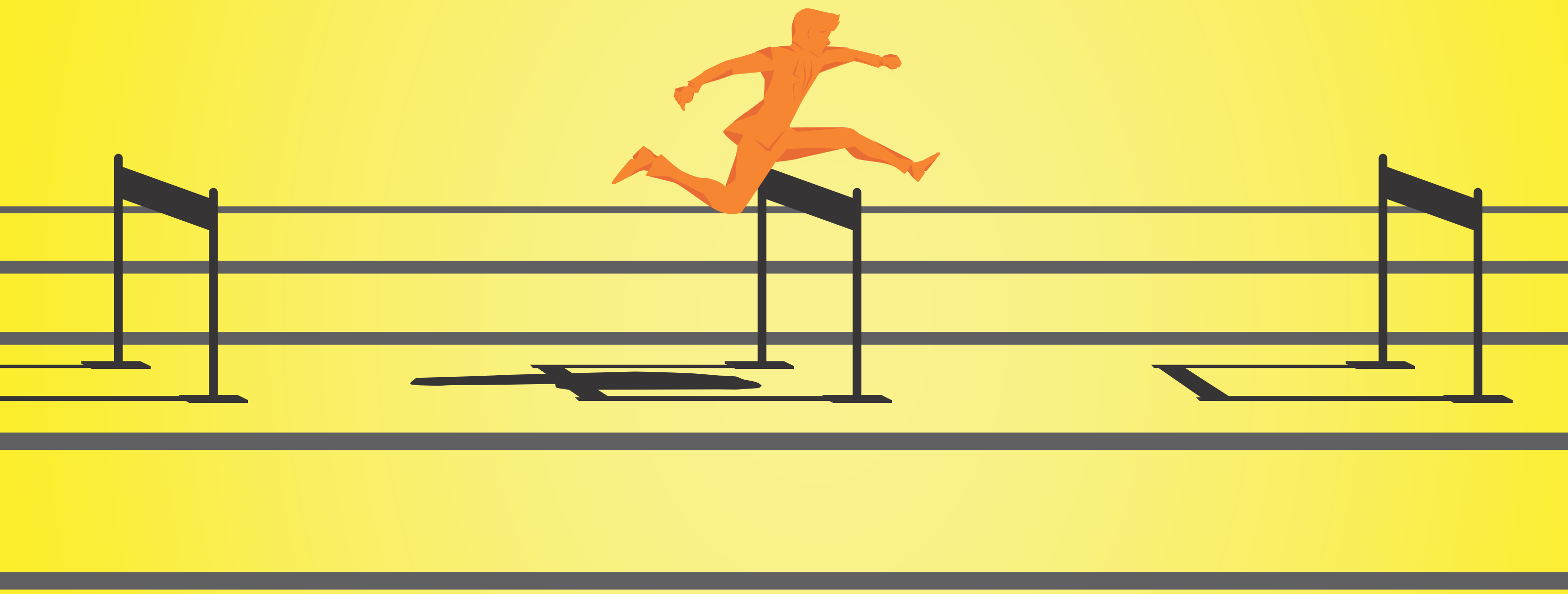
Motilal Oswal Asset Management Company Limited

Financial Statement 2019-20



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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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.

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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2020 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, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there 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 2020 and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these 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.: 042423
UDIN: 20042423AAAACD3605

Place : Mumbai
Date : 29 April, 2020

Annexure I 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 2020

ANNEXURE I

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

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

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

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

(iii) The Company has 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 provision of Section 185 and 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, income-tax, sales-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:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	173,917	Nil	AY 2017-18	Commissioner of Income Tax	Disallowances of Employee stock options expenses amounting to ₹ 497,702

(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 etc., as required by the applicable Ind AS.

(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.: 042423
UDIN: 20042423AAAACD3605

Place : Mumbai
Date : 29 April, 2020

Annexure II 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 2020

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 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

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 2020, 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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place : Mumbai
Date : 29 April, 2020

BALANCE SHEET AS AT MARCH 31, 2020

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

Particulars	Note No.	As at 31-March-20	As at 31-March-19
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	723	979
(b) Receivables			
(I) Trade receivables	5	4,816	6,342
(c) Loans	6	1	7
(d) Investments	7	26,671	32,548
(e) Other financial assets	8	86	32
Sub - total financial assets (A)		**32,297**	**39,908**
(2) Non - Financial assets			
(a) Property, plant and equipment	9(A)	296	87
(b) Other intangible assets	9(B)	65	54
(c) Other non - financial assets	10	9,815	8,841
Sub - total non - financial assets (B)		**10,176**	**8,982**
TOTAL ASSETS (A+B)		**42,473**	**48,890**
II. LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
(a) Payables			
(I) Trade payables	11		
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		4,158	3,967
(b) Other financial liabilities	12	858	396
Sub - total financial liabilities (A)		**5,016**	**4,363**
2. Non - financial liabilities			
(a) Current tax liabilities (net)	13	374	1,139
(b) Provisions	14	1,295	1,337
(c) Deferred tax liabilities (net)	15	1,074	2,728
(d) Other non - financial liabilities	16	225	168
Sub - total non - financial liabilities (B)		**2,968**	**5,373**
3. Equity:			
(a) Equity share capital	17	6,774	6,659
(b) Other equity	18	27,715	32,496
Sub - total equity (C)		**34,489**	**39,155**
TOTAL LIABILITIES AND EQUITY(A +B +C)		**42,473**	**48,890**

The accompanying notes 1 to 53 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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 29 April, 2020

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 29 April, 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

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

Particulars		Note No.	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
REVENUE FROM OPERATIONS				
(i)	Fees and commission income	19	55,058	57,417
(ii)	Interest income	20	2	1
(iii)	Dividend income	21	–	0
(iv)	Net gain on fair value change	22	–	361
1)	**Total revenue from operations**		**55,060**	**57,779**
2)	**Other income**	23	68	54
3)	**Total Income (1 + 2)**		**55,128**	**57,833**
EXPENSES				
(i)	Finance cost	24	107	12
(ii)	Fees and commission expense	25	23,402	24,703
(iii)	Employee benefits expense	26	5,358	4,702
(iv)	Depreciation and amortisation expense	9	157	51
(v)	Net loss on fair value change	27	6,970	–
(vi)	Other expenses	28	5,442	5,032
4)	**Total expenses**		**41,436**	**34,500**
5)	**Profit before tax (3 - 4)**		**13,692**	**23,333**
	Tax expense/(credit):	29		
(i)	Current tax		5,237	8,111
(ii)	Deferred tax expense/(credit)		(1,656)	(10)
(iii)	Short/(excess) provision for earlier years			(36)
6)	**Total tax expenses**		**3,581**	**8,065**
7)	**Profit for the period (5 - 6)**		**10,111**	**15,268**
	Other comprehensive income			
(i)	Items that will not be reclassified to profit or loss			
(a)	Actuarial gain/(loss) on post retirement benefit plans	42	14	(19)
(b)	Deferred tax impact on the above		(3)	7
8)	**Other comprehensive income /(loss)**		**11**	**(12)**
Total comprehensive income for the period (7 + 8)			**10,122**	**15,256**
Earnings per share (₹ 1 each)		39		
Basic (amount in ₹)			1.51	2.32
Diluted (amount in ₹)			1.47	2.22

The accompanying notes 1 to 53 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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 29 April, 2020

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 29 April, 2020

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

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**665,863,624**	**6,659**
Stock options exercised under the ESOS	11,524,259	115
As at 31 March 2020	**677,387,883**	**6,774**

(B) OTHER EQUITY

Particulars	Reserves and Surplus			Reserves and Surplus			Total	
	31 March 2020			31 March 2019			31 March 2020	31 March 2019
	Securities premium	Share based options outstanding account	Surplus/ (deficit) in the statement of profit and loss	Securities premium	Share based options outstanding account	Surplus/ (deficit) in the statement of profit and loss		
Balance at the beginning of the reporting period	374	557	31,565		389	24,384	32,496	24,773
Changes in accounting policy/prior period errors					–	–	–	–
Issue of equity share, net of transaction cost	481			374			481	374
Stock option expense for the year		(120)			168		(120)	168
Profit for the year			10,111			15,268	10,111	15,268
Other comprehensive income	–		11			(12)	11	(12)
Dividends	–		(12,661)			(6,698)	(12,661)	(6,698)
Distribution Tax on Dividend	–		(2,603)			(1,377)	(2,603)	(1,377)
Balance at the end of the reporting period	855	437	26,423	374	557	31,565	27,715	32,496

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 42423

Place : Mumbai

Date : 29 April, 2020

For and on behalf of the Board of

Motilal Oswal Asset Management Company Limited

Aashish Somaiyaa

Managing Director and Chief Executive Officer

DIN No : 06705119

Raamdeo Agarwal

Director

DIN No : 0024533

Aparna Karmase

Company Secretary and Compliance Officer

Yatin Dolia

Chief Financial Officer

Place : Mumbai

Date : 29 April, 2020

CASH FLOW STATEMENT

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

Particulars	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,692	23,333
Adjustment for:		
Interest expense	107	12
Profit on sale of property, plant & equipment	–	(1)
Profit on sale of investment- realised gain	(950)	(827)
Unrealised (gain)/loss	7,920	465
Depreciation and amortisation expense	157	51
Interest income	(2)	(1)
Employee stock option scheme expenditure	(120)	168
Actuarial (Gain)/loss	14	(19)
Operating profit	**20,818**	**23,181**
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	223	(1,227)
2) Increase/(decrease) in non - financial liabilities	57	(309)
3) Increase/(decrease) in trade payables	192	(3,856)
4) (Increase)/decrease in trade receivables	1,526	1,342
5) (Increase)/decrease in financial assets - loans	6	6
6) (Increase)/decrease in other financial assets	(54)	380
7) (Increase)/decrease in other non - financial assets	(974)	4,876
8) Increase/(decrease) in provision	(42)	(298)
Cash generated from operations	**21,752**	**24,095**
Direct taxes paid net (including MAT credit utilised)	(6,003)	(7,535)
Net cash generated from operating activities (A)	**15,749**	**16,560**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits & others	2	1
Purchase of property, plant & equipment	(84)	(71)
Sale of property, plant & equipment	8	2
Paid for intangible assets under development	–	11
Purchase of mutual fund units (including dividend reinvested)	(327,703)	(560,710)
Proceeds (including profit) from sale of mutual fund units (current investments)	326,821	553,524
Purchase of equity shares of wholly owned subsidiary	(211)	(790)
Share application money paid allotment pending in subsidiary company	–	(103)
Net cash used in investing activities (B)	**(1,167)**	**(8,136)**

CASH FLOW STATEMENT *(Contd..)*

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

Particulars	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	115	154
Short-term borrowings	27,861	11,279
Securities premium	481	374
Repayment of short-term borrowings	(27,861)	(11,279)
Interest paid	(73)	(17)
Dividend and dividend distribution tax paid	(15,264)	(8,075)
Cash payment of lease liability and interest	(97)	–
Net cash used in financing activities (C)	**(14,838)**	**(7,564)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(256)**	**860**
Cash in hand	2	3
Scheduled bank - In current account	977	120
Cash & cash equivalents as at beginning of the year	**979**	**123**
Cash and cheques in hand	3	2
Scheduled bank - In current account	720	977
Cash & cash equivalents as at end of the year	**723**	**979**
Components of cash & cash equivalents (also refer note 4)		
Cash in hand	3	2
Balances with banks		
in current accounts	720	977
Cash & cash equivalents as at end of the year	**723**	**979**

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 29 April 2020

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 29 April 2020

(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 authorised for issue by board of directors on 29 April 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

The 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.

Accounting policies have been applied consistently over all the periods presented in these financial statements.

(ii) Historical cost convention

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

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

(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 31.

(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

The company recognizes revenue from contract with customers based on five step model as set out in IND AS 115, Revenue from Contract with customers to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with customers. Revenue from contract with customers recognized 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 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 2018 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.

(All amounts are in INR lakhs, 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 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 balance sheet 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 and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

2.5. Leases

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

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

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

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

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.

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, 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 32.

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

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 assets are measured at amortised cost if both the following conditions are met:

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost 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 'other income' in the Statement of Profit and Loss.

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

Financial assets are written off/fully provided for when there is no reasonable of recovering 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

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

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.

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

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

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.

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 assets is the higher of its value in sue 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 the asset's or cash-generating unit's recoverable amount exceeds its carrying 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 determine, net of depreciation and amortization, if no impairment loss had been recognized.

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 Balance Sheet date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment 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

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

it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee 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 no. of 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 43.

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

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

loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

2.17. Dividends

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

2.18. Earnings per share

a) **Basic earnings per share**

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

b) **Diluted earnings per share**

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

2.19. 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.

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. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

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

(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. All assumptions are reviewed at each reporting date.

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

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

(g) Leases - The company evaluates if an arrangement qualifies to be a lease as per IND AS 116.

- The Company determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20	As at 31-Mar-19
Cash on hand	3	2
Balance with banks		
In current accounts	720	977
Total	**723**	**979**

NOTE 5 : TRADE RECEIVABLES

	As at 31-Mar-20	As at 31-Mar-19
a) Considered good - secured	–	–
b) Considered good - unsecured	4,679	6,213
c) Significant increase in credit risk	138	130
Less: Allowances for impairment losses	(1)	(1)
Total	**4,816**	**6,342**

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

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

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 as not recognised any ECLs in the current year. Receivables outstanding for more than 90 days are considered under significant increase in credit risk

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-Mar-20	As at 31-Mar-19
Loans - At amortised cost		
(A) Others		
Loan to employees(Gross)	1	7
Less : Impairment loss allowance	–	–
Total (A) Net	**1**	**7**
(B) (i) Unsecured(Gross)	1	7
Less : Impairment loss allowance	–	–
Total (B) Net	**1**	**7**
(C) (I) Loans in India		
(i) Public sector	–	–
(ii) Other than public sector	1	7
Total (C) Gross	**1**	**7**
Less : Impairment loss allowance	–	–
Total (C) Net	**1**	**7**

NOTE 7 : INVESTMENTS

Non Trade Investments (at cost)

Particulars	Subsidiary / Others	As at 31 March 2020		As at 31 March 2019	
		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	31,085,035	6,449	31,085,035	8,410
Motilal Oswal Multicap 35 Fund - Direct Dividend Reinvestment	Others	–	–	41,247	10
Motilal Oswal Equity Hybrid Fund - Direct (G)	Others	500,000	49	500,000	52
Motilal Oswal Multicap 35 Fund - Direct Growth	Others	57,391,017	11,832	68,568,232	18,679
Motilal Oswal Focused 25 Fund	Others	17,532,193	3,564	17,532,193	4,075
Motilal Oswal Ultra Short Term Fund	Others	876,376	118	876,376	111
Motilal Oswal Dynamic Fund	Others	500,000	59	500,000	63
Motilal Oswal NASDAQ 100 FOF	Others	200,000	26	200,000	21
Motilal Oswal Liquid Fund - Direct (G)	Others	500,000	53	500,000	51

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

Particulars	Subsidiary / Others	As at 31 March 2020		As at 31 March 2019	
		Units	Amount	Units	Amount
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	Others	250,000	18		–
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	Others	200,000	16		–
Motilal Oswal Nifty 500 Fund - Direct Growth Option	Others	475,146	38		–
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	Others	200,000	14		–
Motilal Oswal Large and Midcap Fund - Direct Growth Option	Others	31,500,000	2,498		–
Motilal Oswal Nifty 50 Index Fund	Others	4,896,490	347		–
Motilal Oswal Nifty Next 50 Index Fund	Others	4,081,490	306		–
Investment at amortised cost (2)					
Investment in equity shares of					
MF Utilities India Private Limited	Others	500,000	5	500,000	5
Investment at amortised cost (3)					
Investment in Subsidiaries (fellow subsidiaries)					
Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	332,599	479	255,000	165
Share Application Money Pending Allotment with Investment In Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	–	–	30,000	103
Motilal Oswal Capital Limited	Subsidiary	8,000,000	800	8,000,000	800
Aspire Home Finance Corporation Limited	Fellow subsidiary	1	0	1	0
Total Gross (1+2+3)			**26,671**		**32,548**
(i) Investment outside India			479		269
(ii) Investment in India			26,192		32,279
4) Total (I+II)			**26,671**		**32,548**
5) Less: Allowance for impairment loss			–		–
6) Total Net (4-5)			**26,671**		**32,548**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Rent deposits	86	32
Total	**86**	**32**

NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Improvement to leasehold premises	154	1	–	155	132	4	–	136	19	23
Computers	121	36	8	149	86	24	1	109	40	35
Furniture & fixtures	32	1	–	33	26	1	–	27	6	6
Electrical equipments	3	–	–	3	0	2	–	2	1	2
Office equipments	17	4	–	21	7	2	–	9	12	10

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

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Vehicles	27	–	–	27	16	2	–	18	9	11
Right of use (office premises)	–	301	–	301	–	92	–	92	209	–
Total (A)	**354**	**344**	**8**	**689**	**267**	**127**	**1**	**394**	**296**	**87**

NOTE 9(B) : INTANGIBLE ASSETS

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Customer rights to Portfolio Management clients	38	–	–	38	38	–	–	38	–	–
Computer software	139	41	–	180	85	30	–	115	65	–
Total (B)	**177**	**41**	**–**	**218**	**123**	**30**	**–**	**153**	**65**	**54**
Total (A+B)	**531**	**385**	**8**	**907**	**390**	**157**	**1**	**546**	**361**	**141**

NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Previous Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Improvement to leasehold premises	132	22	–	154	131	1	–	132	23	1
Computers	101	21	–	121	69	17	–	86	35	32
Furniture & fixtures	29	3	–	32	23	2	–	26	6	5
Electrical equipments	2	0	–	3	0	0	–	0	2	2
Office equipments	10	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**	**87**	**58**

NOTE 9(B) : INTANGIBLE ASSETS

Previous Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 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	–	139	60	25	–	85	54	63
Total (B)	**161**	**16**	**–**	**177**	**98**	**25**	**–**	**123**	**54**	**63**
Total (A+B)	**478**	**71**	**18**	**531**	**357**	**51**	**17**	**390**	**141**	**121**

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

NOTE 10 : OTHER NON - FINANCIAL ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Prepaid expenses	8,718	8,413
Advances and other non-financial assets	78	60
Indirect tax credit receivable	1,019	368
Total	**9,815**	**8,841**

NOTE 11 : TRADE PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
Due to creditors micro enterprise and small enterprise (Refer Note 35)	–	–
Due to creditors other than micro enterprise and small enterprise	4,158	3,966
Total	**4,158**	**3,966**

NOTE 12 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Employee stock option charges payable	6	3
Salaries and others	66	0
Interest accrued and due	3	0
Provision for expenses	78	15
Lease liability	236	–
Other payables	469	378
Total	**858**	**396**

NOTE 13 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
Provision for taxes (Net of advance tax paid)	374	1,139
Total	**374**	**1,139**

NOTE 14 : PROVISIONS

	As at 31-Mar-20	As at 31-Mar-19
Provision for employee benefits		
Gratuity	311	244
Heritage obligation	41	24
Compensated absences (also refer note 37)	62	9
ExGratia payable (also refer note 37)	881	1,060
Total	**1,295**	**1,337**

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

NOTE 15 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
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	2,183	2,917
Provision for doubtful debt	0	1
	2,183	**2,922**
Deferred tax asset on		
Gratuity provision	77	79
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	15	–
Unrealised gain/(loss)	1,017	115
Total deferred tax asset (B)	**1,109**	**194**
Net deferred tax liability (A-B)	**1,074**	**2,728**

NOTE 16 : OTHER NON - FINANCIAL LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Withholding and other taxes payable	225	168
Total	**225**	**168**

NOTE 17 : SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-29	
	Number of shares	In Lakhs	Number of shares	In Lakhs
Authorised				
Equity shares of ₹ 1 each (previous year ₹ 1 each)	70,60,00,000	7,060	676,000,000	6,760
	70,60,00,000	**7,060**	**676,000,000**	**6,760**
Issued, subscribed and paid up				
Equity shares of ₹ 1 each fully paid up (previous year ₹ 1 each)	677,387,883	6,774	665,863,624	6,659
	677,387,883	**6,774**	**665,863,624**	**6,659**

17.1 Rights, preferences and restrictions attached to shares

Equity shares :

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

17.2 Reconciliation of number of shares outstanding

Particulars	As at 31-Mar-20		As at 31-Mar-29	
	Number of shares	In Lakhs	Number of shares	In Lakhs
At beginning of the year	665,863,624	6,659	650,500,000	6,505
Stock options exercised under the ESOS	11,524,259	115	15,363,624	154
At the end of the year	**677,387,883**	**6,774**	**665,863,624**	**6,659**

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

Name of shareholder	As at 31-Mar-20		As at 31-Mar-29	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	668,163,564	98.64%	650,000,000	97.62%

17.4 Shares held by holding company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-29	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	668,163,564	98.64%	650,000,000	97.62%

17.5 The company has not issued any bonus shares for consideration other than cash nor there been any buy back of shares during the year immediately preceding 31st March 2020.

NOTE 18 : OTHER EQUITY

	As at 31-Mar-20	As at 31-Mar-19
a) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	31,565	24,385
Add: Transfer from Statement of Profit and Loss	10,122	15,255
Less : Dividend paid	(12,661)	(6,698)
Less : Distribution Tax on Dividend	(2,603)	(1,377)
Balance at the end of year	**26,423**	**31,565**
b) Employee Stock Option Plan Reserve		
Balance at the beginning of the year	557	389
Add: Option granted during the year (also refer note 43)	(120)	168
Balance at the end of year	**437**	**557**
c) Securities premium		
Balance at the beginning of the year	374	–
Add: Transferred during the year	481	374
Balance at the end of year	**855**	**374**
	27,715	**32,496**

Nature and Purpose of Reserves

Profit and loss

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

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

Employee Stock Option Plan Reserve

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

Share Premium

Share Premium pertains to shares issued more than its face value during the year.

NOTE 19 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Portfolio management fees	36,998	37,842
Investment management fees from :		
- Mutual fund	12,752	14,575
- Alternate investment funds	4,652	4,440
Investment advisory fees	656	560
Total	**55,058**	**57,417**

NOTE 20 : INTEREST INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Other interest income	2	1
Total	**2**	**1**

NOTE 21 : DIVIDEND INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Dividend on mutual fund	–	0
Total	**–**	**0**

NOTE 22 : NET GAIN ON FAIR VALUE CHANGE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net gain on financial instruments at fair value through profit or loss		
Realised gain	–	827
Unrealised (loss)	–	(466)
Total	**–**	**361**

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

NOTE 23 : OTHER INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Commission income	68	51
Miscellaneous amounts written back / (off) [net]	–	2
Net gain/(loss) on foreign currency transactions and translation	0	0
Gain on sale of property, plant & equipment	–	1
Total	**68**	**54**

NOTE 24 : FINANCE COST

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest on borrowings	75	12
Interest on lease	32	–
Total	**107**	**12**

NOTE 25 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Distribution cost and spillover expense		
- for Portfolio management services	20,445	21,531
- for Alternate investment funds	2,729	3,013
- for Advisory fees	29	–
Depository and processing charges	199	160
Total	**23,402**	**24,704**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Salary, bonus and allowances	5,039	4,243
Contribution to provident fund	33	28
Staff welfare expenses	74	85
Gratuity (also refer note 42)	89	72
Employee stock option scheme (also refer note 43)	123	274
Total	**5,358**	**4,702**

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

NOTE 27 : NET LOSS ON FAIR VALUE CHANGE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net loss on financial instruments at fair value through profit or loss		
Realised gain	(950)	–
Unrealised (loss)	7,920	–
Total	**6,970**	**–**

NOTE 28 : OTHER EXPENSES

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Rent (refer note 38)	593	621
Rates and taxes	53	79
Insurance	27	22
Computer maintenance	67	50
Business support charges*	1,214	1,157
Registration and filing charges	5	2
Legal and professional fees	258	216
Auditors' remuneration (refer note 36)	12	11
Marketing and brand promotion expenses	358	434
Advertisement expenses	1,091	1,142
Printing and stationery	65	90
Power and fuel	45	46
Communication expenses	145	127
Travelling and conveyance expenses	373	355
Entertainment expenses	126	108
Data processing charges	96	69
Miscellaneous expenses	269	163
Donation to political party	90	90
Corporate social responsibility expense (also refer note 41)	555	249
Donation	–	1
Total	**5,442**	**5,032**

* 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 29.1 : 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

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

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 balance sheet 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.

	Year ended 31-Mar-20	Year ended 31-Mar-19
Current tax expense		
Current tax for the year	5,237	8,111
Total current tax expense	**5,237**	**8,111**
Deferred taxes		
Change in deferred tax liabilities	(1,656)	(10)
Net deferred tax expense	**(1,656)**	**(10)**
Short/(excess) provision for earlier years	**–**	**(36)**
Total tax expense / (credit)	**3,581**	**8,065**

NOTE 29.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

	As at 31-Mar-20	As at 31-Mar-19
Remeasurement of defined benefit plan	3	(7)
Total	**3**	**(7)**

NOTE 29.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	Year ended 31-Mar-20	Year ended 31-Mar-19
Profit/(loss) before income tax expense	**13,692**	**23,333**
Tax at the rate of 25.168% (for 31 March 2019 - 34.944%)	3,446	8,153
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	–	(36)
Exempt Income	(216)	(289)
Expenses not deductible for tax purposes	54	52
Tax at different rate	297	185
Income tax expense	**3,581**	**8,065**

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

NOTE 29.4 : EFFECTIVE TAX RATE

	Year ended 31-Mar-20	Year ended 31-Mar-19
Effective tax rate	26.151%	34.565%

In the financial year 2019-20, the government enacted a change in income tax rate from 30% basic rate to 22% and from 12% of surcharge to 10%. However, the government had given an option to either opt for new tax regime or continue with old tax regime and in the context of the same the company has opted for new tax regime. Accordingly the income tax rate has reduced from 34.944% in financial year 2018-19 to 25.168% in financial year 2019-20.

NOTE 29.5 : NET DEFERRED TAX

	Year ended 31-Mar-20	Year ended 31-Mar-19
Deferred tax liability on account of :		
Amortization of distribution costs	2,183	2,917
Provision for doubtful debt	0	1
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	4
Total deferred tax liabilities (A)	**2,183**	**2,922**
Deferred tax assets on account of:		
Provision for gratuity	77	79
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	15	–
Unrealised loss	1,017	115
Total deferred tax assets (B)	**1,109**	**194**
Net deferred tax liability/ (assets) (A-B)	**1,074**	**2,728**

NOTE 29.6 : SIGNIFICANT COMPONENTS AND MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES:

	As at 31-Mar-20	Recognised through profit and loss	As at 31-Mar-19
Deferred tax liabilities on account of:			
Amortization of distribution costs	2,183	(734)	2,917
Provision for doubtful debt	0	(0)	1
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	(4)	4
Total deferred tax liabilities	**2,183**	**(738)**	**2,922**
Deferred tax assets on account of:			
Provision for gratuity	77	(2)	79
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	15	15	–
Unrealized loss	1,017	902	115
Total deferred tax assets	**1,109**	**915**	**194**
Total deferred tax assets/liability (net)	**1,074**	**(1,653)**	**2,728**

Note:

The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

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

NOTE 30 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note 1)	2	–
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account	25	20

1) Demand in respect of Income tax matters for which appeal is pending is R. 1.73 lakh (Previous Year NIL). This is disputed by the Company and hence not provided for in the books of accounts. Above liability does not include interest u/s 234 B and 234 C as the same depends on the outcome of the demand.

2) 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.

NOTE 31 : 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 31 March 20			As at 31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	723	–	723	979	–	979
Trade receivables	4,816	–	4,816	6,313	29	6,342
Loans	1	–	1	7	–	7
Investments	–	26,671	26,671	–	32,548	32,548
Other financial assets	11	75	86	21	11	32
Non-financial assets			–			
Property, plant and equipment	–	296	296	–	87	87
Intangible assets under development	–	–	–	–	–	–
Other Intangible assets	–	65	65	–	54	54
Other non-financial assets	3,713	6,102	9,815	3,353	5,488	8,841
Total Assets	**9,264**	**33,208**	**42,473**	**10,673**	**38,217**	**48,890**
LIABILITIES						
Financial Liabilities						
Trade payables	4,158	–	4,158	3,967	–	3,967
Other financial liabilities	738	120	858	396	–	396
Non-financial liabilities						
Current tax liabilities (net)	374	–	374	1,139	–	1,139
Provisions	1,013	282	1,295	1,122	214	1,336
Deferred tax liabilities	–	1,074	1,074	–	2,728	2,728
Other non-financial liabilities	225	–	225	168	–	168
Total Liabilities	**6,508**	**1,476**	**7,984**	**6,792**	**2,942**	**9,735**

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

NOTE 32 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2020		As at March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	723	–	979
Trade receivables	–	4,816	–	6,342
Loans	–	1	–	7
Investments	25,386	1,285	31,474	1,074
Other financial assets	–	86	–	32
Total Financial Assets	**25,386**	**6,911**	**31,474**	**8,434**
Financial Liabilities				
Trade payables	–	4,158	–	3,967
Other financial liabilities	–	858	–	396
Total Financial Liabilities	**–**	**5,016**	**–**	**4,363**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are recognized 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. 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 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 maximize 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. NAV refers to the net asset value declared by the mutual fund at which units are issued or redeemed.

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, 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.

Investments are categorised as per below as on 31 March 2020

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	25,386	–	–

Investments are categorised as per below as on 31 March 2019

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	31,474	–	–

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

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 33 : 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, receivables and cash and cash equivalents that derive directly from its operations.

A Credit risk

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

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans to employees, 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 Company has 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-Mar-20	As at 31-Mar-20
Upto 3 months	4,679	6,213
3 - 6 months	30	92
6 - 12 months	–	8
More than 12 months	107	29
Total	**4,816**	**6,342**

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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	4,158	–	–	**4,158**
Other financial liabilities	858	–	–	**858**
Total	**5,016**	–	–	**5,016**

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

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**

(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) 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.

Particulars	As at 31-Mar-20	As at 31-Mar-20
Exposure to price risk	25,386	31,474

Sensitivity to price risk

The following table summarizes 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 2020	31 March 2019
Impact on profit before tax for 10% increase in NAV/price	2,539	3,147
Impact on profit before tax for 10% decrease in NAV/price	(2,539)	(3,147)

NOTE 34 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31-Mar-20	As at 31-Mar-20
Financial assets		
Investments	12,879	19,718
Total assets pledged as security	**12,879**	**19,718**

Terms and conditions:

1. The Mutual Funds of the Company are pledged for the loan facility of the holding 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 35 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Particulars	As at 31-Mar-20	As at 31-Mar-20
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, alongwith the amount of the payment made to the supplier beyond the appointed day duringthe accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 36 : AUDITORS' FEES AND EXPENSES HAS BEEN CLASSIFIED AS UNDER

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
As Auditors:		
Statutory audit	12	11
Out of pocket expenses	0	0
Total	**12**	**11**

NOTE 37 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 1 April 2019	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31 March 2020
Ex-gratia	1,061	895	1,075	881
Gratuity	243	74	6	311
Compensated absences	9	66	13	62
Heritage club	24	30	13	41
Total	**1,337**	**1,065**	**1,107**	**1,295**

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**

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

NOTE 38 : LEASES

The Company has taken various office premises on operating lease for the period which ranges from 11 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

The adoption of the new standard Ind AS 116, resulted in recognition of 'Right of Use' (ROU) asset of ₹ 118.12 lakhs and a lease liability of ₹ 118.12 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.75 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended 31 March 2020

Particulars	Amount
Balance as at 1 April 2019	–
Adjustment on transition to Ind AS	118
Movement during the year	183
Depreciation on Right-Of-Use (ROU) assets	(92)
Balance as at 31 March 2020	**209**

(B) Lease liabilities for the year ended 31 March 2020

Particulars	Amount
Balance as at 1 April 2019	–
Adjustment on transition to Ind AS	118
Movement during the year	183
Add: Interest cost accrued during the period	32
Less: Payment of lease liabilities	(97)
Balance as at 31 March 2020	**236**

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2020

Particulars	As at 31 March 2020
Less than three months	32
Three to twelve months	84
One to five years	120
More than five years	–
Total	**236**

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2020

Particulars	Amount
Interest cost on lease liabilities	32
Depreciation on right of use assets	92
Rental Expenses recorded for short-term lease payments and payments for leases of low value assets not included in the measurement of the lease liability	593

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

(E) Amount recognised in statement of cash flows for the year ended 31 March 2020

Particulars	Amount
Cash payments for the principal & interest portion of the lease liability within financing activities	(97)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	593

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at 31 March 2019 during the non- cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended 31 March 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	–	36
Later than one year but not later than five years	–	10
Later than five years		
Total	**–**	**46**

NOTE 39 : 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 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders (Lakhs) [A]	10,111	15,268
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	6,708	6,595
Basic earnings per share [A] / [B] (Rupees)	**1.51**	**2.32**

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 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders (Lakhs)	10,111	15,268
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]	**10,111**	**15,268**
Weighted average number of equity shares used in computing basic earnings per share	6,708	6,595
Effect of potential equity shares for stock options outstanding	158	282
Weighted number of equity shares used in computing diluted earnings per share [B]	**6,866**	**6,877**
Diluted earnings per share (Rupees) [A]/[B]	**1.47**	**2.22**

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

NOTE 40 : DIVIDEND ON EQUITY SHARE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹ 0.79 per share for FY 2019-20 (2018-19: ₹ 0.26 per share)	5,345	1,731
Dividend distribution tax on interim dividend	1,099	356
Interim dividend of ₹ 1.08 per share for FY 2019-20 (2018-19: ₹ 0.75 per share)	7,316	4,966
Dividend distribution tax on interim dividend	1,504	1,021

NOTE 41: CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2019-20

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Donation for cancer aid	–	17
Donation for empowerment tribal and rural people	–	2
Donation for the project of school support	–	3
Donation for construction of school	66	6
Donation for school construction project at Odisha	–	215
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
Donation for construction of hostel	251	–
Donation for School	17	–
Donation for environment sustainability drip irrigation	16	–
Donation for Medical expenses	2	–
Donation for welfare activities	2	–
Donation for construction of technical institution	1	–
Donation for PM care funds	200	–

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year ₹ 336.43 lakhs (Previous year ₹ 201.38 lakhs)
2) Amount spent during the year on

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	335	–	335
On purposes other than above	220	–	220
Particulars (previous year)	**Amount paid**	**Amount yet to be paid**	**Total**
Construction / acquisition of any assets	221	–	221
On purposes other than above	28	-	28

Above includes a contribution of ₹ 353.26 lakhs (Previous year ₹ 225.89 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures". (refer note 46)

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

NOTE 42 : 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	Year ended 31 March 2020	Year ended 31 March 2019
Employers' contribution to provident fund	33	28

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	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Discount rate (per annum)	4.80%	7.12%	4.80%	7.12%
Rate of escalation in salary (per annum)	12.95%	16.00%		
Expected rate of return on plan assets (per annum)		–		
Employee attrition rate (past service)	PS: 0 to 40 : 20.74%	PS: 0 to 37 : 24.6%	PS: 0 to 37 YRS: 50.04%	PS: 0 to 37 : 43.93%
Expected average remaining service	3.72	3.01	0.99 to 1	1.26 to 1.27
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	243	171	24	9
Interest cost	16	11	–	–
Current service cost	79	60	17	15
Transfer in liabilities	1			
Transfer out liabilities	(7)			
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Benefits paid	(7)	(18)	–	–
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain)/loss on obligation	(14)	19	–	–
PVO at end of period	311	243	41	24
III) Interest expense				
Interest cost	16	11	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
IV) Fair value of plan assets				
Fair value of plan assets at the beginning	–	–	–	–
Interest income	–	–	–	–
V) Net liability				
PVO at beginning of period	243	171	–	–
Fair value of the assets at beginning report	–	–	–	–
Unrecognised past service cost- non vested benefits	–	1	–	–
Net Liability at the beginning	–	170	–	–
VI) Net Interest				
Interest expenses	16	11	–	–
Interest income	–	–	–	–
Net interest	16	11	–	–
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	19	(10)	–	–
Due to financial assumption	7	9	–	–
Due to experience	(40)	20	–	–
Total actuarial (gain)/loss	**(14)**	**19**	**–**	**–**
IX) 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	7	18	–	–
Contributions by employee	–	–	–	–
Benefits paid	(7)	(18)	–	–
Fair value of plan assets at end	–	–	–	–
X) Past service cost recognised				
Past service cost- (non vested benefits)	–	1	–	–
Past service cost- (vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised past service cost- non vested benefits	–	1	–	–
Recognised past service cost- vested benefits	–	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	311	243	–	–
Fair value of plan assets at end of period		–	–	–
Funded Status	(311)	(243)	–	–
Unrecognised past service cost- non vested benefits		–	–	–
Net asset/(liability) recognized in the balance sheet	(311)	(243)	–	–
XII) Expense recognised in the statement of profit and loss				
Current service cost	79	60	17	15
Net interest	16	11	–	–
Past service cost - (non vested benefits)	–	1	–	–
Past service cost - (vested benefits)	–	–	–	–
Curtailment effect	–	–	–	–
Settlement effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (gain)/loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	95	72	17	15
XIII) Other comprehensive income (OCI)				
Actuarial (gain)/loss recognized for the period	(14)	19	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	(14)	19	–	–
XIV Movement in liability recognized in balance sheet				
Opening net liability	243	170	24	9
Adjustment to opening balance	–	–	–	–
Expenses as above	95	72	17	15
Transfer in liability	1			
Transfer out liability	(7)			
Contribution paid	(7)	(18)	–	–
Other comprehensive income(OCI)	(14)	(19)	–	–
Closing net liability	311	243	41	24
XV Projected service cost 31 March 2020	93	79	–	–

XVI) Sensitivity analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	295	328	321	301

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

XVII) 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	41	40	39	36	121

XVIII) Asset liability comparisons

Year	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020
PVO at end of period	65	96	171	243	311
Plan assets					
Surplus / (deficit)	(65)	(96)	(171)	(243)	(311)
Experience adjustments on plan assets		–			

Weighted average remaining duration of defined benefit obligation **3.66**

Risk associated with defined benefit plan:

1) **Investment/interest risk:**

Since the scheme is not funded company is not exposed to investment/interest risk.

2) **Longevity risk:**

The company is not exposed to risk of employee living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

NOTE 43 : EMPLOYEE STOCK OPTION PLAN

a) Scheme details

The company has two stock option scheme

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

The ESOP - I was approved by the Board of Directors at their meeting held 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 their meeting held on 21 July, 2014 for grant of 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 2020	For the year ended 31 March 2019
Expenses arising from equity - settled share-based payment transactions	123	274

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.

The model inputs for options granted includes:

Particulars	Scheme I	Scheme II
Date of grant	Various dates	Various dates
Date of board approval	21-Jul-10	21-Jul-11

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

Particulars	Scheme I	Scheme II
Date of shareholder's approval	22-Jul-10	21-Jul-11
Method of settlement	Equity shares	Equity shares
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant
Risk free interest rate	6.97%	7.13%
Dividend yield	1%	1%
Expected volatility	40%	40%
Weighted average remaining contractual life		
Current year - granted but not vested	3.58 Years	7.58 Years
Current year - vested but not exercised	1.89 Years	5.14 Years
Weighted Average Share Price at the date of exercise for stock options exercised during the year	28.87	27.98
Weighted average remaining contractual life		
Previous year - granted but not vested	7.23 Years	8.23 Years
Previous year - vested but not exercised	5 Years	5.84 Years
Exercise Period	Within a period of 36 months from the date of vesting	Within a period of 84 months from the date of vesting
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and / or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.	Vesting of Options would be subject to continued employment with the Company and / or its holding / subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.
Weighted average fair value of options as on grant date	49.25	8.42

d) Movement in share option during the year

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of share options	Weighted average exercise price (In ₹)	Number of share options	Weighted average exercise price (In ₹)
ESOP I				
Balance at beginning of the year	15,000,000	13.40	16,500,000	13.40
Add: Granted during the year	–	NA	–	NA
Less: Exercised during the year	2,100,000	13.40	1,500,000	13.40
Less: Forfeited during the year	–	NA	–	NA
Less: Lapsed during the year	–	NA	–	NA
Balance at end of the year	**12,900,000**	**13.40**	**15,000,000**	**13.40**
Exercisable at end of the year	1,350,000	13.40	150,000	13.40

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

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of share options	Weighted average exercise price (In ₹)	Number of share options	Weighted average exercise price (In ₹)
ESOP II				
Balance at beginning of the year	11,650,000	3.73	25,513,624	2.75
Add: Granted during the year	–	NA	–	NA
Less: Exercised during the year	9,424,259	2.09	13,863,624	1.93
Less: Forfeited during the year	–	NA	–	NA
Less: Lapsed during the year	–	NA	–	NA
Balance at end of the year	**2,225,741**	**10.67**	**11,650,000**	**3.73**
Exercisable at end of the year	825,741	6.04	9,850,000	1.96

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	For the year ended 31 March 2020	For the year ended 31 March 2019
(+)5%	(12.10)	(10.79)
(-)5%	15.48	14.86

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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 is an Investment Manager and provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund ('the Fund'), provides Portfolio Management Services ('PMS') to clients, investment management services to Alternate Investment Funds and provide investment advisory services to onshore and offshore clients. The company earns Managements fees from respective businesses.

(All amounts are in INR lakhs, 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		
	Asset Management and Advisory Activities	Portfolio management fees	Investment advisory services
Total Revenue from contracts with customers	**17,404**	**36,998**	**656**
Geographical Markets			
India	17,404	36,998	615
Outside India	–	–	41
Total Revenue from contracts with customers	**17,404**	**36,998**	**656**
Timing of revenue recognition			
Services transferred over time	17,404	36,998	656
Total Revenue from contracts with customers	**17,404**	**36,998**	**656**

b) Contract balances

Trade receivable are non-interest bearing balances.

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. The usual payment term for the performance obligation of the company is one to three months.

NOTE 45 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Investment advisory fees	41	46

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling and conveyance expenses	61	72
Marketing and brand promotion expenses	12	54
Legal and professional fees	0	10
Portfolio management services	73	240
Mutual fund schemes	–	2
Total	**146**	**378**

NOTE 46 : 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:

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

(A) List of related parties and their relationship

(i) Holding company

– Motilal Oswal Financial Services Limited(Formerly known as Motilal Oswal Securities 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
– Motilal Oswal Home Finance Limited
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited
– India Business Excellence Management Company
– Glide Tech Investment Advisors Private Limited
– Motilal Oswal Finsec IFSC Limited

(v) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

– Mr. Aashish P Somaiyaa

(b) Executive directors

– Mr. Raamdeo Agarwal

(c) Non - executive directors

– Mr. Ashok Jain
– Mr. Abhaya P. Hota
– Ms. Rekha Shah
– Mr. Kanu Doshi (till 14 January 2019)
– Mr. Himanshu Vyapak (w.e.f. 17 October 2019)

(vi) Relatives of Key Management Personnel

– 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

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

(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 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Commission received	Motilal Oswal Financial Services Limited	68	51	–	–	68	51
Interest paid	Motilal Oswal Financial Services Limited	–	7	–	–	–	7
	Motilal Oswal Finvest Limited	75	5	–	–	75	5
Rent paid	Motilal Oswal Financial Services Limited	585	585	–	–	585	585
Marketing & Business promotion expense	Motilal Oswal Wealth Management Limited	10	1	–	–	10	1
Distribution cost expense for mutual fund schemes	Motilal Oswal Financial Services Limited	–	514	–	–	–	514
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	5,033	5,684	–	–	5,033	5,684
Business support charges	Motilal Oswal Financial Services Limited	1,214	1,157	–	–	1,214	1,157
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited	2,983	3,301	–	–	2,983	3,301
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	–	353	–	–	–	353
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Financial Services Limited	566	793	–	–	566	793
	Motilal Oswal Wealth Management Limited	459	545	–	–	459	545
Investment advisory fees received	Motilal Oswal Wealth Management Limited	5	29	–	–	5	29
Investment advisory fees	Motilal Oswal Capital Limited	36	21	–	–	36	21
Advisory fess expense	Motilal Oswal Capital Limited	29	–	–	–	29	–
Portfolio management fees	Mr. Raamdeo Agarwal	–	3	2	3	2	
	Mr. Aashish P Somaiyaa	1	1	1	1		
	Mr. Ashok Jain	–	3	3	3	3	
	Ms. Rekha Shah	–	1	0	1	0	
	Ms. Shalini Somaiyaa	–	0	0	0	0	
	Ms. Suneeta Agarwal	–	23	19	23	19	
	Mr. Vaibhav Agarwal	–	7	12	7	12	
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	40	44	–	–	40	44
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	45	32	–	–	45	32

(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 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee compensation - Managerial remuneration	Mr. Aashish P Somaiyaa	–	–	342	365	342	365
Consideration received on exercise of options	Mr. Aashish P Somaiyaa	–	–	170	254	170	254
Director sitting fees	Mr. Abhaya P. Hota	–	–	2	2	2	2
	Mr. Ashok Jain	–	–	2	3	2	3
	Mr. Kanu Doshi	–	–	–	3	–	3
	Mr. Himanshu Vyapak	1	–				
	Ms. Rekha Shah	–	–	2	1	2	1
Subscription to equity share capital	Motilal Oswal Capital Limited	–	790	–	–	–	790
	Motilal Oswal Asset Management (Mauritius) Private Limited	211	103	–	–	211	103
Loan taken during the year	Motilal Oswal Financial Services Limited	–	7,230	–	–	–	7,230
	Motilal Oswal Finvest Limited	27,761	4,049	–	–	27,761	4,049
Loan repaid during the year	Motilal Oswal Financial Services Limited	–	7,230	–	–	–	7,230
	Motilal Oswal Finvest Limited	27,761	4,049	–	–	27,761	4,049
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	125	47	–	–	125	47
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	353	226	–	–	353	226

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.

(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2020	As at31 March 2019
Interest payable	Motilal Oswal Financial Services Limited	0	0
	Motilal Oswal Finvest Limited	3	0
Rent payable	Motilal Oswal Financial Services Limited	26	21
Trade payables	Motilal Oswal Wealth Management Limited	301	379
	Motilal Oswal Financial Services Limited	505	599
Other receivables	Motilal Oswal Capital Limited	11	1

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

Nature of transactions	Name of the Related party	As at 31 March 2020	As at31 March 2019
Prepaid Expenses	Motilal Oswal Financial Services Limited	947	700
	Motilal Oswal Wealth Management Limited	177	320
Employee stock option charges payable	Motilal Oswal Financial Services Limited	6	3
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	479	269
	Motilal Oswal Capital Limited	800	800
	Aspire Home Finance Corporation Limited	0	0

NOTE 47 : 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 investment of mutual funds.

Secondary segment i.e geographical 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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue :								
External revenue	55,126	57,470	(7,060)	114	92	248	48,158	57,832
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**55,126**	**57,470**	**(7,060)**	**114**	**92**	**248**	**48,158**	**57,832**
Result :								
Segment result	21,428	23,337	(7,064)	110	92	248	14,364	23,447
Unallocated corporate expenses		–		–		–	657	351
Unallocated revenue		–		–		–	92	248
Operating profit		**–**		**–**		**–**	**13,799**	**23,344**
Interest expenses		–		–		–	107	12
Interest income		–		–		–	–	–
Tax expense :								
Current tax		–		–		–	5,237	8,111
Deferred tax		–		–		–	(1,656)	(10)

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Income tax for earlier years		–		–		–	–	(36)
MAT credit adjustments of previous year		–		–		–	–	–
Profit from Ordinary Activities		**–**		**–**		**–**	**10,111**	**15,267**
Extra-ordinary / exceptional items		–		–		–	–	–
Profit after tax		**–**		**–**		**–**	**10,111**	**15,267**
Other information :								
Segment assets	15,802	16,339	25,387	31,474	1,284	1,076	42,473	48,889
Segment liabilities	6,535	5,861		–	1,449	3,873	7,984	9,734
Capital expenditure	84	71		–		–	84	71
Depreciation	157	51		–		–	157	51
Non-cash expenses other than depreciation		–		–		–		–

NOTE 48 : 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 49 : 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 ₹ 124.92 Lakhs (previous year ₹ 47.39 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 50 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Financial Services Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

Asset management services has been declared an essential service and accordingly company has not faced business stoppage/ interruption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

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

NOTE : 51 CAPITAL MANAGEMENT

Risk management

The primary objectives of the company's capital management policy is to ensure compliance with regulatory capital requirements and to optimize returns to the shareholders. In line with this objective, the company ensures adequate capital at all times and manages its business in a way in which it's capital is protected, satisfactory business growth is ensured and cash flows are monitored. The equity share capital and other equity are considered as capital for the purpose of company's capital management.

The company maintains an actively managed capital base to cover risk inherent in business and meets the capital requirements of SEBI regulations.

NOTE 52 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2020.

NOTE 53 :

Amount below ₹ 50000 have been rounded off or shown as "0".

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 29 April 2020

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 Agarwal
Director
DIN No : 0024533

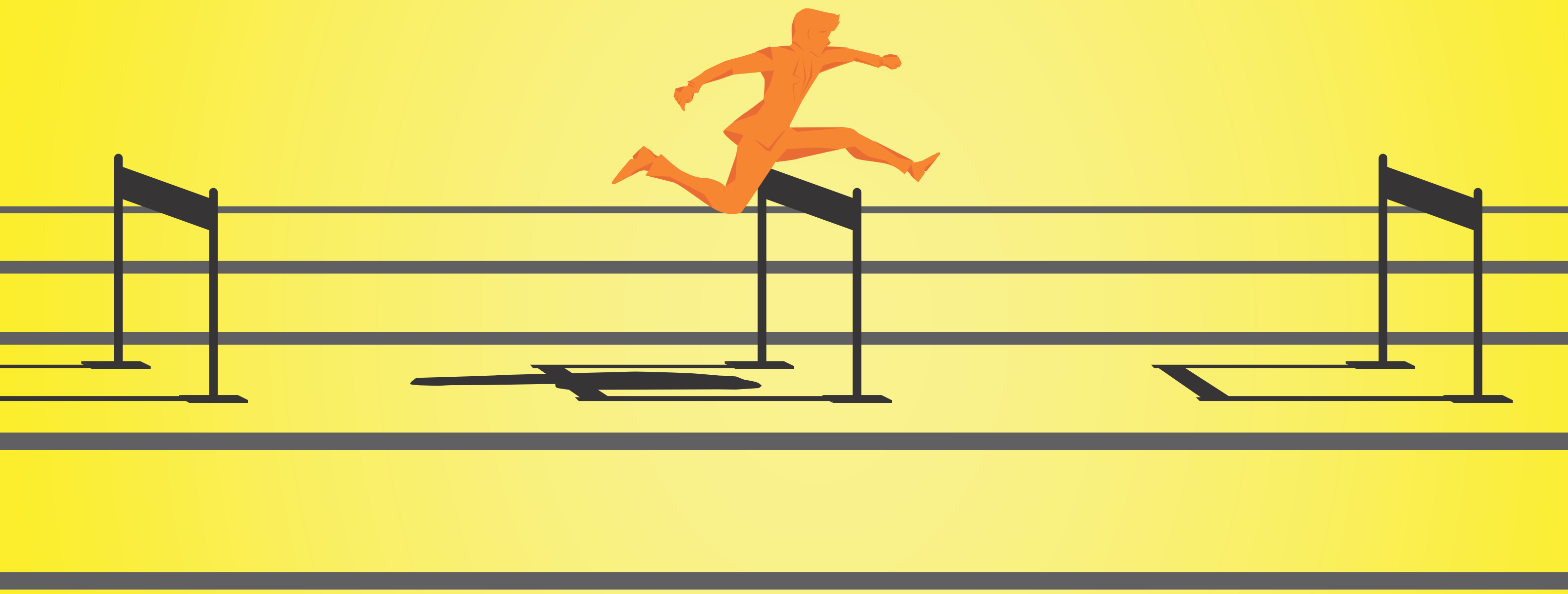
Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 29 April 2020

Motilal Oswal Trustee Company Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the Company as at 31 March 2020, and its loss (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 comprises the information included in the Annual 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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 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.

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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit we report that 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, based on our audit we report, to the extent applicable, that:

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

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 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2020 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782
UDIN: 20105782AAAACD3092

Place : Mumbai
Date : 29 April, 2020

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 2020

ANNEXURE I

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

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

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

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

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

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

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

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

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

(xiv) During the year, the Company has 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
UDIN: 20105782AAAACD3092

Place : Mumbai
Date : 29 April, 2020

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 2020

ANNEXURE II

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

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

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 with Reference to Financial Statements

3. 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 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 internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN: 20105782AAAACD3092

Place : Mumbai
Date : 29 April, 2020

BALANCE SHEET AS AT MARCH 31, 2020

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

Particulars	Note No.	As at 31-March-20	As at 31-March-19
I. ASSETS			
A. Non-current assets			
a) Property, plant and equipment	4	71	128
b) Financial assets			
Investments	5	27,035	28,426
c) Non - current tax assets (net)	6	11	202
d) Deferred tax assets (net)	7	323	26
Total non-current assets (A)		**27,440**	**28,782**
B. Current assets			
a) Financial assets			
i) Trade receivables	8	1,468	1,061
ii) Cash and cash equivalents	9	2,254	4,837
b) Other current assets	10	247	556
Total Current assets (B)		**3,969**	**6,454**
TOTAL ASSETS (A+B)		**31,409**	**35,236**
II. EQUITY AND LIABILITIES			
A. Equity:			
a) Equity share capital	11	10,000	10,000
a) Other equity	12	20,715	24,778
Total equity (A)		**30,715**	**34,778**
B. Liabilities			
1. Current liabilities			
a) Financial liabilities			
Other payables	13	559	348
b) Other current liabilities	14	135	110
Total current liabilities (B)		**694**	**458**
TOTAL EQUITY AND LIABILITIES (A+B)		**31,409**	**35,236**

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

Place : Mumbai
Date : 29 April, 2020

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

Brij Gopal Daga
Director
DIN : 07482589

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 29 April, 2020

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

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

Particulars	Note No.	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
REVENUE			
1) Revenue from operations	15	14,967	11,154
2) Other income	16	9	34
3) **Total Income (1 + 2)**		**14,976**	**11,188**
EXPENSES			
(i) Depreciation	4	57	172
(ii) Other expenses	17	17,793	7,663
4) **Total expenses**		**17,850**	**7,835**
5) **Profit/(loss) before tax (3 - 4)**		**(2,874)**	**3,353**
Tax expense/(credit):	18		
(i) Current tax		1,486	913
(ii) Deferred tax expense/(credit)		(297)	(16)
6) **Total tax expenses**		**1,189**	**897**
7) **Profit/(loss) for the period (5 - 6)**		**(4,063)**	**2,456**
8) **Other comprehensive income**		**–**	**–**
Total comprehensive income/(loss) for the period (7 + 8)		**(4,063)**	**2,456**
Earnings/(loss) per equity share			
Basic and diluted (in Rupees)	26	(4.06)	2.46
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

Place : Mumbai
Date : 29 April, 2020

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

Brij Gopal Daga
Director
DIN : 07482589

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 29 April, 2020

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

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued, Subscribed & paid up		
As at 31 March 2019	**100,000**	**10,000**
Changes during the year	–	–
As at 31 March 2020	**100,000**	**10,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 31 March 2019	**24,778**
Loss for the year	(4,063)
Balance as at 31 March 2020	**20,715**

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

Place : Mumbai
Date : 29 April, 2020

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

Brij Gopal Daga
Director
DIN : 07482589

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 29 April, 2020

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

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

	Particulars	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss) before tax	(2,874)	3,353
	Adjustment for		
	Net (gain)/loss on fair value change	9,390	123
	Depreciation	57	172
	Operating profit/(loss) before working capital changes	**6,573**	**3,648**
	Adjustment for working capital changes :		
	Increase/(Decrease) in other current financial liabilities	212	(62)
	Increase/(Decrease) in other current liabilities	25	72
	(Increase)/Decrease in trade receivables	(407)	(142)
	(Increase)/Decrease in other current assets	309	251
	Net changes in working capital	**139**	**119**
	Cash generated from operating activities	**6,712**	**3,767**
	Income taxes paid (net of refunds)	(1,295)	(424)
	Net cash flow (used in)/ generated from operating activities (A)	**5,417**	**3,343**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of non-current investments	(8,000)	(2,000)
	Net cash flow (used in) investing activities (B)	**(8,000)**	**(2,000)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES (C)**	–	–
	Net (decrease) in cash and cash equivalents {(A) + (B) + (C)}	**(2,583)**	**1,343**
	Cash and cash equivalents at the beginning of the year	4,837	3,494
	Cash and cash equivalents at the end of the year (Refer Note no. 9)	**2,254**	**4,837**
	*** Composition of cash and cash equivalent**		
	Cash on hand	–	–
	Balance with scheduled bank - In Current Account	2,254	4,837
		2,254	**4,837**

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

Place : Mumbai
Date : 29 April, 2020

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

Brij Gopal Daga
Director
DIN : 07482589

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 29 April, 2020

(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.

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.

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 assets and liabilities are measured at fair value.

(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 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

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

revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

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 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. 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.

2.4. 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 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

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

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 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. 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

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

– 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 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 (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 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

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.9. 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. 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.

2.11. Rounding of amounts

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

2.12. 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.

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

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

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.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	As at 01 April 2019	Additions	Deductions	As at 31 March 2020	As at 01 April 2019	Additions	Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer	1,404	–	–	1,404	1,276	57	–	1,333	71	128
	1,404	**–**	**–**	**1,404**	**1,276**	**57**	**–**	**1,333**	**71**	**128**

Previous year	Gross Block				Accumulated Depreciation				Net Block	
	As at 01 April 2018	Additions	Deductions	As at 31 March 2019	As at 01 April 2018	Additions	Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Computer	1,404	–	–	1,404	1,104	172	–	1,276	128	300
	1,404	**–**	**–**	**1,404**	**1,104**	**172**	**–**	**1,276**	**128**	**300**

NOTE 5 : INVESTMENT

Particulars	Subsidiary / Others	As at 31 March 2020		As at 31 March 2019	
		Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Quoted)					
Motilal Oswal Most Focused Multicap 35 Fund	Others	104,344.91	21,511	104,344.91	28,426
Motilal Oswal Most Focused Midcap 30 Fund (growth)	Others	26,623.80	5,524	–	–
Total			**27,035**		**28,426**

NOTE 6 : NON CURRENT TAX ASSETS (NET)

	As at 31-Mar-20	As at 31-Mar-19
Advance tax and tax deducted at source[(Net of provision for income tax 31 March 2020 ₹ 148,552; 31 March 2019 ₹ 91,357)]	11	202
Total	**11**	**202**

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

NOTE 7 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-20	As at 31-Mar-19
Deferred tax asset arising on account of:		
Timing difference	12	19
Loss on mutual fund investment measured at FVTPL	311	7
Deferred tax assets (net)	**323**	**26**

NOTE 8 : TRADE RECEIVABLES

	As at 31-Mar-20	As at 31-Mar-19
Considered good - unsecured	1,468	1,061
Total	**1,468**	**1,061**

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.

NOTE 9 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20	As at 31-Mar-19
Balance with banks		
In current accounts	2,254	4,837
Total	**2,254**	**4,837**

NOTE 10 : OTHER CURRENT ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Other	8	200
Indirect tax credit receivable	239	356
Total	**247**	**556**

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-20**		**As at 31-Mar-19**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	100,000	10,000	100,000	10,000
1. Issued, Subscribed and fully Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	100,000	10,000	100,000	10,000
	100,000	**10,000**	**100,000**	**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-20**		**As at 31-Mar-19**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance at beginning of the year	100,000	10,000	100,000	10,000
Add: shares issued during the year	–	–	–	–
At the end of the year	**100,000**	**10,000**	**100,000**	**10,000**

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

Name of shareholder	**As at 31 March 2020**		**As at 31 March 2019**	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**
Motilal Oswal Financial services Limited	100,000	100%	100,000	100%
	100,000	**100%**	**100,000**	**100%**

11.3 Shares held by holding company

Name of shareholder	**As at 31 March 2020**		**As at 31 March 2019**	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**
Motilal Oswal Financial services Limited	100,000	100%	100,000	100%

11.4 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

11. 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 2020.

NOTE 12 : OTHER EQUITY

	As at 31-Mar-20	**As at 31-Mar-19**
a) Surplus in the statement of profit and loss		
Balance at beginning of the year	24,778	22,322
Add: Transfer from Statement of Profit and Loss	(4,063)	2,456
Balance at the end of year	**20,715**	**24,778**

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

Nature and Purpose of Reserves

Retained earnings

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

NOTE 13 : FINANCIAL LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Other payables	559	348
Total	**559**	**348**

NOTE 14 : OTHER CURRENT LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Withholding and other taxes payable	135	110
Total	**135**	**110**

NOTE 15 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Trustee fees	14,967	11,154
Total	**14,967**	**11,154**

NOTE 16 : OTHER INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest on income tax refund	9	34
Total	**9**	**34**

NOTE 17 : OTHER EXPENSES

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net loss on mutual fund investment measured at FVTPL	9,390	123
Legal and professional fees	621	606
Auditors remuneration (Refer Note no. 24)	267	257
Director’s fees, allowances and expenses	7,500	6,500
Miscellaneous expenses	15	27
Membership & Subscription Expense	–	150
Total	**17,793**	**7,663**

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

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.

Particulars	**For the year ended 31-Mar-20**	**For the year ended 31-Mar-19**
Current tax expense		
Current tax for the year	1,486	913
Total current tax expense	1,486	913
Deferred taxes		
Change in deferred tax liabilities	(297)	(16)
Net deferred tax expense	(297)	(16)
	1,189	**897**

NOTE 18.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Profit/(loss) before income tax expense	(2,874)	3,353
Tax at the rate of 22.88% (for 31 March 2019 - 26%)	(658)	872
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Net gain/(loss) on mutual fund investment measured at FVTPL	1,844	32
Deferred tax on account of :		
Change due to deferred tax	3	(7)
Income tax expense	**1,189**	**897**

NOTE 18.3

Deferred tax assets on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	12	19
Unrealised gain/(loss)	311	7
Total deferred tax assets	323	26
Net deferred tax assets	**323**	**26**

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

NOTE 18.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019	Recognised through profit and loss
Deferred tax assets on account of:				
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	12	(8)	19	9
Unrealised loss	311	305	7	7
Total deferred tax assets	323	297	26	16
Total deferred tax Assets/liability (net)	**323**	**297**	**26**	**16**

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 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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:

Particulars	Type of service Trustee fees
Total Revenue from contracts with customers	**14,967**
Geographical Markets	
India	14,967
Outside India	–
Total Revenue from contracts with customers	**14,967**
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	14,967
Total Revenue from contracts with customers	**14,967**

b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2020 is ₹ 1,468 hundreds and on 31 March 2019 is ₹ 1,060 hundreds.

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

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 March 2020		As at March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Balance with banks	–	2,254	–	4,837
Trade receivables	–	1,468	–	1,061
Investments	27,035	–	28,426	–
Total Financial Assets	**27,035**	**3,722**	**28,426**	**5,898**
Financial Liabilities				
Other current financial liabilities	–	694	–	458
Total Financial Liabilities	**–**	**694**	**–**	**458**

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 NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other current 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.

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

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 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, trade receivables and 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:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Upto 3 months	1,468	1,061
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**1,468**	**1,061**
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. 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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	559			**559**
Total	**559**	**–**	**–**	**559**

As at 31 March 2019

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	348			348
Total	**348**	**–**	**–**	**348**

(All amounts are in INR Hundred, 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 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 fund, classified in the balance sheet at fair value through profit and loss.

The Investments 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 2020	31 March 2019
Impact on profit before tax for 1% increase in NAV/price	270	284

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.

Sensitivity	31 March 2020	31 March 2019
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-20	For the year ended 31-Mar-19
Statutory audit fees	250	250
Out of pocket expenses	17	7
	267	**257**

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.

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

NOTE 26 : EARNINGS/(LOSS) PER EQUITY SHARE

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Profit/(loss) attributable to equity shareholders (in Rupees)	(406,289)	245,620
Weighted average number of equity shares outstanding during the year	100,000	100,000
Nominal value per share (in Rupees)	10	10
Earnings/(loss) per share (Basic and diluted) (in Rupees)	**(4.06)**	**2.46**

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 (Formerly known as Motilal Oswal Securities Limited)

(ii) Ultimate holding company:

Passionate Investment Management Private Limited

(iii) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
Motilal Oswal Asset Management Company Limited
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited
MOPE Investment Advisors Private Limited
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
Glide Tech Investment Advisors Private Limited
Motilal Oswal Finsec IFSC Limited

(iv) Key Management Personnel (KMP)

(a) Non - executive directors

Mr. B. G. Daga
Mr. Sunil Goyal
Mr. Viraj Kulkarni
Mr. Sandip Ghose

(v) Associate enterprises

Indian Reality Excellence Fund II LLP

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

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 March 2020	Year ended 31 March 2019
Director sitting fees	Non - executive directors	7,500	6,500

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 March 2020	Year ended 31 March 2019
Other current assets	Non - executive directors	–	200

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 2020

NOTE 30

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

Place : Mumbai
Date : 29 April, 2020

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

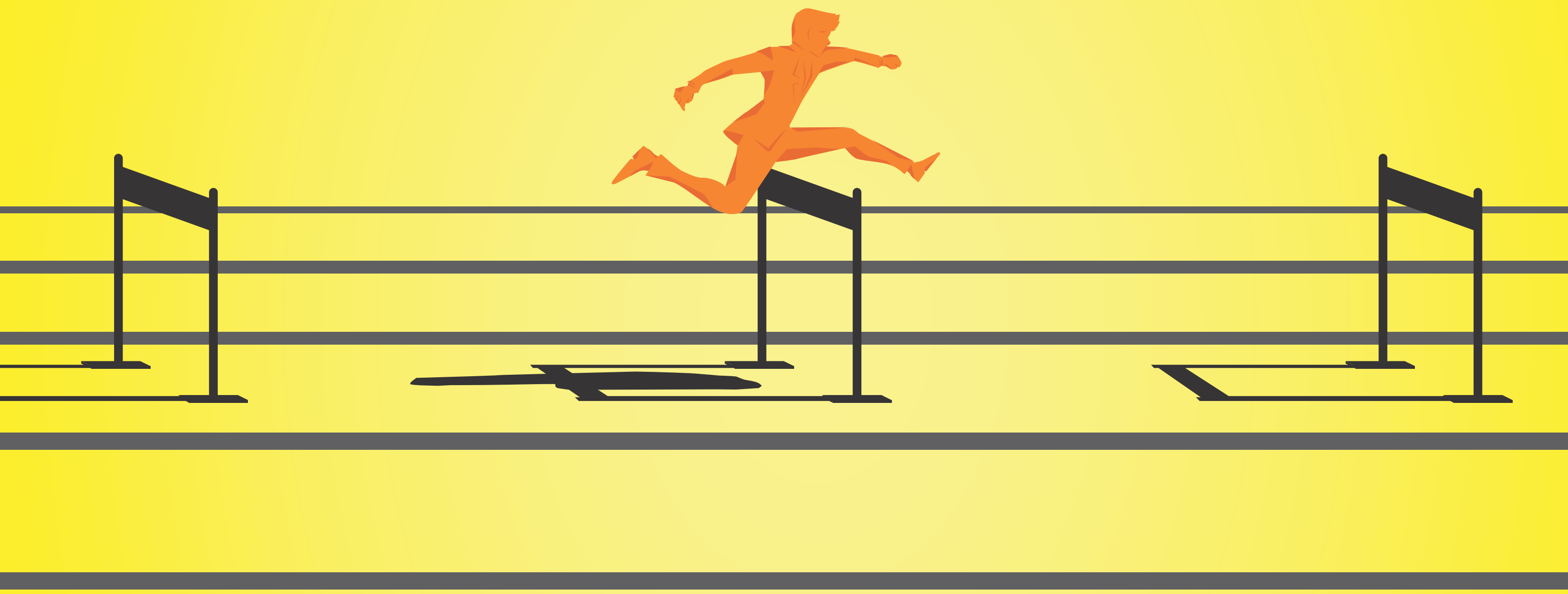
Brij Gopal Daga
Director
DIN : 07482589

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 29 April, 2020

Motilal Oswal Wealth Management Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

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, 2020, 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, 2020, and profit, and its cash flows for the year ended on March 31, 2020.

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 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.

There are no key audit matters to communicate.

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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the Internal Financial 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: 4th May, 2020

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, 2020 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
UDIN :

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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 2020 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 2020, 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
UDIN :

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31-Mar-20 (In ₹)	As at 31-Mar-19 (In ₹)
I. ASSETS			
1. Financial assets			
a) Cash and cash equivalents	4	90,27,680	57,00,229
b) Other bank balances	5	13,50,000	13,50,000
c) Receivables	6		
(i) Trade receivables		13,58,12,577	19,44,89,492
(ii) Other receivables		1,36,77,673	2,06,32,359
d) Loans	7	25,342	7,307
e) Investments	8	70,06,19,641	63,06,50,609
f) Other financial assets	9	45,22,157	45,02,204
2. Non - financial assets			
a) Current tax assets (net)	10	4,29,55,597	1,53,66,753
b) Deferred tax asset (Net)	11	1,69,70,858	1,13,35,617
c) Property, plant and equipment	12(a)	4,25,40,452	4,62,62,608
d) Intangible assets	12(b)	53,27,123	31,04,626
e) Other non - financial assets	13	72,46,755	1,18,29,823
TOTAL		**98,00,75,855**	**94,52,31,627**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
a) Borrowings (Other than debt securities)	14	3,88,00,000	3,00,00,000
b) Other financial liabilities	15	3,68,02,577	3,03,42,927
2. Non - financial liabilities			
a) Provisions	16	8,59,56,652	9,26,44,293
b) Other non - financial liabilities	17	2,63,70,331	3,17,77,965
3. Equity			
a) Equity share capital	18	8,13,200	8,00,000
b) Other equity	19	79,13,33,095	75,96,66,442
TOTAL		**98,00,75,855**	**94,52,31,627**

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 : 4th May, 2020

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 : 4th May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020

Particulars	Note No.	For the Year ended 31-Mar-20 (In ₹)	For the Year ended 31-Mar-19 (In ₹)
INCOME			
(a) Revenue from operations			
Fees and commission income	20	99,21,54,918	1,07,48,66,582
Rental Income	21	1,09,53,900	1,09,53,900
Net gain on fair value changes	22	–	1,56,43,532
Total Revenue from operations		**1,00,31,08,818**	**1,10,14,64,014**
(b) Other Income	23	6,34,795	24,68,522
Total Income (a+b)		**1,00,37,43,614**	**1,10,39,32,536**
EXPENSES			
Employee benefit Expenses	24	63,92,57,943	61,97,33,309
Finance Cost	25	43,98,271	44,20,967
Depreciation	12	98,47,060	59,32,735
Fees and commission expense	26	2,97,75,076	2,50,36,120
Other Expenses	27	24,05,00,893	23,29,13,119
Net loss on fair value change	22	3,62,68,951	–
Total Expenses		**96,00,48,193**	**88,80,36,250**
Profit before tax		**4,36,95,421**	**21,58,96,285**
Less: Tax expenses			
Current tax		2,42,48,334	6,49,50,046
Deferred tax		(65,53,049)	(19,97,377)
Total tax expense	28	**1,76,95,285**	**6,29,52,669**
Profit for the period		**2,60,00,136**	**15,29,43,616**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Acturail Gain/(losses) on post retirement benefit plans		36,46,726	(11,88,332)
(b) Deferred tax impact on the above		(9,17,808)	3,46,042
Other comprehensive income		**27,28,918**	**(8,42,290)**
Total comprehensive income		**2,87,29,054**	**15,21,01,327**
Earnings per share (Face value per share ₹ 1/-)	30		
Basic		32.03	191.18
Diluted		31.25	182.56

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 : 4th 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 : 4th May, 2019

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

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
(A) Equity share capital			
As at 31 March 2019	**8,00,000**	**8,00,000**	**8,00,000**
Changes in Equity Share capital during the year	13,200	13,200	13,200
As at 31 March 2020	**8,13,200**	**8,13,200**	**8,13,200**

(B) Other Equity

(in ₹)

Particulars	31 March 2020				31 March 2019				Total	
	Reserve and surplus			Items of other comprehensive income	Reserve and surplus			Items of other comprehensive income	31 March 2020	31 March 2019
	Securities premium	Share option outstanding account	Retained earnings	Remeasure-ments of net defined benefit plans	Securities premium	Share option outstanding account	Retained earnings	Remeasure-ments of net defined benefit plans		
Balance at the beginning 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)	**75,96,66,442**	**60,55,38,779**
Addition during the year	32,86,800	(3,49,201)	–	–	–	20,26,335	–	–	**29,37,599**	**20,26,335**
Total comprehensive income for the year	–	–	2,60,00,136	27,28,918	–	–	15,29,43,618	(8,42,290)	**2,87,29,054**	**15,21,01,328**
Balance at the end of the reporting period	**5,02,73,108**	**85,36,132**	**73,45,02,476**	**(19,78,622)**	**4,69,86,308**	**88,85,333**	**70,85,02,340**	**(47,07,540)**	**79,13,33,094**	**75,96,66,442**

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

Premal H. Gandhi, *Partner*
Membership No. : 111592

Place : Mumbai
Date : 4th 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 : 4th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	For the Year ended 31-Mar-20 (In ₹)	For the Year ended 31-Mar-19 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	**4,36,95,421**	**21,58,96,285**
Add /Less :		
1) ESOP Expenditure	(3,49,201)	20,26,336
2) (Profit)/ Loss on Sale of Investment-Realised	(1,37,62,017)	(1,04,45,906)
3) (Profit)/ Loss on Sale of Investment - Unrealised	5,00,30,968	(51,97,626)
4) Depreciation	98,47,060	59,32,735
5) Gratuity	1,20,05,708	89,13,609
OPERATING PROFIT	**10,14,67,939**	**21,71,25,433**
Adjustment For:		
1) (Increase) in receivables	6,56,31,600	(3,62,75,688)
2) Decrease in loans	(18,035)	87,885
3) (Increase)/Decrease in financial assets	(19,953)	32,37,501
4) Decrease in other non financial assets	45,83,068	15,37,577
5) Increase/(Decrease) in borrowings	88,00,000	(35,00,000)
6) Increase/(Decrease) in other financial liabilities	64,59,649	(5,75,61,807)
7) Increase/(Decrease) in provisions	(1,50,46,623)	(4,38,64,245)
8) Increase/(Decrease) in other non-financial liabilities	(54,07,634)	90,46,470
CASH FLOW FROM OPERATIONS	**16,64,50,012**	**8,98,33,126**
Taxes Paid	(5,18,37,177)	(7,30,18,963)
NET CASH FLOW FROM OPERATIONS	**11,46,12,835**	**1,68,14,163**
CASH FLOW FROM INVESTING ACTIVITIES		
1) (Purchase) of Investments	(12,00,00,000)	(30,00,000)
2) Proceeds of sale of Investments	1,37,62,017	1,04,45,906
3) (Purchase) of Fixed Assets	(83,47,401)	(2,29,66,155)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(11,45,85,384)**	**(1,55,20,249)**
CASH FLOW FROM FINANCING ACTIVITIES		
1) Issue of Share capital including Securities premium	33,00,000	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**33,00,000**	**–**

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the Year ended 31-Mar-20 (In ₹)	For the Year ended 31-Mar-19 (In ₹)
NET CASH FLOW FOR THE YEAR	**33,27,451**	**12,93,913**
Cash and Bank Balances comprise of:		
Cash in hand	63,854	35,000
Scheduled bank - In Current Account	56,36,375	43,71,316
Fixed Deposit with Bank		
Total Cash & Cash Equivalents as at beginning of year	**57,00,228**	**44,06,316**
Cash and Bank Balances comprise of:		
Cash in hand	1,10,223	63,854
Scheduled bank - In Current Account	89,17,457	56,36,375
Total Cash & Cash Equivalents as at end of year	**90,27,679**	**57,00,228**

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 : 4th 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 : 4th 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, 2020 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

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 financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2020 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

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

Measurement and recognition of leases as a lessee

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

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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) 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.

(iv) 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.

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.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Cash on hand	1,10,223	63,854
Balance with bank		
Scheduled banks- In current accounts	89,17,457	56,36,375
TOTAL	**90,27,680**	**57,00,229**

NOTE 5 : OTHER BANK BALANCES

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Fixed Deposits with Bank (maturity more than 3 months)	13,50,000	13,50,000
TOTAL	**13,50,000**	**13,50,000**

NOTE 6 : RECEIVABLES

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
(i) Trade receivables		
Unsecured, Considered Good	13,53,51,457	19,39,96,614
Significant increase in credit risk	4,61,119	4,92,878
(ii) Other receivables		
Unsecured, Considered Good	1,36,77,673	2,06,32,359
TOTAL	**14,94,90,250**	**21,51,21,851**

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

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
At amortised cost		
Loans to employees	25,342	7,307
TOTAL	**25,342**	**7,307**

NOTE 8 : INVESTMENTS

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	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
II. Mandatorily measured at FVTPL				
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted				
Motilal Oswal Most Focused Multicap 25 Fund	48,03,867	9,76,60,219	48,03,867	11,16,69,257
Motilal Oswal Large And Midcap Fund	47,50,000	3,76,69,400		
Motilal Oswal Nifty 50 Index Fund	35,00,000	2,47,88,400		
Motilal Oswal Nifty 50 Index Fund	37,50,000	2,81,05,875		
Investment in Alternative Investment Funds - Fully paid up - Unquoted				
Motilal Oswal Focused Multicap Opportunities Fund	9,14,381	67,33,687	9,14,381	99,10,157
Motilal Oswal Focused Emergence Fund	10,58,956	54,09,890	10,58,956	86,85,347
Motilal Oswal Focused Multicap Opportunities Fund (Carry Unit)	17,500	1,28,186	17,500	1,87,773
Motilal Oswal Focused Emergence Fund (Carry Unit)	24,000	1,23,974	24,000	1,98,065
Total Gross (A)		**70,06,19,641**		**63,06,50,609**

NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Rent deposits	44,95,803	44,95,803
Accrued interest	26,354	6,401
TOTAL	**45,22,157**	**45,02,204**

NOTE 10 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Advance Tax and TDS	4,29,55,597	1,53,66,753
TOTAL	**4,29,55,597**	**1,53,66,753**

NOTE 11 : DEFERRED TAX ASSET (NET)

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Deferred tax asset (net)	1,69,70,858	1,13,35,617
Total	**1,69,70,858**	**1,13,35,617**

NOTE 12 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01-04-19	Additions	As at 31-03-20	As at 01-04-19	Additions	As at 31-03-20	As at 31-03-20	As at 31-03-19
(A) Tangible Assets								
Office Premises	4,47,76,849		4,47,76,849	2,14,12,523	11,41,918	2,25,54,441	2,22,22,408	2,33,64,326
Renovation of Leased Office Premises	1,17,19,510	9,18,195	1,26,37,705	19,76,961	22,21,181	41,98,141	84,39,564	97,42,550
Computer	1,13,57,723	26,75,050	1,40,32,773	70,54,576	26,68,686	97,23,261	43,09,512	43,03,147
Furniture	7,49,550		7,49,550	46,963	72,092	1,19,055	6,30,495	7,02,587
Electrical Equipment	2,63,510		2,63,510	12,232	24,924	37,156	2,26,354	2,51,278
Air Conditioner	14,24,486		14,24,486	75,525	2,73,269	3,48,794	10,75,692	13,48,961
Mobile	92,499		92,499	68,539	9,759	78,298	14,201	23,960
Office Equipments	14,50,556	52,150	15,02,706	4,46,087	2,60,204	7,06,291	7,96,414	10,04,468
Television	39,990		39,990	38,426	54	38,480	1,510	1,564
Network Equipments	1,02,360		1,02,360	6,731	16,207	22,938	79,422	95,629
Projector		38,800	38,800	–	1,833	1,833	36,967	–
Car	70,08,050	12,43,956	82,52,006	17,94,280	19,37,490	37,31,770	45,20,236	52,13,770
Scooter	2,31,083		2,31,083	20,719	22,691	43,409	1,87,674	2,10,364
Total (A)	**7,92,16,166**	**49,28,151**	**8,41,44,317**	**3,29,53,560**	**86,50,307**	**4,16,03,868**	**4,25,40,449**	**4,62,62,606**
(B) Intangible Assets								
Commercial Rights	5,00,000		5,00,000	4,99,851		4,99,851	149	149
Computer Software	1,06,25,773	34,19,250	1,40,45,023	75,31,973	11,96,753	87,28,726	53,16,297	30,93,800
Pms Licence	1,00,000		1,00,000	89,323		89,323	10,677	10,677
Total (B)	**1,12,25,773**	**34,19,250**	**1,46,45,023**	**81,21,147**	**11,96,753**	**93,17,900**	**53,27,123**	**31,04,626**
Total (A+B)	**9,04,41,939**	**83,47,401**	**9,87,89,340**	**4,10,74,707**	**98,47,060**	**5,09,21,768**	**4,78,67,572**	**4,93,67,232**

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01-04-18	Additions	As at 31-03-19	As at 01-04-18	Additions	As at 31-03-19	As at 31-03-19	As at 31-03-18
(A) 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**
(B) 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**

NOTE 13 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Unsecured, considered good		
Capital Advances	42,51,048	50,38,323
Prepaid Expenses	16,53,332	26,78,547
Advance for expenses	13,36,140	33,51,182
Advances to employees	–	7,55,536
Balance with Government Authorities	6,235	6,235
TOTAL	**72,46,755**	**1,18,29,823**

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
At Amortised cost		
From related parties (Motilal Oswal Finvest Limited)	3,88,00,000	3,00,00,000
TOTAL	**3,88,00,000**	**3,00,00,000**

NOTE 15 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Advance Received From Client	–	–
For Other Liabilities:		
Security Deposit (Against premises given on lease)	54,76,950	54,76,950
Other Payables	2,34,48,457	1,76,73,531
Other provisions (includes provision for expenses)	75,58,345	68,74,562
Interest payable	3,18,825	3,17,884
TOTAL	**3,68,02,577**	**3,03,42,927**

NOTE 16 : PROVISIONS

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Provision for employee benefits		
Provision for Gratuity (also refer note 23)	3,72,10,913	2,94,70,498
For Gratuity and benefits (also refer note 23)	71,19,645	50,39,597
Ex-Gratia	4,16,26,094	5,81,34,198
TOTAL	**8,59,56,652**	**9,26,44,293**

NOTE 17 : OTHER NON - FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 In (₹)	As at 31-Mar-19 In (₹)
Withholding and other Taxes Payable	2,63,70,331	3,17,77,965
TOTAL	**2,63,70,331**	**3,17,77,965**

NOTE 18: SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	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**
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
Changes in Equity Share capital during the year	13,200	13,200	–	–
	8,13,200	**8,13,200**	**8,00,000**	**8,00,000**

18.1 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.

18.2 Reconciliation of number of shares outstanding

	As at 31 March 2020		As at 31 March 2019	
	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
Addition During the Year	13,200	13,200	–	–
At the end of the year	**8,13,200**	**8,13,200**	**8,00,000**	**8,00,000**

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding company)	8,13,140	99.99	7,99,940	99.99

18.4 Shares held by holding company

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	8,13,140	99.99	7,99,940	99.99

18.5 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE 19 : OTHER EQUITY

Particulars	As at 31 March 20 In (₹)	As at 31 March 19 In (₹)
a) Securities Premium		
Balance at the beginning of the year	4,69,86,308	4,69,86,308
Add: Addition during the year	32,86,800	
Balance at the end of year	**5,02,73,108**	**4,69,86,308**
b) Share option outstanding account		
Balance at the beginning of the year	88,85,334	68,58,999
Add: Addition during the year	(3,49,201)	20,26,335
Balance at the end of year	**85,36,133**	**88,85,334**
c) Retained earnings		
Balance at the beginning of the year	70,85,02,340	55,55,58,723
Add: Transfer from Statement of Profit and Loss	2,60,00,136	15,29,43,618
Balance at the end of year	**73,45,02,476**	**70,85,02,340**
d) Other comprehensive income		
Balance at the beginning of the year	(47,07,540)	(38,65,250)
Add: Transfer from Statement of Profit and Loss	27,28,918	(8,42,290)
Balance at the end of year	**(19,78,622)**	**(47,07,540)**
	79,13,33,095	**75,96,66,442**

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 20 : FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-20 In (₹)	For the Year Ended 31-Mar-19 In (₹)
Brokerage Mutual Fund	21,12,00,847	23,38,27,521
AIF Fees Income	9,12,07,926	13,88,11,661
Portfolio Management Commission	44,11,06,399	42,86,67,821
Placement fee - Private equity funds	11,62,02,667	17,75,60,871
Commission and Referral Income	11,37,99,970	8,00,65,220
Advisory Fees	1,86,37,109	1,59,33,488
TOTAL	**99,21,54,918**	**1,07,48,66,582**

NOTE 21 : RENTAL INCOME

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Rent Income	1,09,53,900	1,09,53,900
TOTAL	**1,09,53,900**	**1,09,53,900**

NOTE 22 : NET GAIN /(LOSS) ON FAIR VALUE CHANGE

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 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	(3,62,68,951)	1,56,43,532
Fair Value changes:		
Realised	1,37,62,017	1,04,45,906
Unrealised	(5,00,30,968)	51,97,626
TOTAL	**(3,62,68,951)**	**1,56,43,532**

NOTE 23 : OTHER INCOME

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Interest income at amortised cost	1,09,881	20,02,004
Miscellaneous Income	5,24,914	4,66,518
TOTAL	**6,34,795**	**24,68,522**

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Salary and Bonus	59,88,36,232	57,53,86,089
Contribution to provident & other funds	1,36,34,473	1,17,03,160
Staff Welfare	78,28,646	56,40,390
Employee Stock option expense (refer note 41)	69,52,884	1,80,90,061
Gratuity (refer note 39)	1,20,05,708	89,13,609
TOTAL	**63,92,57,943**	**61,97,33,309**

NOTE 25 : FINANCE COST

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Interest on borrowings	43,98,271	44,20,967
TOTAL	**43,98,271**	**44,20,967**

NOTE 26 : FEES AND COMMISSION EXPENSE

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Brokerage Sharing with Intermediaries	2,97,75,076	2,50,36,120
TOTAL	**2,97,75,076**	**2,50,36,120**

NOTE 27 : OTHER EXPENSES

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
Business Support	8,06,14,500	6,93,74,667
Rent Paid (refer note 32)	6,74,09,475	6,00,76,562
Insurance	36,25,646	22,90,124
Marketing & Brand Promotion Expenses	1,83,41,203	1,40,66,878
Travelling Expenses and Conveyance	1,93,51,959	2,25,23,924
Printing & Stationery Expenses	64,14,022	80,15,870
Client Entertainment	25,34,201	84,80,552
Legal & Professional Fees	73,16,573	1,16,06,021
Data Processing Charges	76,90,354	65,39,372
Membership & Subscription Fees	13,09,044	11,30,879
Communication Expenses	11,12,938	16,12,159
Power and Fuel	44,97,563	44,26,160
Software Charges	6,43,864	10,20,394
Training Expenses	5,16,268	48,44,352
Auditors Remuneration (refer note 29)	75,000	68,750
Rates and Taxes	7,16,194	9,36,538
Repairs And Maintenance	18,71,713	8,23,936
Corporate Social Responsibility (refer note 35)	63,99,982	59,28,494
Donation	1,65,748	(60,748)
Miscellaneous Expenses	98,94,645	92,08,235
TOTAL	**24,05,00,893**	**23,29,13,119**

NOTE 28 : TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Note : 28.1 Tax expense

Particulars	For the Year ended 31 March 2020 In (₹)	For the Year ended 31 March 2019 In (₹)
Current tax expense		
Current tax for the year	2,42,48,334	6,49,50,046
Total current tax expense	**2,42,48,334**	**6,49,50,046**
Deferred taxes		
Change in deferred tax liabilities	(65,53,049)	(19,97,377)
Net deferred tax expense	**(65,53,049)**	**(19,97,377)**
	1,76,95,285	**6,29,52,669**

Note : 28.2 Tax reconciliation (for profit and loss)

Particulars	For the Year ended 31 March 2020 In (₹)	For the Year ended 31 March 2019 In (₹)
Profit/(loss) before income tax expense	4,36,95,421	21,58,96,287
Tax at the rate of 25.17% (for 31 March 2019 - 29.12%)	1,09,97,264	6,28,68,999
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax at different rate	84,32,021	(13,49,953)
Expenses not deductible for tax purposes	5,73,568	14,33,624
Exempt Income / Deduction on income	(37,17,562)	–
Change due to deferred tax	14,09,994	–
	1,76,95,285	6,29,52,669
Income tax expense	**1,76,95,285**	**6,29,52,669**

Note : 28.3 Items of deferred tax asset / (liability)

Particulars	For the Year ended 31 March 2020 In (₹)	For the Year ended 31 March 2019 In (₹)
Deferred tax assets on account of:		
Difference between book depreciation and tax depreciation	7,07,782	3,40,089
Provision for Gratuity	1,11,57,115	1,00,49,340
Unrealised gain/loss on investments	51,05,961	9,46,190
Total deferred tax assets (A)	**1,69,70,858**	**1,13,35,618**

NOTE 29 : REMUNERATION TO AUDITORS

Particulars	For the Year ended 31-Mar-20 In (₹)	For the Year ended 31-Mar-19 In (₹)
As Auditors:		
Audit Fees	75,000	68,750
In any other capacity, in respect of:		
Other Certification	–	–
Total	**75,000**	**68,750**

NOTE 30 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-Mar-20 In (₹)	31-Mar-19 In (₹)
Net Profit attributable to equity shareholders [A] (₹)	2,60,00,136	15,29,43,617
Weighted Average Number of equity shares issued (face value of ₹ 1 each) [B] (₹)	8,11,830	8,00,000
Basic EPS [A/B] (₹)	**32.03**	**191.18**
Net Profit attributable to equity shareholders [A] (₹)	2,60,00,136	15,29,43,617
Less : Impact on Net profit due to exercise of diluted potential equity shares [B]	–	–
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A -B]	2,60,00,136	15,29,43,617
Weighted average number of equity shares issued (face value of ₹ 1 each) (In numbers) [D]	8,11,830	8,00,000
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	20,044	37,753
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	8,31,873	8,37,753
Diluted EPS [C/F] (₹)	**31.25**	**182.56**

NOTE 31 : ACTIVITY IN FOREIGN CURRENCY

Particulars	31-Mar-20 In (₹)	31-Mar-19 In (₹)
Earnings in foreign currency		
Income from Advisory	84,85,207	74,85,917
Interest received from banks and others		
Total	**84,85,207**	**74,85,917**
Expenditure in foreign currency		
Overseas travel expenses	–	2,58,249
Courier Charges	37,011	34,595
Meeting Event And Seminar Expenses	–	94,699
Sponsorship Expenses - No TDS	–	5,67,050
Staff Welfare Expenses	14,344	3,08,587
Total	**51,355**	**12,63,180**

NOTE 32 : LEASE

The Company has taken offices on short term lease for the period which withing 12 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 2020 aggregated ₹ 6,74,09,475/- (PY ₹ 6,00,76,562/-) 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 2020.

NOTE 33 : 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 34 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 84,52,879 (Previous Year : ₹ 79,53,907)

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹ 5,500,182 (Previous year : 48,25,121)

b) Amount spent during the period ended 31st March, 2020 on :

Particulars	31-Mar-20	31-Mar-19
a) Construction/acquisition of any asset	26,96,644	43,47,214.00
b) on Purposes other than (a) above	37,03,338	15,81,280
Total	**63,99,982**	**59,28,494**

NOTE 36 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2020 COMPRISES OF

Particulars	Opening balance as on 01-Apr-2019	Provided for the Year F.Y 19-20	Provision reversed / paid For the year F.Y 19-20	Closing balance as on 31-Mar-20
Ex-gratia	5,81,34,197	4,16,26,093	5,81,34,197	4,16,26,093
Provision for Gratuity	3,08,57,622	83,58,982	9,59,002	3,82,57,602
Other long term benefits	36,52,473	3201146.34	7,80,663	60,72,956
Leave Availment	10,13,939	73,73,540	10,13,939	73,73,540

Particulars	Opening balance as on 01-Apr-2019	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	2,39,583	9,76,723	36,52,473

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 : 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 Market 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. Motilal Oswal Home Finance Limited (formarly known as 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 Financial Services Limited
18. Glide Tech Investment Advisory Private Limited
19. Motilal Oswal Finsec IFSC Limited

Key managerial personnel

1. Ajay Menon - Director
2. Harsh Joshi - Director

II. Transactions with related parties: 31-03-2020

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Rent Expense / (Income)	Motilal Oswal Financial Services Limited	(1,09,53,900)	(1,09,53,900)			(1,09,53,900)	(1,09,53,900)
	Motilal Oswal Financial Services Limited	5,74,91,700	5,74,91,700			5,74,91,700	5,74,91,700
Interest Expense / (Income)	Motilal Oswal Financial Services Limited	–	(19,06,043)			–	(19,06,043)
	Motilal Oswal Financial Services Limited	3,32,072	9,04,340			3,32,072	9,04,340
	Motilal Oswal Finvest Limited			40,55,637	31,54,641	40,55,637	31,54,641
Advisory & Placement fees (Income) / Expense	MOPE Investment Advisors Pvt. Ltd.			(5,00,77,248)	(6,08,47,719)	(5,00,77,248)	(6,08,47,719)
	Motilal Oswal Asset Management Company Limited			4,52,837	29,27,998	4,52,837	29,27,998
	Motilal Oswal Real Estate Investment Advisors II Private Limited			(6,10,15,419)	(9,64,03,851)	(6,10,15,419)	(9,64,03,851)
	Motilal Oswal Home Finance Limited			(56,04,777)	(17,52,287)	(56,04,777)	(17,52,287)
Referral Fees (Income) Expense	Motilal Oswal Financial Services Limited	5,65,386	3,95,184			5,65,386	3,95,184
	MOPE Investment Advisors Pvt. Ltd.			–	(6,77,966)	–	(6,77,966)
	Motilal Oswal Real Estate Investment Advisors II Private Limited			(51,10,000)	(1,60,54,250)	(51,10,000)	(1,60,54,250)
Brokerage Mutual Fund (Income)	Motilal Oswal Asset Management Company Limited			–	(3,52,65,877)	–	(3,52,65,877)

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
PMS Sharing (Income)	Motilal Oswal Asset Management Company Limited			(29,14,00,006)	(29,98,42,105)	(29,14,00,006)	(29,98,42,105)
AIF Distribution Income	Motilal Oswal Asset Management Company Limited			(3,85,35,386)	(2,54,51,096)	(3,85,35,386)	(2,54,51,096)
Marketing Commission (Income) / Expense	Motilal Oswal Asset Management Company Limited			(10,47,075)	(1,00,000)	(10,47,075)	(1,00,000)
Brokerage Commission (Income) / Expense	Motilal Oswal Financial Services Limited	(10,41,54,990)	(6,88,86,258)			(10,41,54,990)	(6,88,86,258)
	Motilal Oswal Financial Services Limited	9,08,346	14,830			9,08,346	14,830
	MOPE Investment Advisors Pvt. Ltd.			40,970	3,59,062	40,970	3,59,062
Business Support Charges	Motilal Oswal Financial Services Limited	8,06,14,500	6,93,74,667			8,06,14,500	6,93,74,667
Loan (Taken) / (Repayment) received for loan given	Motilal Oswal Financial Services Limited	–	43,88,00,000			–	43,88,00,000
	Motilal Oswal Finvest Limited			57,73,00,000	56,19,32,187	57,73,00,000	56,19,32,187
Loan Given / Repayment of loan taken	Motilal Oswal Financial Services Limited	–	(44,23,00,000)			–	(44,23,00,000)
	Motilal Oswal Finvest Limited			(53,85,00,000)	(56,19,32,187)	(53,85,00,000)	(56,19,32,187)
Maximum Balance	Motilal Oswal Financial Services Limited	–	4,00,00,000			–	4,00,00,000
	Motilal Oswal Finvest Limited			6,50,00,000	8,26,32,187	6,50,00,000	8,26,32,187
Outstanding Balances:							
Trade Receivable / (Payables)	Motilal Oswal Asset Management Company Limited			3,00,94,329	3,78,77,387	3,00,94,329	3,78,77,387
	MOPE Investment Advisors Pvt. Ltd.			(13,269)	(3,68,177)	(13,269)	(3,68,177)
	Motilal Oswal Real Estate Investment Advisors II Private Limited			1,06,87,909	3,38,29,016	1,06,87,909	3,38,29,016
	Motilal Oswal Home Finance Limited			6,09,750	1,55,777	6,09,750	1,55,777
	Motilal Oswal Financial Services Limited	1,90,16,055	55,81,963			1,90,16,055	55,81,963
Payable for Expenses	Motilal Oswal Financial Services Limited	(4,29,611)	(17,97,870)			(4,29,611)	(17,97,870)
	Motilal Oswal Finvest Limited			(3,18,825)	(3,01,980)	(3,18,825)	(3,01,980)
Deposit Rent Receivable / (Payable)	Motilal Oswal Financial Services Limited	(54,76,950)	(54,76,950)			(54,76,950)	(54,76,950)
Loan Given/ (Taken)	Motilal Oswal Financial Services Limited	–	(3,00,00,000)			–	(3,00,00,000)
	Motilal Oswal Finvest Limited			(3,88,00,000)		(3,88,00,000)	

Note: Income/receipts figures are shown in brackets.

NOTE 39 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

The following table set out the gratuity plan as required under IndAS 19.

(A) Defined contribution plan :

Particulars	31-Mar-20	31-Mar-19
Employer's contribution to provident fund	1,22,75,519	1,08,41,992
Employer's contribution to ESIC		–
Employer's contribution to National Pension Scheme	7,39,869	2,98,219
	1,30,15,388	**1,11,40,211**

(B) Defined benefit plan

	Gratuity		Other Long Term Benefits	
I) Assumptions as at	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Mortality	IALM (2012–14) Ult.	IALM (2006–08) Ult.	IALM (2012–14) Ult.	IALM (2006–08) Ult.
Interest / Discount Rate	4.8%	7.12%	4.80%	7.12%
Rate of increase in compensation	10.15%	11.00%		
Expected rate of return on plan assets (per annum)				
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 22.55%	PS: 0 to 37 : 18.91%	PS: 0 to 37 : 50.04%	PS: 0 to 37 : 43.93%
Expected average remaining service	3.35	4.14	0.98 to 1.00	1.26 to 1.27
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	3,08,57,622	2,21,08,303	–	–
Interest cost	20,60,599	14,68,399	–	–
Current Service Cost	99,48,078	74,36,229	60,72,956	36,52,473
Past Service Cost- (non vested benefits)	–	–	–	–
Past Service Cost - (vested benefits)	–	–	–	–
Benefits Paid	(9,59,002)	(13,43,641)	–	–
Contributions by plan participants	–	–		
Transfer in liability	6,11,533	–		
Transfer out liability	(6,14,502)	–		
Business Combinations	–	–		
Curtailments	–	–		
Settlements	–	–		
Actuarial (Gain)/Loss on obligation	(36,46,726)	11,88,332		–
PVO at end of period	3,82,57,602	3,08,57,622	60,72,956	36,52,473
III) Interest expense				
Interest cost	20,60,599	14,68,399		
IV) Fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
V) Net Liability				
PVO at beginning of period	3,08,57,622	2,21,08,303		
Fair Value of the Assets at beginning report	–	–		
Net Liability	3,08,57,622	2,21,08,303		
VI) Net Interest				
Interest Expenses	20,60,599	14,68,399		
Interest Income	–	–		
Net Interest	20,60,599	14,68,399		
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	(22,34,860)	2,74,395		
Due to Financial Assumption	27,61,512	10,41,766		
Due to Experience	(41,73,378)	(1,27,829)		
Total Actuarial (Gain)/Loss	(36,46,726)	11,88,332		
IX) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–		

	Gratuity		Other Long Term Benefits	
Adjustment to Opening Fair Value of Plan Asset	–	–		
Return on Plan Assets excl. interest income	–	–		
Interest Income	–	–		
Contributions by Employer	9,59,002	13,43,641		
Contributions by Employee	–	–		
Benefits Paid	(9,59,002)	(13,43,641)		
Fair Value of Plan Assets at end	–	–		
X) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	–	8,981		
Past Service Cost -(vested benefits)	–	–		
Average remaining future service till vesting of the benefit	–	–		
Recognised Past service Cost- non vested benefits	–	8,981		
Recognised Past service Cost- vested benefits	–	–		
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	3,82,57,602	3,08,57,622		
Fair Value of Plan Assets at end of period	–	–		
Funded Status	(3,82,57,602)	(3,08,57,622)		
Unrecognised past service cost - non vested benefits				
Net Asset/(Liability) recognized in the balance sheet	(3,82,57,602)	(3,08,57,622)		
XII) Expense recognised in the statement of profit and loss				
Current service cost	99,48,078	74,36,229	60,72,956	36,52,473
Net Interest	20,60,599	14,68,399		
Past service cost - (non vested benefits)	–	8,981		
Past service cost - (vested benefits)	–	–		
Curtailment Effect	–	–		
Settlement Effect	–	–		
Unrecognised past service cost - non vested benefits	–	–		
Actuarial (Gain)/Loss recognized for the period	–	–		
Expense recognized in the statement of profit and loss	1,20,08,677	89,13,609	60,72,956	36,52,473
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(36,46,726)	11,88,332		
Asset limit effect	–	–		
Return on Plan Assets excluding net interest	–	–		
Unrecognized Actuarial (Gain)/Loss from previous period	–	–		
Total Actuarial (Gain)/Loss recognized in (OCI)	(36,46,726)	11,88,332		
XIV) Movement in liability recognized in balance sheet				
Opening net liability	3,08,57,622	2,20,99,322		
Adjustment to opening balance	–	–		
Expenses as above	1,20,08,677	89,13,609	60,72,956	36,52,473
Transfer in liability	6,11,533	–		
Transfer out liability	(6,14,502)	–		
Contribution paid	(9,59,002)	(13,43,641)		
Other Comprehensive Income(OCI)	(36,46,726)	11,88,332		
Closing net liability	3,82,57,602	3,08,57,622	60,72,956	36,52,473

Particulars			Gratuity		Other long term benefits	
			Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
XV) Schedule III of The Companies Act 2013						
Current liability			57,00,233	38,33,238	37,22,055	25,50,000
Non - current liability			3,25,57,369	2,70,24,384	23,50,901	11,02,473
XVI) Projected Service Cost 31 Mar 2020			1,15,65,241	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			–	–	–	–
XVIII) Assumptions as at						
			DR: Discount Rate		ER : Salary escalation rate:	
			PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
XVIII) Sensitivity Analysis						
PVO			3,65,62,424	4,01,08,396	3,95,95,163	3,69,50,187
	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
XIX) Expected Payout						
Payouts	57,00,233	54,48,263	53,39,144	51,49,716	45,45,232	1,46,00,807
XX) Asset Liability Comparisons						
Year		31–03–2016	31–03–2017	31–03–2018	31–03–2019	31–03–2020
PO at End of period		72,19,093	1,34,43,493	2,21,08,303	3,08,57,622	3,82,57,602
Plan Assets		–	–	–		–
Surplus / (Deficit)		(72,19,093)	(1,34,43,493)	(2,21,08,303)	(3,08,57,622)	(3,82,57,602)
Experience adjustments on plan assets		–	–	–		–

NOTE 40 : 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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue :								
External revenue	99,21,54,918	1,07,48,66,582	(2,53,15,051)	2,65,97,432	6,34,795	24,68,522	96,74,74,663	1,10,39,32,536
Inter–segment revenue	–	–	–	–	–	–	–	–
Total revenue	**99,21,54,918**	**1,07,48,66,582**	**(2,53,15,051)**	**2,65,97,432**	**6,34,795**	**24,68,522**	**96,74,74,663**	**1,10,39,32,536**
Result :								
Segment result	**6,80,48,261**	**19,03,65,260**	**(2,53,81,683)**	**2,65,30,478**	**6,34,795**	**24,68,522**	**4,33,01,374**	**21,93,64,260**
Unallocated corporate expenses	–	–	–	–	–	–	2,40,748	59,36,496
Unallocated revenue	–	–	–	–	–	–	6,34,795	24,68,522
Operating profit							**4,36,95,421**	**21,58,96,287**
Tax expense :								
Current tax							2,42,48,334	6,49,50,046
Deferred tax							(65,53,049)	(19,97,377)
Profit after tax							**2,60,00,136**	**15,29,43,618**
Other information :								
Segment assets	21,95,29,760	28,78,78,648	70,06,19,641	63,06,50,609	5,99,26,455	2,67,02,371	98,00,75,855	94,52,31,628
Segment Liabilities	18,79,29,560	18,47,65,185	–	–	–	–	18,79,29,560	18,47,65,185
Capital Expenditure	83,47,401	2,29,66,155	–	–	–	–	83,47,401	2,29,66,155
Depreciation	98,47,060	59,32,735	–	–	–	–	98,47,060	59,32,735

NOTE 41 : 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.

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 allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each.

The activity in the (ESOS-I) during the year ended March 2020 and March 2019 is set below:

Particulars	For the Year Ended			
	31-Mar-20		31-Mar-19	
	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	78,000	293.46	72,000	250.00
Add: Granted	–	NA	6,000	815.00
Less: Exercised	13,200	250.00	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	42,800	250.00	–	NA
Option outstanding, end of the year	**22,000**	**404.09**	**78,000**	**293.46**
Exercisable at the end of the period	**6,000**	**438.33**	**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.

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

Particulars	Scheme I
Date of grant	Various dates
Date of Board Approval	22-Apr-16
Date of Shareholder's approval	29-Apr-16
Method of Settlement	Equity Shares
Vesting Period	Not later than 7 years from the date of grant
Weighted Average Remaining Contarctual 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
Weighted Average Remaining Contarctual Life	
LY -Granted but not Vested	
LY -Vested but not exercised	
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	2019-20	2018-19
ESOP Expenses	69,52,884	1,80,90,061
Reserve and surplus - Share option outstanding account	85,36,134	88,85,334

Impact on the income statement of a change in leaver assumptions	2019-20	2018-19
(+)5%	(25,126)	20,200
(-)5%	13,20,076	18,46,962

NOTE: 42 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, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents		90,27,680		57,00,228
Bank balance other than cash and cash equivalents above		13,50,000		13,50,000
Derivative financial instruments				
Receivables				
(i) Trade receivables		13,58,12,577		19,44,89,492
(ii) Other receivables		1,36,77,673		2,06,32,359
Loans		25,342		7,307
Investments	20,06,19,631	50,00,00,010	13,06,50,599	50,00,00,010
Other financial assets		45,22,157		45,02,204
Total financial assets	**20,06,19,631**	**66,44,15,439**	**13,06,50,599**	**72,66,81,600**
Financial liabilities				
Other payables		2,34,48,457		1,76,73,531
Borrowings (Other than debt securities)		3,88,00,000		3,00,00,000
Deposits		54,76,950		54,76,950
Other financial liabilities		78,77,169		71,92,446
Total financial liabilities	**–**	**7,56,02,576**	**–**	**6,03,42,927**

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 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 March 20		As at 31 March 19	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
– Mutual funds	18,82,23,894	–	11,16,69,257	–
– Alternative investment funds	1,23,95,737	–	1,89,81,342	–
Total	**20,06,19,631**	–	**13,06,50,599**	–

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 43 : 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-20	31-Mar-19
Upto 3 months	13,53,43,514	19,30,26,037
3 - 6 months	–	9,70,577
6 - 12 months	–	4,92,878
More than 12 months	469063	
Total	**13,58,12,577**	**19,44,89,492**

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 2020 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	2,34,48,457			2,34,48,457
Other current financial liabilities	4,66,77,169	54,76,950		5,21,54,119
Total	**7,01,25,626**	**54,76,950**	**–**	**7,56,02,576**

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**

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 2020	31 March 2019
Impact on profit before tax for 1% increase in NAV/price	20,06,196	13,06,506
Impact on profit before tax for 1% decrease in NAV/Price	(20,06,196)	(13,06,506)

NOTE 44 : 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, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	90,27,680		90,27,680	57,00,229		57,00,229
Other bank balances	13,50,000		13,50,000	13,50,000		13,50,000
Receivables						
(i) Trade receivables	13,58,12,576		13,58,12,576	19,44,89,492		19,44,89,492
(ii) Other receivables	1,36,77,673		1,36,77,673	2,06,32,359		2,06,32,359
Loans	25,342		25,342	7,307		7,307
Investments		70,06,19,641	70,06,19,641	–	63,06,50,609	63,06,50,609
Other financial assets	26,354	44,95,803	45,22,157	6,401	44,95,803	45,02,204
Non-financial assets						
Current tax assets (Net)	4,29,55,597		4,29,55,597	1,53,66,753		1,53,66,753
Deferred tax assets (Net)	1,69,70,858		1,69,70,858	1,13,35,618		1,13,35,618
Property, plant and equipment	–	4,25,40,452	4,25,40,452	–	4,62,62,608	4,62,62,608
Other intangible assets	–	53,27,123	53,27,123	–	31,04,626	31,04,626
Other non-financial assets	–	72,46,755	72,46,755	7,55,536	1,10,74,286	1,18,29,822
Total assets	**21,98,46,080**	**76,02,29,774**	**98,00,75,855**	**24,96,43,695**	**69,55,87,933**	**94,52,31,627**
Financial liabilities						
Trade payables	2,34,48,457		2,34,48,457	1,76,73,531		1,76,73,531
Borrowings (Other than debt securities)	3,88,00,000		3,88,00,000	3,00,00,000		3,00,00,000
Deposits	–	54,76,950	54,76,950	–	54,76,950	54,76,950
Other financial liabilities	78,77,169		78,77,169	71,92,446		71,92,446
Non-financial Liabilities						
Income tax liabilities (Net)	–		–	–		–
Provisions	8,59,56,652		8,59,56,652	9,26,44,293		9,26,44,293
Other non-financial liabilities	2,63,70,331		2,63,70,331	3,17,77,965		3,17,77,965
Total liabilities	**18,24,52,609**	**54,76,950**	**18,79,29,559**	**17,92,88,235**	**54,76,950**	**18,47,65,185**

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

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4th May, 2019

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

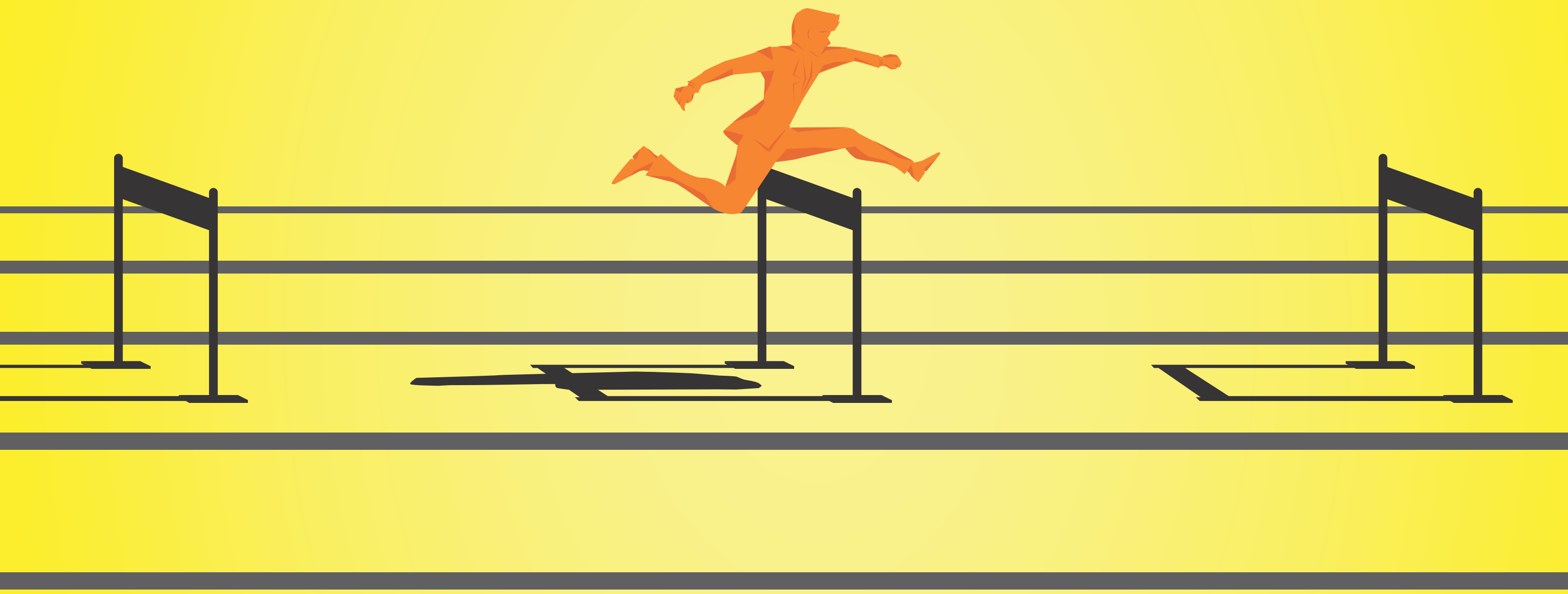
Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 4th May, 2019

MOPE Investment Advisors Private Limited

Financial Statement 2019-20



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 2020, 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 of the Company as at 31 March 2020, and its profit (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 comprises the information included in the Annual 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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 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.

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.

Report on Other Legal and Regulatory Requirements

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

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, based on our audit we report, to the extent applicable, that:

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

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2020 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782
UDIN: 20105782AAAADB8624

Place : Mumbai
Date : 11 May 2020

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 2020

ANNEXURE I

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

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

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The 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 investments. 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 loans, guarantees and security.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became 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) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. 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
UDIN: 20105782AAAADB8624

Place : Mumbai
Date : 11 May 2020

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 2020

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of **MOPE Investment Advisors Private Limited** ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 with Reference to Financial Statements

3. 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 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 internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN: 20105782AAAADB8624

Place : Mumbai
Date : 11 May 2020

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

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31-Mar-20	As at 31-Mar-19
I ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	627	59
(b) Receivables			
(I) Trade receivables	5	676	2,565
(c) Loans	6	0	80
(d) Investments	7	2,592	3,342
Sub - total financial assets (A)		**3,895**	**6,046**
2. Non - financial assets			
(a) Current tax assets (net)	8	316	399
(b) Deferred tax assets (net)	9	–	8
(c) Property, plant and equipment	10(A)	72	15
(d) Other intangible assets	10(B)	0	0
(e) Other non - financial assets	11	3,812	3,210
Sub - total non - financial assets (B)		**4,200**	**3,632**
Total assets (A+B)		**8,095**	**9,678**
II LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade payables	12		
(i) total outstanding dues of micro enterprise and small enterprise			
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		11	236
(b) Borrowings (Other than debt securities)	13	–	1,225
(c) Other financial liabilities	14	76	46
Sub - total financial liabilities (A)		**87**	**1,507**
2. Non - financial liabilities			
(a) Deferred tax liabilities (net)	9	218	–
(b) Provisions	15	1,489	1,474
(c) Other non - financial liabilities	16	229	918
Sub - total non - financial liabilities (B)		**1,936**	**2,392**
3. Equity:			
(a) Equity share capital	17	6	6
(b) Other equity	18	6,066	5,773
Sub - total equity (C)		**6,072**	**5,779**
Total Liabilities and equity (A+B+C)		**8,095**	**9,678**

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, 2020

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 11 May, 2020

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, 2020

Particulars	Note No.	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
REVENUE FROM OPERATIONS			
(i) Fees and commission income	19	5,336	5,997
(ii) Dividend income	20	1,690	–
(iii) Net gain/(loss) on fair value change	21	–	49
1) Total revenue from operations		**7,026**	**6,046**
2) Other income	22	**238**	**270**
3) Total income (1 + 2)		**7,264**	**6,316**
EXPENSES			
(i) Finance cost	23	101	64
(ii) Fees and commission expense	24	457	730
(iii) Employee benefits expense	25	2,326	2,376
(iv) Depreciation and amortisation expense	10	20	17
(v) Net loss on fair value change	26	592	–
(vi) Other expenses	27	1,020	850
4) Total expenses		**4,516**	**4,037**
5) Profit before tax (3 - 4)		**2,748**	**2,279**
Tax expense/(credit):	28		
(i) Current tax		519	512
(ii) Deferred tax expense/(credit)		229	163
(iii) Short/(excess) provision for earlier years		9	18
6) Total tax expenses		**757**	**693**
7) Profit for the period (5 - 6)		**1,991**	**1,586**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(11)	(11)
(b) Deferred tax impact on the above		3	3
8) Other comprehensive income		**(8)**	**(8)**
Total comprehensive income for the period (7 + 8)		**1,983**	**1,578**
Earnings per share (₹ 10 each)			
Basic & Diluted		3,385.32	2,695.71

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, 2020

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 11 May, 2020

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
A. Cash flow from operating activities		
Profit before tax	**2,748**	**2,279**
Adjustment for:		
Depreciation	20	17
Interest expenses	101	64
Profit on sale of property, plant & equipment	–	(2)
Dividend income	(1,690)	–
Profit on sale of investment- realised gain	(9)	(6)
Net loss/(gain) on fair value change	601	(44)
Partnership gain	(24)	(233)
Acturial gain /(loss)	(12)	(11)
Operating profit before working capital changes	**1,737**	**2,065**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	37	(36)
2) Increase/(decrease) in non - financial liabilities	(689)	(516)
3) Increase/(decrease) in trade payables	(225)	223
4) (Increase)/decrease in trade receivables	1,890	(1,928)
5) (Increase)/decrease in financial assets - loans	80	(79)
6) (Increase)/decrease in other financial assets	–	139
7) (Increase)/decrease in other non - financial assets	(602)	(1,775)
8) Increase/(decrease) in provision	15	935
Cash generated used in operations	**2,242**	**(972)**
Income tax paid (net of refunds and including MAT credit utilised)	(445)	(586)
Net cash generated used in operating activities	**1,797**	**(1,559)**
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(77)	(2)
Proceeds from sale of property, plant & equipment	–	9
Proceed from sale of investments	159	727
Dividend received	1,690	–
Partnership gain	24	233
Net cash flow generated from investing activities	**1,795**	**967**
C. Cash flow from financing activities		
Receipts from borrowings	6,232	7,690
Repayment of borrowings	(7,457)	(7,363)
Interest paid	(109)	(65)
Dividend paid	(1,690)	–
Net cash flow used in financing activities	**(3,023)**	**261**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**569**	**(330)**

CASH FLOW STATEMENT *(Contd..)*

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

Particulars	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Cash and cash equivalent comprise of		
Cash on hand	1	1
Scheduled bank - In current account	58	388
Cash & cash equivalents as at beginning of the year	**59**	**389**
Cash & cash equivalents as at end of the year		
Cash on hand		
Scheduled bank - in current account	622	58
Total cash & cash equivalents as at end of the year	**627**	**59**

Notes:

(i) The above cash flow statement 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, 2020

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 11 May, 2020

STATEMENT OF CHANGES IN EQUITY

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

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

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**58,825**	**6**
Changes during the year	–	–
As at 31 March 2020	**58,825**	**6**

(B) Other equity

Particulars	Reserves and Surplus		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Surplus/ (deficit) in the statement of profit and loss	Surplus/ (deficit) in the statement of profit and loss		
Balance at the beginning of the reporting period	**5,773**	**4,195**	**5,773**	**4,195**
Dividends	(1,690)	–	(1,690)	–
Profit during the year	1,991	1,586	1,991	1,586
Actuarial gain/(loss) during the year (net of tax)	(8)	(8)	(8)	(8)
Balance at the end of the reporting period	**6,066**	**5,773**	**6,066**	**5,773**

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May, 2020

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 11 May, 2020

(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 11 May 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

The 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.

(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

(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.

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

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

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

Current Tax:

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

Deferred Tax:

Deferred tax is provided in full, using the balance sheet 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 and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

2.4. Leases

As a lessee – Operating lease

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

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

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

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

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost 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 'other income' in the Statement of Profit and Loss.

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

Financial assets are written off/fully provided for when there is no reasonable of recovering 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.

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.

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 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
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

2.9. 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.

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.

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

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.

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

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

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.

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 - The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(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-Mar-20	As at 31-Mar-19
Cash on hand	5	1
Balance with banks		
In current accounts	622	58
	627	**59**

NOTE 5 : TRADE RECEIVABLE

	As at 31-Mar-20	As at 31-Mar-19
a) Considered good - unsecured	676	2,395
b) Significant increase in credit risk	–	170
Less: Allowances for impairment losses	–	–
	676	**2,565**

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 : FINANCIAL ASSETS - LOANS

	As at 31-Mar-20	As at 31-Mar-19
Loans - At amortised cost		
(A) Others		
Loan to employees	0	80
Less : Impairment loss allowance	–	–
Total (A) Net	**0**	**80**
(B) Unscured (Gross)	0	80
Less : Impairment loss allowance	–	–
Total (B) Net	**0**	**80**
(C) (I) Loans in India		
(i) Public sector	–	–
(ii) Others	0	80
Total (C) (I) Gross	**0**	**80**
Less : Impairment loss allowance	–	–
Total (C) (I) Net	**0**	**80**

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

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31-Mar-20		As at 31-Mar-19	
		Units	Amount	Units	Amount
Investment - at Fair value through profit and loss (A)					
Investment in partnership firm					
India Realty Excellence Fund II LLP					
Opening Balance			1,144		1,551
Add : Contribution made during the year			–		–
Add : Share of profit			24		233
Add : Unrealised gain/(loss)			(216)		53
Less : Return/Receipts during the year			(71)		(693)
India Realty Excellence Fund II LLP	Others	2,000	881	2,000	1,144
Investment in Private Equity Funds					
India Business Excellence Fund II	Others	135,500	1,552	135,500	2,040
Investment in Equity Instruments					
Shubham Housing Development Finance Co. Pvt . Ltd.	Others	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
Motilal Oswal Real Estate Investment Advisors Private Limited	Subsidiary	1,000,000	100	1,000,000	100
Aspire Home Finance Corporation Limited	Fellow Subsidiary	10	0	10	0
Total gross (A+B)			**2,592**		**3,342**
(I) Investment outside India			58		58
(II) Investment in India			2,534		3,284
C) Total (I+II)			**2,592**		**3,342**
D) Less : Allowance for Impairment loss			**–**		**–**
E) Total net (C-D)			**2,592**		**3,342**

NOTE 8 : CURRENT TAX ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Advance tax (net of provision)	316	399
	316	**399**

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

NOTE 9 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
Deferred tax liabilities		
Placement fees (IBEFIII) amortisation	1,077	852
Unrealised gaim	89	118
	1,166	**970**
Deferred tax assets		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	28	31
Gratuity provision	27	12
MAT credit receiveable	893	935
	948	**978**
Net deferred tax (assets)/liabilities (A-B)	**218**	**(8)**

NOTE 10(A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Leasehold improvements	103	–	–	103	103	–	–	103	0	0
Computers	32	7	–	39	28	4	–	32	7	4
Furniture and fixtures	25	–	–	25	22	0	–	22	2	3
Office equipments	15	0	–	15	14	0	–	15	1	1
Vehicles	70	70	–	140	62	16	–	78	62	8
Total (A)	**245**	**77**	**–**	**322**	**229**	**20**	**–**	**250**	**72**	**15**

NOTE 10(B) : INTANGIBLE ASSETS

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer software	4	–	–	4	4	–	–	4	0	0
Total (B)	**4**	**–**	**–**	**4**	**4**	**–**	**–**	**4**	**0**	**0**
Total (A+B)	**249**	**77**	**–**	**326**	**233**	**20**	**–**	**254**	**72**	**15**

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

NOTE 10(A) : PROPERTY, PLANT AND EQUIPMENT

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 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
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**	**15**	**37**

NOTE 10(B) : INTANGIBLE ASSETS

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Intangible assets										
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**	**15**	**37**

NOTE 11 : OTHER NON - FINANCIAL ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Prepaid expenses	3,781	3,021
Advances	31	79
Indirect tax credit receivable	–	110
	3,812	**3,210**

NOTE 12 : TRADE PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
Due to creditors micro and small enterprise (Refer Note 33)	–	–
Others	11	236
	11	**236**

NOTE 13 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-20	As at 31-Mar-19
Borrowings at amortised cost		
Loans from related parties		
Motilal Oswal Financial Services Limited	–	1,225
	–	**1,225**

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

NOTE 14 : OTHER FINANCE LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Other payables	55	22
Interest accrued and due on borrowings	–	7
Accrued salaries & benefits	1	0
Provision for expenses	20	17
	76	**46**

NOTE 15 : PROVISIONS

	As at 31-Mar-20	As at 31-Mar-19
Provision for employee benefits (Refer note 35)		
Gratuity obligation	93	62
Heritage obligation	6	9
ExGratia payable	1,373	1,400
Compensatred Absences	17	3
	1,489	**1,474**

NOTE 16 : OTHER NON - FINANCIAL LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Advance received from customers	182	883
Statutory dues payable	47	35
	229	**918**

NOTE 17 : SHARE CAPITAL

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	500,000	50	500,000	50
Non convertible preference shares of ₹ 10 each (previous year ₹ 10 each)	500,000	50	500,000	50
	1,000,000	**100**	**1,000,000**	**100**
Issued, subscribed & 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**

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 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.

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

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 2020 and 31 March 2019.

17.2 : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	58,825	6	58,825	6
Additions during the year	–	–	–	
At the end of the year	**58,825**	**6**	**58,825**	**6**

17.3 : SHAREHOLDER HAVING MORE THAN 5% EQUITY HOLDING IN THE COMPANY

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Motilal Oswal Financial Services Limited (Holding Company) *	50,000	85	50,000	85
Mr. Vishal Tulsyan	6,345	11	6,345	11

* including 1 share jointly held with Mr. Motilal Oswal & 1 share jointly held with Mr. Raamdeo Agarawal

17.4 : SHARES HELD BY HOLDING COMPANY

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Motilal Oswal Financial Services Limited	50,000	85	50,000	85

17.5 : 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 2020

NOTE 18 : OTHER EQUITIES

	As at 31-Mar-20	As at 31-Mar-19
(i) Surplus/(deficit) in profit & loss account		
Balance at the beginning of the year	5,784	4,198
Add: Transfer from Statement of Profit and Loss	1,991	1,586
Less: Dividend paid	(1,690)	–
Balance at the end of year	**6,085**	**5,784**
(ii) Other comprehensive income		
Balance at the beginning of the year	(11)	(3)
Add: Transfer from Statement of Profit and Loss	(8)	(8)
Balance at the end of year	**(19)**	**(11)**
	6,066	**5,773**

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 19 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Advisory fees and referral fees	811	935
Management fees	4,172	4,671
Setup fees	33	343
Recovery of out of pocket expenses	320	48
	5,336	**5,997**

NOTE 20 : DIVIDEND INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Dividend	1,690	–
	1,690	**–**

NOTE 21 : NET GAIN ON FAIR VALUE CHANGE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net gain on financial instruments at fair value		
Unrealised gain	–	43
Realised gain	–	6
	–	**49**

NOTE 22 : OTHER INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Rent income	–	35
Partnership gain	24	233
Miscellaneous income	213	0
Profit on sale of fixed assets	–	2
Interest on staff loan	1	–
	238	**270**

NOTE 23 : FINANCE COST

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest cost	101	64
	101	**64**

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

NOTE 24 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Placement fees	457	730
	457	**730**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Salary, bonus and allowances	2,242	2,300
Contribution to provident & other funds (also refer note 43)	41	31
Staff welfare expenses	24	31
Gratuity (also refer note 43)	19	14
	2,326	**2,376**

NOTE 26 : NET LOSS ON FAIR VALUE CHANGE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net loss on financial instruments at fair value		
Unrealised loss	601	–
Realised gain	(9)	–
	592	**–**

NOTE 27 : OTHER EXPENSES

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Business support charges	195	180
Rates and taxes	0	0
Rent	190	257
Insurance	3	2
Computer repairs and maintenance	1	0
Legal and professional charges	177	142
Remuneration to auditors (also refer note 34)	5	4
Marketing and brand promotion expenses	8	6
Printing and stationery	14	14
Power and fuel	18	19
Meeting and seminar expense	4	2
Communication expenses	2	4
Travelling expenses	117	130
Miscellaneous expenses	60	66
CSR donation (also refer note 40)	226	20
	1,020	**850**

*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.

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

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.

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current tax expense		
Current tax for the year	528	530
Total current tax expense	**528**	**530**
Deferred taxes		
Change in deferred tax liabilities	229	163
Net deferred tax expense	**229**	**163**
	757	**693**

NOTE 28.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Remeasurement of defined benefit plan	(3)	(3)
Total	**(3)**	**(3)**

NOTE 28.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	As at 31-Mar-20	As at 31-Mar-19
Profit/(loss) before income tax expense	**2,748**	**2,279**
Tax at the rate of 29.12% (for 31 March 2019 - 27.82%)	800	634
Tax effect of:		
Tax adjustment of previous years	9	18
Expenses not deductible for tax purposes	4	4
Temporary tax difference	–	22
Tax at different rate	(53)	(8)
Change due to deferred tax	(3)	23
Income tax expense	**757**	**693**

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

NOTE 28.4 : EFFECTIVE TAX RATE

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Effective tax rate	27.54%	30.40%

In the year FY 19-20, the company has come within the slab of 12% of surcharge as compared to 7% in FY 18-19. Accordingly tax rate has increased from 27.82% to 29.12% in FY 19-20.

NOTE 28.5 : NET DEFERRED TAX

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Deferred tax assets on account of:		
Provision for gratuity	27	12
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	28	31
MAT credit receivable	893	935
Total deferred tax assets (A)	**948**	**978**
Deferred tax liability on account of :		
Amortization of distribution costs	1,077	852
Unrealised gain	89	118
Total deferred tax liabilities (B)	**1,166**	**970**
Net deferred tax assets / (liabilities) (A-B)	**(218)**	**8**

NOTE 28.6 : SIGNIFICANT COMPONENTS AND MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES:

Particulars	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019	Recognised through profit and loss	As at 31 March 2018
Deferred tax assets on account of:					
Provision for gratuity	27	15	12	(4)	16
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	28	(3)	31	(1)	31
Accrued income on investments in units of private equity funds	–	–	–	(17)	17
MAT credit receivable	893	(42)	935	331	605
Total deferred tax assets	**948**	**(30)**	**978**	**309**	**669**
Deferred tax liabilities on account of:					
Amortization of distribution costs	1,077	225	852	501	351
Unrealised gain	89	(29)	118	5	113
Total deferred tax liabilities	**1,166**	**196**	**970**	**506**	**464**
Total deferred tax assets/liability (net)	**(218)**	**(226)**	**8**	**(197)**	**205**

Note:

The company offset tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

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

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 gearing ratio, which is net debt to total equity. Net debt includes borrowings 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-20	As at 31-Mar-19
Net debt (A)	(627)	1,174
Total equity (B)	6,072	5,779
Gearing ratio (A / B)	**-10%**	**20%**

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.

	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	627	–	627	59	–	59
Trade receivables	676	–	676	2,565	–	2,565
Loans	0	–	0	80	–	80
Investments	2,434	158	2,592	3,184	158	3,342
Non-Financial assets						
Current tax assets (net)	–	316	316	–	399	399
Deferred tax assets (net)	–	–	–	–	8	8
Property, plant and equipment	–	72	72	–	15	15
Other intangible assets	–	0	0	–	0	0
Other non-financial assets	573	3,238	3,812	607	2,603	3,210
Total assets	**4,311**	**3,784**	**8,095**	**6,495**	**3,184**	**9,679**
Liabilities						
Financial liabilities						
Trade payables	11	–	11	236	–	236
Borrowings (Other than debt securities)	–	–	–	1,225	–	1,225
Other financial liabilities	76	–	76	46	–	46
Non financial liabilities						
Deferred tax Liabilities (net)	–	218	218	–	–	–
Provisions	1,409	80	1,489	1,422	52	1,474
Other non financial liabilities	229	–	229	918	–	918
Total liabilities	**1,725**	**298**	**2,023**	**3,847**	**52**	**3,899**

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

NOTE 31 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	627	–	59
Trade receivables	–	676	–	2,565
Loans	–	0	–	80
Investments	2,434	158	3,184	157
Other financial assets	–	–	–	–
Total financial assets	**2,434**	**1,461**	**3,184**	**2,861**
Financial liabilities				
Trade payables	–	11	–	236
Borrowings (Other than debt securities)	–	–	–	1,225
Other financial liabilities	–	76	–	46
	–	**87**	**–**	**1,507**

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 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 private equity funds, investment in partnership firm and equity shares, which are categorised as per below:

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in partnership firm	–	–	881	–	–	1,144
Investment in private equity funds	–	–	1,552	–	–	2,040

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

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 2020 and 31 March 2019:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Total
As at April 1, 2018	**2,044**	**1,573**	**3617**
Additions	–	–	0
Disposals	(4)	(715)	(719)
Gains/(losses) recognised in statement of profit and loss	–	286	286
As at March 31, 2019	**2,040**	**1,144**	**3,184**
Additions	–	–	–
Disposals	–	(71)	(71)
Gains/(losses) recognised in statement of profit and loss	(488)	(192)	(680)
As at March 31, 2020	**1,552**	**881**	**2433**

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-20	As at 31-Mar-19
Fair value of instruments	2,433	3,184
Significant unobservable inputs		
Net worth of the fund at Fair value		
– increase by 10%	243	318
– decrease by 10%	(243)	(318)

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 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

Credit risk refers to risk that counter party will default in 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.

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

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-20	As at 31-Mar-19
Upto 3 months	668	1,513
3 - 6 months	3	882
6 - 12 months	–	170
More than 12 months	5	–
Total	**676**	**2,565**

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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities				
Trade payables	11			11
Borrowings (Other than Debt Securities)	–			–
Other current financial liabilities	76			76
Total	**87**	**–**	**–**	**87**

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 current financial liabilities	46			46
Total	**1,507**	**–**	**–**	**1,507**

(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) 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.

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

(iii) Price risk

The company is exposed to price risk from its investment in private equity funds and 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 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-20	As at 31-Mar-19
Impact on profit before tax for 10% increase in NAV/price	243	318
Impact on profit before tax for 10% decrease in NAV/Price	(243)	(318)

NOTE 33 : DUE TO MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management, following disclosures are made:

Particulars	31-Mar-20	31-Mar-19
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA		
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 34 : AUDITOR'S REMUNERATION

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
As Auditors:		
Statutory audit	5	4
Out of pocket expenses	0	0
Certification charges	0	–
Total	**5**	**4**

NOTE 35 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2020

Particulars	Opening balance as at 01 April 2019	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2020
Gratuity	62	31	–	93
Heritage obligation	9	6	9	6
Ex-gratia	1,400	1,384	1,411	1,373
Compensated absences	3	14	–	17
Total	**1,473**	**1,435**	**1,420**	**1,489**

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

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 obligation	1	7	–	9
Ex-gratia	478	1,400	478	1,400
Compensated absences	2	3	2	3
Total	**539**	**1,424**	**490**	**1,473**

NOTE 36 : 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-Mar-20	For the year ended 31-Mar-19
Profit attributable to equity shareholders (Rupees) [A]	1,991	1,586
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)	**3,385.32**	**2,695.71**

NOTE 37 : 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 investment of funds and equity instruments.

Secondary segment i.e geographical 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-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue :								
External revenue	5,336	5,997	1,098	49	238	270	6,672	6,316
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**5,336**	**57,470**	**1,098**	**49**	**238**	**248**	**6,672**	**6,316**
Result :								
Segment result	1,745	2,071	1,098	49	238	248	2,843	2,120

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

Particulars	Asset Management and Advisory Activities		Fund Based Activities		Unallocated Activities		Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Unallocated corporate expenses		–		–		–	231	25
Unallocated revenue		–		–		–	238	248
Operating profit		**–**		**–**		**–**	**2,850**	**2,343**
Interest expenses		–		–		–	101	64
Interest income		–		–		–	–	–
Tax expense :								
Current tax		–		–		–	519	512
Deferred tax		–		–		–	229	163
Income tax for earlier years		–		–		–	9	18
MAT credit adjustments of previous year		–		–		–	–	–
Profit from Ordinary Activities		**–**		**–**		**–**	**1,991**	**1,586**
Extra-ordinary / exceptional items		–		–		–	–	–
Profit after tax		**–**		**–**		**–**	**1,991**	**1,586**
Other information :								
Segment assets	5,187	5,929	2,592	3,342	316	407	8,095	9,678
Segment liabilities	1,805	3,899		–	218	–	2,023	3,899
Capital expenditure	77	2		–		–	77	2
Depreciation	20	17		–		–	20	17

NOTE 38 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Travelling and conveyance expenses	2	10
Total	**2**	**10**

NOTE 39 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR :

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note a)	–	13
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account	–	1

(a) Order in respect of Income tax matters for which appeal was filed by the company is received in FY 19-20 in favour of company the same was shown as a contingent liability in the previous FY 18-19 (Previous year ₹ 13 lakhs). Therefore, no contingent liability in the current financial year.

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 2019-20.

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

CSR initiatives majorly includes supporting under priviliged 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-20	For the year ended 31-Mar-19
Donation for education	10	3
Donation for empowerment tribal and rural people	–	2
Donation for construction of school	–	4
Donation for school construction project at Odisha	–	10
Donation for education and empowerment to old age people	–	2
Donation for construction of hostel	9	–
Donation for environment sustainability	5	–
Donation for construction of technical institution	1	–
Donation to PM care funds	200	–
Donation for medical treatment	1	–

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 25 lakh (Previous year : 16 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	226	–	226
Particulars (previous year)	**Amount paid**	**Amount yet to be paid**	**Total**
Construction / acquisition of any assets	–	–	–
On purposes other than above	20	–	20

Above includes a contribution of ₹ 26 lakh (Previous year ₹ 20 lakh) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures" (Refer note 42).

NOTE 41 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2020

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 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

Holding Company:

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

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

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
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited

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 2020

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)	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Business support service	Motilal Oswal Financial Services Limited	195	180	–	–	–	–	195	180
Referral fees	Motilal Oswal Wealth Management Ltd	0	4	–	–	–	–	0	4
Profit from IREF II LLP (Partner-ship firm)	India Reality Excellence Fund II LLP	–	–	–	–	24	233	24	233
Placement fees expense	Motilal Oswal Wealth Management Ltd	151	92	–	–	–	–	151	92
	Motilal Oswal Financial Services Limited	201	113	–	–	–	–	201	113
Setup fees expense	Motilal Oswal Wealth Management Ltd	11	7	–	–	–	–	11	7
	Motilal Oswal Financial Services Limited	16	197	–	–	–	–	16	197

(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)	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Advisory fees	India Business Excellence Management Company	810	931	–	–	–	–	810	931
Dividend paid	Motilal Oswal Financial Services Limited	1,473	–	–	–	–	–	1,473	–
	Mr.Vishal Tulsyan	182	–	–	–	–	–	182	–
Interest expense	Motilal Oswal Finvest Limited	88	35	–	–	–	–	88	35
	Motilal Oswal Financial Services Limited	13	29	–	–	–	–	13	29
Rent income and expense	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	–	35	–	–	–	–	–	35
	Motilal Oswal Financial Services Limited	190	257	–	–	–	–	190	257
Dividend income	India Business Excellence Management Company	1,690	–	–	–	–	–	1,690	–
PMS sharing expense	Motilal Oswal Wealth Management Ltd	–	15	–	–	–	–	–	15
Reimbursement of expense	Motilal Oswal Financial Services Limited	–	34	–	–	–	–	–	34
Donation	Motilal Oswal Foundation (Trust)	–	–	26	20	–	–	26	20
Loan (Taken)	Motilal Oswal Financial Services Limited	775	2,992	–	–	–	–	775	2,992
	Motilal Oswal Finvest Limited	5,443	4,698	–	–	–	–	5,443	4,698
Repayment of loan taken	Motilal Oswal Financial Services Limited	2,000	2,665	–	–	–	–	2,000	2,665
	Motilal Oswal Finvest Limited	5,443	4,698	–	–	–	–	5,443	4,698
Loan taken (Maximum balance)	Motilal Oswal Finvest Limited	2,640	2,449	–	–	–	–	2,640	2,449
	Motilal Oswal Financial Services Limited	1,425	1,225	–	–	–	–	1,425	1,225
Loan given	Mr.Vishal Tulsyan	–	–	–	30	–	–	–	30
Repayment of loan given	Mr.Vishal Tulsyan	–	–	30	–	–	–	30	–
Interest income	Mr.Vishal Tulsyan	–	–	1	–	–	–	1	–
Employee compensation - Managerial remuneration	Mr.Vishal Tulsyan	–	–	1,255	1,179	–	–	1,255	1,179

(ii) 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)		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Loan/Interest payables	Motilal Oswal Financial Services Limited	–	1,225	–	–	–	1,225
	Motilal Oswal Finvest Limited	–	7	–	–	–	7
Rent / MOT Cost	Motilal Oswal Financial Services Limited	21	9	–	–	21	9
Trade payable/ receivable	India Business Excellence Management Co	155	693	–	–	155	693
	Motilal Oswal Financial Services Limited	17	6	–	–	17	6
	Motilal Oswal Real Estate Investment Advisors II Private Limited	324	–	–	–	324	–
	Motilal Oswal Wealth Management Ltd	0	4	–	–	0	4
Prepaid expenses	Motilal Oswal Financial Services Limited	1,780	1,314	–	–	1,780	1,314
	Motilal Oswal Wealth Management Ltd	1,355	1,016	–	–	1,355	1,016

(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)		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Other receivable	Motilal Oswal Foundation (Trust)	–	2	–	–	–	2
Loan receivable	Mr. Vishal Tulsyan	–	–	–	30	–	30
Investment	India Business Excellence Management Co	58	58	–	–	58	58
	Motilal Oswal Real Estate Investment Advisors Private Limited	100	100	–	–	100	100
	Aspire Home Finance Corporation Limited	0	0	–	–	0	0
	India Realty Excellence Fund II LLP	881	710	–	–	881	710

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-20	For the year ended 31-Mar-19
Employers’ contribution to provident fund	36	29
National Pension Scheme	5	2

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	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
I)	**Acturial assumptions**				
	Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
	Discount rate (per annum)	4.80%	7.12%	4.80%	7.12%
	Rate of escalation in salary (per annum)	16.67%	15.00%	–	–
	Expected rate of return on plan assets (per annum)	–	–		
	Employee attrition rate (Past Service)	PS: 0 to 40 : 22.14%	PS: 0 to 37 : 22.43%	PS: 0 to 37 : 50.04%	PS: 0 to 37 : 43.93%
	Expected average remaining service	3.42	3.37	0.99	1.26 to 1.27
II)	**Changes in present value of obligations (PVO)**				
	PVO at beginning of period	62	58	9	1
	Interest cost	4	3	–	–
	Current service cost	13	10	6	9
	Transfer in liabilities	2	–	–	–
	Past service cost – (non vested benefits)	–	–	–	–
	Past service cost - (vested benefits)	–	–	–	–
	Benefits paid	–	(21)	(9)	(1)
	Contributions by plan participants	–	–	–	–
	Business combinations	–	–	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain)/loss on obligation	12	11	–	–
PVO at end of period	93	62	6	9
III) Interest expense				
Interest cost	4	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	62	58	–	–
Fair Value of the Assets at beginning report	–	–	–	–
Net Liability	62	58	–	–
VI) Net Interest				
Interest Expenses	4	3	–	–
Interest Income	–	–	–	–
Net Interest	4	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	11	6	–	–
Due to Experience	0	5	–	–
Total Actuarial (Gain)/Loss	11	11	–	–
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	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	–	(21)	–	–
Fair Value of Plan Assets at end	–	–	–	–
X) Past Service Cost Recognised				
Past Service Cost– (non vested benefits)	–	0	–	–
Past Service Cost –(vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service Cost- non vested benefits	–	0	–	–
Recognised Past service Cost- vested benefits	–	–	–	–
Unrecognised Past Service Cost- non vested benefits	–	–	–	–

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

	Particulars	Gratuity (unfunded)		Other long term benefits	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
XI)	**Amounts to be recognized in the balance sheet and statement of profit & loss account**				
	PVO at end of period	93	62	–	–
	Fair Value of Plan Assets at end of period	–	–	–	–
	Funded Status	(93)	(62)	–	–
	Unrecognised Past Service Cost- non vested benefits	–	–	–	–
	Net Asset/(Liability) recognized in the balance sheet	(93)	(62)	–	–
XII)	**Expense recognised in the statement of profit and loss**				
	Current service cost	13	10	6	9
	Net Interest	4	3	–	–
	Past service cost - (non vested benefits)	–	0	–	–
	Past service cost – (vested benefits)	–	–	–	–
	Transfer in liability	2	–	–	–
	Curtailment Effect	–	–	–	–
	Settlement Effect	–	–	–	–
	Unrecognised past service cost - non vested benefits	–	–	–	–
	Actuarial (Gain)/Loss recognized for the period	–	–	–	–
	Expense recognized in the statement of profit and loss	19	14	6	9
XIII)	**Other Comprehensive Income (OCI)**				
	Actuarial (Gain)/Loss recognized for the period	11	11	–	–
	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	11	–	–
XIV)	**Movement in liability recognized in balance sheet**				
	Opening net liability	62	58	9	1
	Adjustment to opening balance	–	–	–	–
	Expenses as above	18	14	6	9
	Transfer in liabilities	1	–	–	–
	Contribution paid	–	(21)	(9)	(1)
	Other Comprehensive Income(OCI)	11	11	–	–
	Closing net liability	93	62	6	9
XV)	**Projected Service Cost 31 March 2021**	19	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	–	–	–	–

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

XVII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	89	97	94	91

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	15	15	13	12	10	33

XIX) Asset Liability Comparisons

Year	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
PO at End of period	38	40	58	62	94
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	(38)	(40)	(58)	(62)	(94)
Experience adjustments on plan assets	–	–	–	–	–

Weighted average remaining duration of defined benefit obligation	3.37

Risk associated with defined benefit plan:

1) Investment/interest risk:

Since the scheme is not funded company is not exposed to investment/interest risk.

2) Longevity risk:

The company is not exposed to risk of employee living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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 is an Investment Manager and provide, investment management and administrative services to the Alternet Investment Funds, provide investment advisory services to offshore clients. The 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		
	Investment management fees	Referral fees	Investment advisory/ sub advisory services - Offshore
Total revenue from contracts with customers	**4,172**	**0**	**811**
Geographical markets			
India	4,172	0	–
Outside India	–	–	811
Total revenue from contracts with customers	**4,172**	**0**	**811**

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

Particulars	Type of service		
	Investment management fees	Referral fees	Investment advisory/ sub advisory services - Offshore
Timing of revenue recognition			
Services transferred at a point in time	–	–	–
Services transferred over time	4,172	0	811
Total revenue from contracts with customers	**4,172**	**0**	**811**

b) Contract balances

Trade receivable are non-interest bearing balances.

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. The usual payment term for the performance obligation of the company is three month.

NOTE 45 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including MOPE Investment Advisors Private Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

Investment management service has been declared an essential service and accordingly company has not faced business stoppage/ interruption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 46 :

Amount below ₹ 50000 have been rounded off or 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, 2020

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

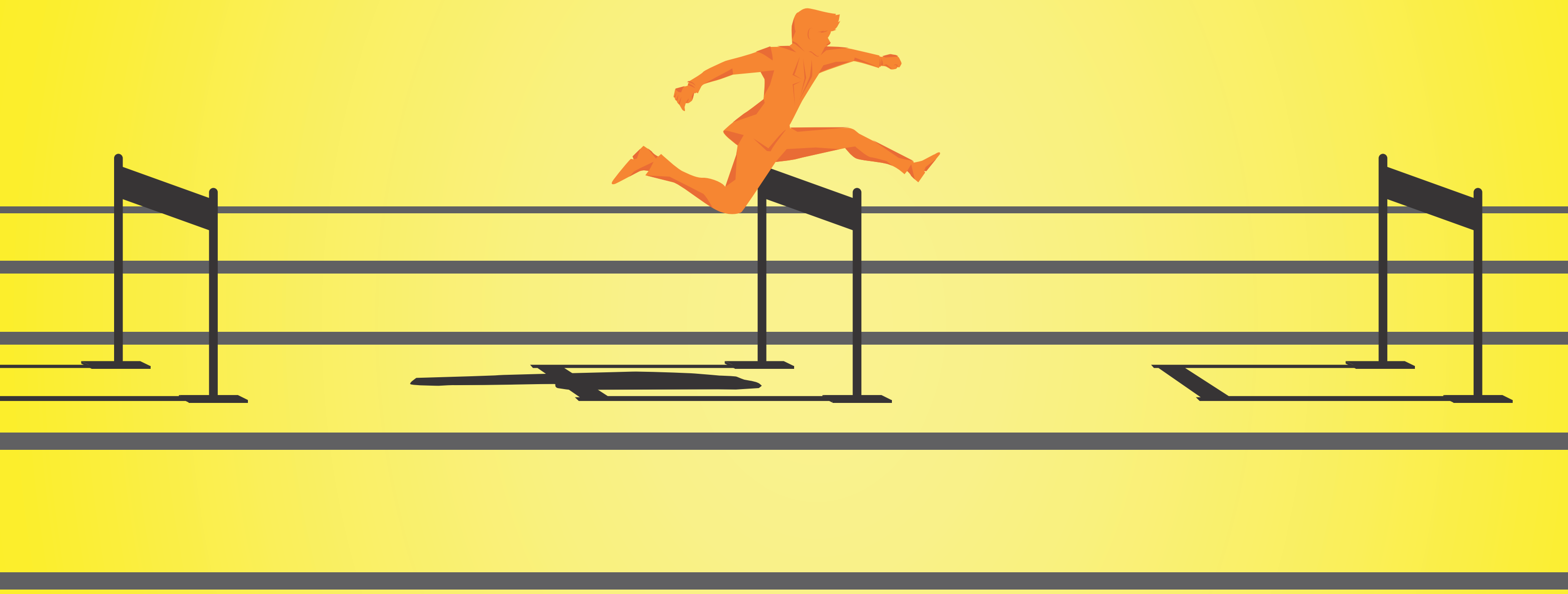
Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 11 May, 2020

Motilal Oswal Real Estate Investment Advisors Private Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

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 Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, 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 of the Company as at 31 March 2020, and its loss (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 comprises the information included in the Annual 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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 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.

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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit we report that 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, based on our audit we report, to the extent applicable that:

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

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2020 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAADC9545

Place : Mumbai
Date : 11 May, 2020

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 2020

ANNEXURE I

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

(i) 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 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, 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, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. 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
UDIN: 20105782AAAADC9545

Place : Mumbai
Date : 11 May, 2020

Annexure II 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 2020

ANNEXURE II

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

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

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 with Reference to Financial Statements

3. 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 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 internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN: 20105782AAAADC9545

Place : Mumbai
Date : 11 May, 2020

BALANCE SHEET

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

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at 31-March-20	As at 31-March-19
I. ASSETS			
A. Non-current assets			
a) Financial assets			
Investments	4	8,875	11,420
Total non - current assets (A)		**8,875**	**11,420**
B. Current assets			
a) Financial assets			
(i) Cash and cash equivalents	5	767	1,217
(ii) Other current assets	6	1,025	934
Total Current assets (B)		**1,792**	**2,151**
Total assets (A+B)		**10,667**	**13,571**
II. EQUITY AND LIABILITIES			
A. Equity:			
a) Equity share capital	7	100,000	100,000
b) Other equity	8	(90,031)	(86,685)
Total equity (A)		**9,969**	**13,315**
B. Liabilities			
1. Non-current liabilities			
Deferred tax liabilities (net)	9	278	18
Total non - current liability (B)		**278**	**18**
2. Current liabilities			
a) Financial liabilities			
(i) Other financial liabilities	10	421	287
Other current liabilities	11	(1)	(49)
Total current liability (C)		**420**	**238**
Total equity and liabilities (A+B+C)		**10,667**	**13,571**

Summary of significant policies and other explanatory information

The accompanying notes 1 to 24 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, 2020

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 : 11 May, 2020

STATEMENT OF PROFIT AND LOSS

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
REVENUE			
1) Other income	12	54	98
		54	98
2) Total income		**54**	**98**
EXPENSES			
(ii) Other expenses	13	3,140	837
3) Total expenses		**3,140**	**837**
4) Profit/(loss) before tax (2 - 3)		**(3,086)**	**(739)**
Tax expense/(credit):	**14**		
(i) Current tax		–	–
(ii) Deferred tax expense/(credit)		260	(2)
(iii) Income tax for earlier years		–	27
5) Total tax expenses		**260**	**25**
6) Profit/(loss) after tax (5 - 6)		**(3,346)**	**(764)**
7) Other comprehensive income		**–**	**–**
Total comprehensive income/ (loss) for the year (6 + 7)		**(3,346)**	**(764)**
Earnings per equity share			
Basic and diluted (in Rupees)	20	(0.33)	(0.08)
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 24 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, 2020

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 : 11 May, 2020

STATEMENT OF CHANGES IN EQUITY

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

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued subscribed and paid up		
As at 1 April 2018	**1,000,000**	**10,000**
Changes during the year	–	–
As at 31 March 2019	**1,000,000**	**10,000**
Changes during the year	–	–
As at 31 March 2020	**1,000,000**	**10,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 1 April, 2018	(85,921)
Profit for the year	(764)
Balance as at 31 March 2019	(86,685)
Profit for the year	(3,346)
Balance as at 31 March 2020	**(90,031)**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 24 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, 2020

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 : 11 May, 2020

CASH FLOW STATEMENT

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

STATEMENT OF CASH FLOWS

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(3,086)**	**(739)**
Adjustment for		
Partnership gain from IREF II LLP	(54)	(98)
Unrealised (gain)/loss on mutual fund	2,512	17
Operating profit/(loss) before working capital changes	**(628)**	**(820)**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in other current liabilities	48	(69)
2) Increase/(decrease) in financial liabilities	134	(42)
3) (Increase)/decrease in other current assets	(91)	(56)
Net changes in working capital	**91**	**(167)**
Cash used in operating activities	**(537)**	**(987)**
Income taxes paid (net of refunds)	0	(28)
Net cash flow used in operating activities	**(537)**	**(1,015)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in mutual fund units	–	(10,000)
Partnership gain from IREF II LLP	54	98
Return from IREF II LLP	33	249
Net cash flow generated from investing activities	**87**	**(9,653)**
Net increase in cash and cash equivalents {(A) + (B)}	**(450)**	**(10,668)**
Cash and cash equivalents comprise of		
Cash on hand	200	200
Scheduled Bank - In Current Account	1,017	11,685
Cash and cash equivalents as at beginning of the year	**1,217**	**11,885**
Cash on hand	200	200
Scheduled Bank - In Current Account	567	1,017
Cash and cash equivalents as at end of the year	**767**	**1,217**

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, 2020

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 : 11 May, 2020

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 Financial services Limited (previously known as 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.

These financial statements contain financial information of the company and were authorised for issue by board of directors on 11 May 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

The 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.

Accounting policies have been applied consistently over all the periods presented in these financial statements.

(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

(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

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

- 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.

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

Current tax

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

Deferred Taxes

Deferred tax is provided in full, using the balance sheet 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 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 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 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 Hundred, 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.

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and

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

- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost 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 ‘other income’ 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. 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.

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

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: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(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)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 4 : INVESTMENT

Particulars	Subsidiary / Others	As at 31-Mar-20		As at 31-Mar-19	
		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
Investment - at FVTPL - (B)					
Investment in Partnership Firm					
Investment in IREF II LLP	Others	1	441	1	564
Investment in Mutual Fund measure at FVTPL (Quoted) (C)					
Most Focused 35 Direct Growth	Others	36546.502	7,534	36546.502	9,956
Total (A+B+C)			**8,875**		**11,420**

NOTE 5 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20	As at 31-Mar-19
Cash on hand	200	200
Balance with banks		
In current accounts	567	1,017
	767	**1,217**

NOTE 6 : OTHER CURRENT ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Balances with government authorities	1,025	934
	1,025	**934**

NOTE 7 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	**1,000,000**	**100,000**	**1,000,000**	**100,000**
Issued, Subscribed & Fully Paid Up				
Equity Shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,000,000	100,000	1,000,000	100,000
Total	**1,000,000**	**100,000**	**1,000,000**	**100,000**

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

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-20		As at 31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	1,000,000	100,000	1,000,000	100,000
Add: share issued during the year	–	–	–	–
Balance at the end of the year	**1,000,000**	**100,000**	**1,000,000**	**100,000**

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

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	1,000,000	100%	1,000,000	100%

7.4 Shares held by holding company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	1,000,000	100%	1,000,000	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 2020

NOTE 8 : OTHER EQUITY

	As at 31-Mar-20	As at 31-Mar-19
Surplus/(deficit) in Statement of Profit and Loss		
Balance at beginning of the year	(86,685)	(85,921)
Add: Transfer from Statement of Profit and Loss	(3,346)	(764)
Balance at the end of year	**(90,031)**	**(86,685)**

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.

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

NOTE 9 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
Deferred tax liability arising on account of:		
Net gain investment measured at FVTPL	278	18
	278	**18**

NOTE 10 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Creditors for expenses	169	35
Provision for expenses	252	252
	421	**287**

NOTE 11 : OTHER CURRENT LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Withholding and other taxes payable	(1)	(49)
	(1)	**(49)**

NOTE 12 : OTHER INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Share of Profit from IREF II LLP	54	98
	54	**98**

NOTE 13 : OTHER EXPENSES

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net loss on investment measured at FVTPL	2,512	17
Auditors fees (also refer note 19)	300	293
Legal and professional charges	81	106
Rent	120	120
Rates and taxes	–	16
Miscellaneous expenses	127	285
Total	**3,140**	**837**

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

NOTE 14.1 : TAX EXPENSE

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

Particulars	**For the year ended 31-Mar-20**	**For the year ended 31-Mar-19**
Current tax expense		
Current tax for the year	–	–
Tax adjustment in respect of earlier years	–	27
Total current tax expense	**–**	**27**
Deferred taxes		
Change in deferred tax liabilities	260	(2)
Net deferred tax expense	**260**	**(2)**
Total income tax expense	**260**	**25**

NOTE 14.2 : TAX RECONCILIATION

Particulars	**For the year ended 31-Mar-20**	**For the year ended 31-Mar-19**
Profit/(loss) before income tax expense	**(3,086)**	**(739)**
Tax at the rate of NIL (for 31 March 2019 - 26%)	–	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	–	27
Deferred tax on account of - Net gain on Investment measured at FVTPL	260	(2)
Income tax expense	**260**	**69**

NOTE 14.3 : NET DEFERRED TAX

Particulars	**For the year ended 31-Mar-20**	**For the year ended 31-Mar-19**
Deferred tax liability on account of :		
Net gain on Investment measure at FVTPL	278	18
Total deferred tax liabilities	**278**	**18**

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

NOTE 14.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-20	Recognised through profit and loss	As at 31-Mar-19	Recognised through profit and loss	As at 1-Apr-18
Deferred tax liabilities on account of:					
Net gain on Investment measure at FVTPL	278	260	18	(2)	20
Total deferred tax liabilities	278	260	18	(2)	20
Total deferred tax Assets/liability (net)	**278**	**260**	**18**	**(2)**	**20**

Note:

The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

NOTE 15 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	767	–	1,217
Investments	7,975	900	10,520	900
Total Financial Assets	**7,975**	**1,667**	**10,520**	**2,117**
Financial Liabilities				
Other financial liabilities	–	421	–	287
	–	**421**	**–**	**287**

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

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

The fair values for investment in partnership firm 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.

Partnership firm investment have been categorised into level 3 of fair value hierarchy.

Investment in partnership firm are categorised as per below as on 31 March 2020

Particulars	Level 1	Level 2	Level 3
Investment in partnership firm	–	–	441
Investment in mutual fund	7,534	–	–

Investment in partnership firm are categorised as per below as on 31 March 2019

Particulars	Level 1	Level 2	Level 3
Investment in partnership firm	–	–	564
Investment in mutual fund	9,956	–	–

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 2020 and 31 March 2019:

Particulars	Amount
As at April 1, 2018	**786**
Additions	–
Disposals	(347)
Gains/(losses) recognised in statement of profit and loss	125
As at March 31, 2019	**564**
Additions	–
Disposals	(87)
Gains/(losses) recognised in statement of profit and loss	(37)
As at March 31, 2020	**441**

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 2020	As at 31 March 2019
Fair value of instruments	441	564
Significant unobservable inputs		
Net worth of the fund at Fair value		
- increase by 10%	44	56
- decrease by 10%	(44)	(56)

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

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

NOTE 16 : 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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities	421			421
Total	**421**	**–**	**–**	**421**

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**

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) 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.

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

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 2020	31 March 2019
Impact on profit before tax for 10% increase in NAV/price	753	996
Impact on profit before tax for 10% decrease in NAV/price	(753)	(996)

NOTE 17 : 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 18 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Particulars	31 March 2020	31 March 2019
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 19 : AUDITORS' FEES

Particulars	**For the year ended 31-Mar-20**	**For the year ended 31-Mar-19**
As Auditors:		
Statutory audit	300	280
Out of pocket expenses	–	13
Total	**300**	**293**

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

NOTE 20 : EARNINGS/(LOSS) 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-Mar-20	For the year ended 31-Mar-19
Profit/(loss) attributable to equity shareholders [A]	**(3,346)**	**(765)**
Nominal value per share (in Rupees)	**10**	**10**
Weighted average number of equity shares outstanding during the year (Face value per share Re. 10 each) [B]	**1,000,000**	**1,000,000**
Earning/(loss) per shares (Basic and diluted)	**(0.33)**	**(0.08)**

NOTE 21 : 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 22 : 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

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

- India Business Excellence Management Company
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC 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

(B) Transactions with related parties

Nature of transaction	Name of the related party	Holding company/Subsidiary	
		Year ended 31-Mar-20	Year ended 31-Mar-19
Profit From LLP (Income)	India Reality Excellence Fund II LLP	54	98
Return of capital	India Reality Excellence Fund II LLP	87	249
Rent expense	Motilal Oswal Financial Services Limited	120	120

(C) Outstanding balances of / with related parties :

Particulars	Name of the related party	Holding company/Subsidiary/Associates	
		Year ended 31-Mar-20	Year ended 31-Mar-19
Investments	Motilal Oswal Real Estate Investment Advisors II Private Limited	900	900
	IREF II LLP	441	564

NOTE 23 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Real Estate Investment Advisors Private Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

Investment management service has been declared an essential service and accordingly company has not faced business stoppage/ interruption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

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

NOTE 24 :

Amount below ₹ 50 have been rounded off or 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

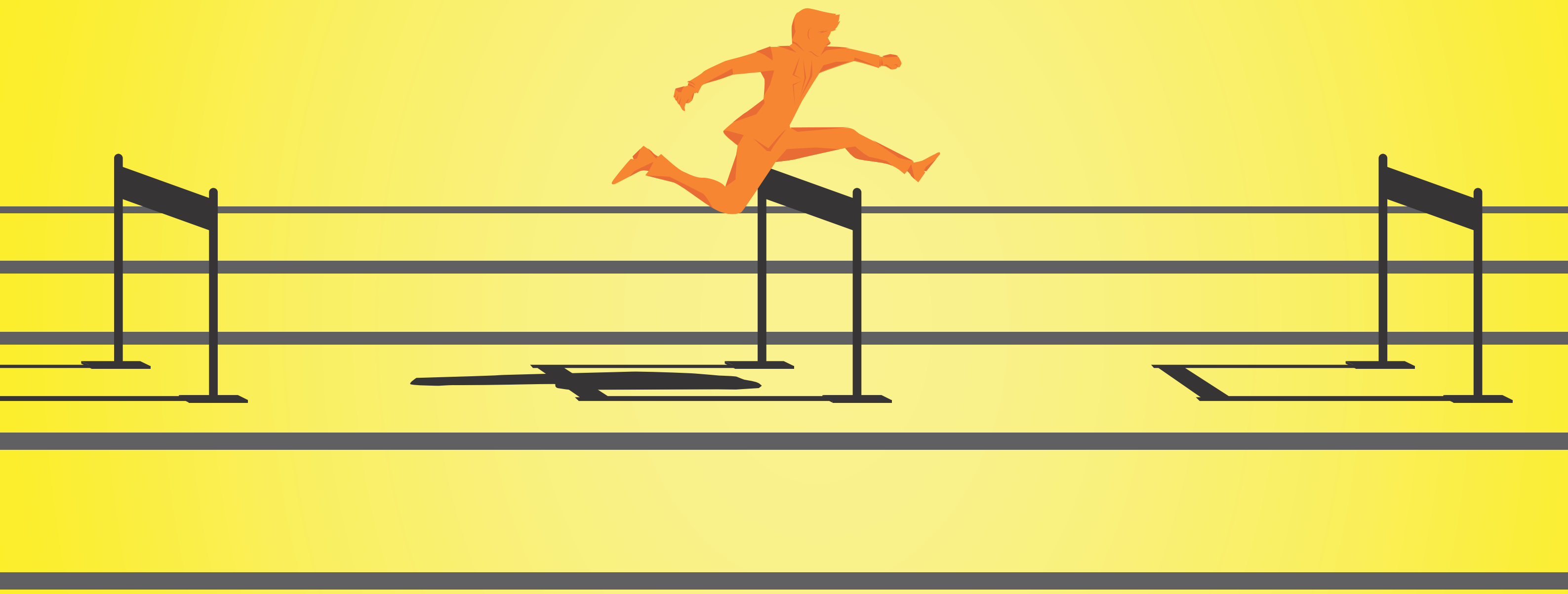
Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 11 May 2019

Motilal Oswal Real Estate Investment Advisors II Private Limited

Financial Statement 2019-20



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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement 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 of the Company as at 31 March 2020, and its profit (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 comprises the information included in the Annual 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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 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.

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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit we report that 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, based on our audit we report, to the extent applicable, that:

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

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2020 as per Annexure II expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAADD1419

Place : Mumbai
Date : 11 May, 2020

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 2020

ANNEXURE I

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

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

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The 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 investments. 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 loans, guarantees and security.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became 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, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. 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
UDIN: 20105782AAAADD1419

Place : Mumbai
Date : 11 May, 2020

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 2020

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of **Motilal Oswal Real Estate Investment Advisors II Private Limited** ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 with Reference to Financial Statements

3. 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 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 internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN: 20105782AAAADD1419

Place : Mumbai
Date : 11 May, 2020

BALANCE SHEET

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

BALANCE SHEET AS AT 31 MARCH, 2020

Particulars	Note No.	As at 31-March-20	As at 31-March-19
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	1,134	11
(b) Receivables			
(I) Trade receivables	5	172	1,410
(c) Loans	6	130	35
(d) Investments	7	0	0
(e) Other financial assets	8	0	–
Sub - total financial assets (A)		**1,436**	**1,456**
2. Non-financial assets			
(a) Current tax assets (net)	9	202	220
(b) Property, plant and equipment	10	44	4
(c) Other non - financial assets	11	2,236	2,056
Sub - total non - financial assets (B)		**2,482**	**2,280**
TOTAL ASSETS (A+B)		**3,918**	**3,736**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade payables	12		
(i) total outstanding dues of micro enterprise and small enterprise			
(i) total outstanding dues of creditors other than micro enterprise and small enterprise		591	1,261
(b) Borrowings (Other than debt securities)	13	–	50
(c) Other financial liabilities	14	37	20
Sub - total financial liabilities (A)		**628**	**1,331**
2. Non - financial liabilities			
(a) Provisions	15	554	337
(b) Deferred tax liabilities	16	242	47
(c) Other non - financial liabilities	17	85	752
Sub - total non - financial liabilities (B)		**881**	**1,136**

BALANCE SHEET *(Contd..)*

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

Particulars	Note No.	As at 31-March-20	As at 31-March-19
Equity:			
(a) Equity share capital	18	1	1
(b) Other equity	19	2,408	1,268
Sub - total equity (C)		**2,409**	**1,269**
TOTAL LIABILITIES AND EQUITY (A+B+C)		**3,918**	**3,736**

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

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 11 May 2020

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 11 May 2020

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, 2020

Particulars	Note No.	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
REVENUE FROM OPERATIONS			
(a) Fees and commission income	20	4,398	3,470
(b) Net gain on fair value change	21	6	27
1) Total revenue from operations		**4,404**	**3,497**
2) Other income	22	9	31
3) Total Income (1 + 2)		**4,413**	**3,528**
EXPENSES			
(a) Finance costs	23	6	29
(b) Fees and commission expense	24	1,048	1,212
(c) Employee benefits expense	25	1,034	701
(d) Depreciation and amortisation expense	10	5	1
(e) Other expenses	26	697	325
4) Total expenses		**2,791**	**2,268**
5) Profit before tax (3 - 4)		**1,622**	**1,260**
TAX EXPENSE/(CREDIT):	27		
(a) Current tax		282	272
(b) Deferred tax expense/(credit)		195	110
(c) Income tax for earlier years		(3)	1
6) Total tax expenses		**474**	**383**
7) Profit for the period (5 - 6)		**1,148**	**877**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
(a) Acturail gain/(loss) on post retirement benefit plans		(8)	2
(b) Deferred tax impact on the above		0	(1)
8) Other comprehensive income		**(8)**	**1**
Total comprehensive income for the period (7 + 8)		**1,140**	**878**
Earnings per share (₹ 10 each)	35		
Basic and Diluted		11,476.64	8,768.10

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 2020

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 : 11 May 2020

CASH FLOW STATEMENT

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,621**	**1,260**
Adjustment for:		
Depreciation	5	1
Gratuity	13	13
Interest expense	6	29
Actuarial gain/(loss)	(8)	2
Profit on sale of investment- realised gain	(6)	(27)
Operating profit before working capital changes	**1,631**	**1,278**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	18	(4)
2) Increase/(decrease) in non - financial liabilities	(667)	665
3) Increase/(decrease) in trade payables	(670)	1,149
4) (Increase)/decrease in trade receivables	1,237	(878)
5) (Increase)/decrease in other financial assets	(0)	(0)
6) (Increase)/decrease in financial assets - loan	(94)	–
7) (Increase)/decrease in other non - financial assets	(180)	(1,525)
8) Increase/(decrease) in provision	203	119
9) Increase/(decrease) liability component of compound financial instruments	–	(94)
Cash generated from/ (used in) operations	**1,479**	**710**
Income tax paid (net of refunds and including MAT credit utilised)	(261)	(245)
Net cash generated from/ (used in) operating activities	**1,218**	**465**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(45)	(4)
Purchase of mutual fund units	–	(83,200)
Proceeds from sale of mutual fund	0	83,227
Net cash flow used in/ (generated from) investing activities	**(45)**	**23**

CASH FLOW STATEMENT *(Contd..)*

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from borrowings	2,776	1,134
Redemption of preference shares	–	(137)
Repayment borrowings	(2,826)	(1,479)
Interest paid	(0)	(29)
Net cash flow used in/ (generated from) financing activities	**(50)**	**(511)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**1,123**	**(23)**
Cash & cash equivalents comprise of		
Cash & cash equivalents as at beginning of the year	0	0
Scheduled Bank - In current account	11	34
Cash & cash equivalents as at beginning of the year	**11**	**34**
Cash & cash equivalents as at end of the year		
Cash on hand	8	0
Scheduled Bank - In Current Account	1,126	11
Cash & cash equivalents as at end of the year	**1,134**	**11**

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 2020

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 : 11 May 2020

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

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

A. EQUITY SHARE CAPITAL

Particulars	Equity share capital		8% Non cumulative preference shares*		Total
	Number of shares	Amount	Number of shares	Amount	
As at 31 March 2019	**10,000**	**1**	**–**	**–**	**1**
Changes during the year	–	–	–	–	–
As at 31 March 2020	**10,000**	**1**	**–**	**–**	**1**

B. OTHER EQUITY

Particulars	Reserves and Surplus			Reserves and Surplus			Total	
	31 March 2020			31 March 2019			31 March 2020	31 March 2019
	Capital redemption reserve	Other reserve-Preference share equity component	Surplus/ (deficit) in the statement of profit and loss	Capital redemption reserve	Other reserve-Preference share equity component	Surplus/ (deficit) in the statement of profit and loss		
Balance at the beginning of the reporting period	495	97	676	250	234	43	**1,268**	**527**
Transfer during the year	–	–	–	–	–	–	**–**	**–**
Redemption of preference shares during the year	–	–	–	245	(137)	(245)	**–**	**(137)**
Profit during the year	–	–	1,148	–	–	877	**1,148**	**877**
Actural gain/(loss) during the year (net of tax)	–	–	(8)	–	–	1	**(8)**	**1**
Balance at the end of the reporting period	**495**	**97**	**1,816**	**495**	**97**	**676**	**2,408**	**1,268**

*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 2020. (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 2020

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 : 11 May 2020

(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.

These financial statements contain financial information of the Company and were authorized for issue by the Board of Directors on 11 May 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

The 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, as amended by the Companies (Indian Accounting Standards) Rules 2016] and other relevant provisions of the Act.

(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;

(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.

2.2. Revenue Recognition

The Company recognizes revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contract with customers to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with customers. Revenue from contract with customers is recognized when services

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

are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

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

Current tax:

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

Deferred tax:

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred 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 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 tax asset is realized or the deferred 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.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

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.

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

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

a. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost 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.

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

b. 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 'other income' in the Statement of Profit and Loss.

c. 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 Loss ("ECL") method on all the financial assets that are not measured at FVTPL:

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

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

Financial assets are written off/fully provided for when there is no reasonable probability of recovering a financial asset 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

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

(ii) Subsequent measurement

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

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

(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 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.

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 depreciation from the month when the asset is put to use till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
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

2.8. 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.

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.

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

2.10. 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.

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

(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.

2.12. 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

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

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.

2.13. 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.

2.14. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements prescribed under Division III of Schedule III to the Companies Act, 2013.

2.15. 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.

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. Contingent loss 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. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset - The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, Company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(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 - 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 2020	As at 31 March 2019
Cash on hand	8	0
Balance with banks		
In current accounts	1,126	11
TOTAL	**1,134**	**11**

NOTE 5 : RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(I) Trade receivables		
Considered good - unsecured	172	1,410
TOTAL	**172**	**1,410**

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 2020	As at 31 March 2019
Others		
(A) Others		
Loan to employees	130	35
Less : Impairment loss allowance	–	–
Total (A) Net	**130**	**35**
(B) Unsecured (Gross)	130	35
Less : Impairment loss allowance	–	–
Total (B) Net	**130**	**35**
(C) (I) Loans in India		
(i) Public sector	–	–
(ii) Others	130	35
Total (C) (I) Gross	**130**	**35**
Less : Impairment loss allowance	–	–
Total (C) (I) Net	**130**	**35**

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

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2020		As at 31 March 2019	
		Units	Amount	Units	Amount
Investment - at amortised cost (A)					
Investment in Subsidiaries					
Aspire Home Finance Corporation Limited	Fellow Subsidiary	10	0	10	0
Total Gross (A)			**0**		**0**
(i) Investment outside India			–		–
(ii) Investment in India			0		0
Total (B)			**0**		**0**
Less : Allowance for Impairment loss (C)			–		–
Total Net D = (A-C)			**0**		**0**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Other	0	–
TOTAL	**0**	**–**

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 (NET)

	As at 31 March 2020	As at 31 March 2019
Advance tax (Net of provision for tax)	202	220
TOTAL	**202**	**220**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computers	7	3	–	10	3	2	–	5	5	4
Car	–	42	–	42	–	3	–	3	39	–
Total	**7**	**45**	**–**	**52**	**3**	**5**	**–**	**8**	**44**	**4**

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

Previous 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	3	4	–	7	2	1	–	3	4	2
Total	**3**	**4**	**–**	**7**	**2**	**1**	**–**	**3**	**4**	**2**

NOTE 11 : OTHER NON - FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	2,099	1,951
Advance for capital expense	2	43
Advance against expense	1	2
Indirect tax credit receivable	134	60
TOTAL	**2,236**	**2,056**

NOTE 12 : TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Due to creditors other than micro enterprise and small enterprise		
Other (Refer note 32)	591	1,261
TOTAL	**591**	**1,261**

NOTE 13 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31 March 2020	As at 31 March 2019
Motilal Oswal Finvest Limited (Intermediate Holding Company)	–	50
TOTAL	**–**	**50**

Note

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of borrowing and interest.

NOTE 14 : OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Other payables	28	14
Interest accrued and due	–	0
Provision for expenses	9	6
TOTAL	**37**	**20**

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

NOTE 15 : PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 34)		
Gratuity obligation	72	52
Heritage obligation	6	7
ExGratia payable	465	276
Compensatory absences	11	2
TOTAL	**554**	**337**

NOTE 16 : DEFERRED TAX ASSET/ LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Amortization of placement fees	611	567
Total deferred tax liabilities (A)	**611**	**567**
Deferred tax assets		
Provision for gratuity	21	15
Carry forward losses	–	63
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	0	1
MAT credit entitlement	348	441
Total deferred tax asset (B)	**369**	**520**
Net deferred tax Liability/ (Assets) (A-B)	**242**	**47**

NOTE 17 : OTHER NON - FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Withholding and other taxes payable	85	94
Advance received from customer	0	658
TOTAL	**85**	**752**

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

NOTE 18 : SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	50,000	5	50,000	5
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)	4,950,000	495	4,950,000	495
TOTAL	**5,000,000**	**500**	**5,000,000**	**500**
Issued, Subscribed & Paid Up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,000	1	10,000	1
TOTAL	**10,000**	**1**	**10,000**	**1**

18.1 Terms and Conditions

Equity shares :

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

The Company declares and pays dividend in Indian rupees. Each equity share has the same right of dividend. In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, 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, 2020 the Company does not have any issued 8% non redeemable preference shares of face value of ₹ 10 each fully paid up for cash.

(ii) 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.

18.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares				
At beginning of the year	10,000	1	10,000	1
Additions during the year	–	–	–	–
At the end of the year	**10,000**	**1**	**10,000**	**1**

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	**% of Holding**	**Number of shares**	**% of Holding**
Equity Shares				
Sharad Mittal	750	8	750	8
Motilal Oswal Real Estate Investment Advisors Private Limited and its Nominee	9,000	90	9,000	90

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

18.4 Shares held by holding company

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of Holding	Number of shares	% of Holding
Motilal Oswal Real Estate Investment Advisors Private Limited (Equity shares)	9,000	90	9,000	90

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 2020

NOTE 19 : OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
a) Retained earnings		
(i) Surplus/(deficit) in profit & loss account		
Balance at the beginning of the year	679	47
Add: Transfer from Statement of Profit and Loss	1,148	877
Less: Transfer to Capital redemption reserve	–	(245)
Balance at the end of year	**1,827**	**679**
(ii) Other comprehensive income		
Balance at the beginning of the year	(3)	(4)
Add: Transfer from Statement of Profit and Loss	(8)	1
Balance at the end of year	**(11)**	**(3)**
	1,816	**676**
b) Capital redemption reserve		
Balance at the beginning of the year	495	250
Add: Transfer from Profit and Loss	–	245
Balance at the end of year	**495**	**495**
c) Other reserve- Preference share equity component		
Balance at the beginning of the year	97	234
Add: Transfer during the year	–	(137)
Balance at the end of year	**97**	**97**
TOTAL	**2,408**	**1,268**

NOTE 20 : FEES AND COMMISSION INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Management fees	3,614	2,234
Advisory fees - fund	461	408
Setup fees	189	595
Other operating revenue	134	233
TOTAL	**4,398**	**3,470**

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

NOTE 21 : NET GAIN/(LOSS) ON FAIR VALUE CHANGE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Realised gain	6	27
TOTAL	**6**	**27**

NOTE 22 : OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Miscellaneous income	4	–
Interest on income tax refund	5	31
TOTAL	**9**	**31**

NOTE 23 : FINANCE COST

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest cost	6	15
Interest expense - Preference share	–	14
TOTAL	**6**	**29**

NOTE 24 : FEES AND COMMISSION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Placement fees	1,048	1,212
TOTAL	**1,048**	**1,212**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary, bonus and allowances	1,000	670
Contribution to provident & other funds (refer note 41)	20	10
Staff welfare expenses	2	8
Gratuity (refer note 41)	12	13
TOTAL	**1,034**	**701**

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

NOTE 26 : OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Business support charges	405	120
Auditor's remuneration (also refer note 33)	3	3
Legal and professional charges	46	50
Rent	102	35
Membership and subscription	19	24
Advertisement expenses	1	–
Meeting and seminar expenses	7	8
Printing and stationery	7	19
Travelling and conveyance expenses	59	51
Miscellaneous expenses	32	6
CSR Expenses (also refer note 38)	16	9
TOTAL	**697**	**325**

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 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 2020	For the year ended 31 March 2019
Current tax expense		
Current tax for the year	279	273
Total current tax expense	279	273
Deferred taxes		
Change in deferred tax liabilities	195	110
Net deferred tax expense	**195**	**110**
Total	**474**	**383**

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

NOTE 27.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of defined benefit plan	(0)	1
Total	**(0)**	**1**

NOTE 27.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(loss) before income tax expense	1,622	1,260
Tax at the rate of 29.12% (for 31 March 2019 - 29.12%)	472	367
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	(3)	1
Expenses not deductible for tax purposes	5	1
Tax at different rate	–	14
Income tax expense	**474**	**383**

NOTE 27.4 : EFFECTIVE TAX RATE

	31 March 2020	31 March 2019
Effective tax rate	29.24%	30.40%

NOTE 27.5 : NET DEFERRED TAX

	31 March 2020	31 March 2019
Deferred tax liability on account of :		
Amortization of distribution costs	611	567
Total deferred tax liabilities (A)	611	567
Deferred tax assets on account of:		
Provision for gratuity	21	15
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	0	1
Carry forward losses	–	63
MAT credit entitlement	348	441
Total deferred tax assets (B)	369	520
Net deferred tax Liablity/ (Assets) (A-B)	**242**	**47**

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

NOTE 27.6 : SIGNIFICANT COMPONENTS AND MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES:

	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019	Recognised through profit and loss	As at 1 April 2018
Deferred tax liabilities on account of:					
Amortization of distribution costs	611	44	567	441	126
Total deferred tax liabilities	**611**	**44**	**567**	**441**	**126**
Deferred tax assets on account of:					
Provision for gratuity	21	6	15	4	11
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	0	(1)	1	(1)	2
Carry forward losses	–	(63)	63	63	–
MAT credit entitlement	348	(93)	441	264	177
Total deferred tax assets	**369**	**(151)**	**520**	**330**	**190**
Total deferred tax Assets/liability (net)	**242**	**195**	**47**	**111**	**(63)**

Note:

The company offset tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

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 2020	31 March 2019
Net debt (A)	(1,134)	39
Total equity (B)	2,409	1,269
Gearing ratio (A / B)	**-47.07%**	**3.08%**

(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.

Assets	31 March 20			31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,134	–	1,134	11	–	11
Trade receivables	172	–	172	1,410	–	1,410
Loans	130	–	130	35	35	
Investments	–	0	0	–	0	0
Other financial assets	0	–	0	–	–	–
Non-financial assets						
Current tax assets (net)	–	202	202	–	220	220
Property, plant and equipment	–	44	44	–	4	4
Other non-financial assets	666	1,570	2,236	601	1,455	2,056
Total Assets	**2,102**	**1,816**	**3,918**	**2,058**	**1,679**	**3,737**
Liabilities						
Financial Liabilities						
Trade payables	591	–	591	1,261	–	1,261
Borrowings (Other than debt securities)	–	–	–	50	–	50
Other financial liabilities	37	–	37	20	–	20
Non Financial Liabilities						
Provisions	482	72	554	285	52	337
Deferred tax liabilities	–	242	242	–	47	47
Other non financial liabilities	85	–	85	752	–	752
Total Liabilities	**1,195**	**314**	**1,509**	**2,368**	**99**	**2,467**

NOTE 30 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	1,134	–	11
Trade receivables	–	172	–	1,410
Loans	–	130	–	35
Investments	0	–	0	–
Other financial assets	–	0	–	–
Total Financial Assets	**0**	**1,436**	**0**	**1,456**
Financial Liabilities				
Trade payables	–	591	–	1,261
Borrowings	–	–	–	50
Other financial liabilities	–	37	–	20
Total Financial Liabilities	**–**	**628**	**–**	**1,331**

(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 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 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.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once in a month.

Mutual fund investment have been categorised into level 1 (recurring fair value measurement) of fair value hierarchy. Loans have been categorised into level 2 of the fair value hierarchy.

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 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

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.

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

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 March 2020	As at 31 March 2019
Upto 3 months	172	1,390
3 - 6 months	–	20
6 - 12 months	–	–
More than 12 months	–	–
Total	**172**	**1,410**

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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	591	–	–	591
Borrowings	–	–	–	–
Other current financial liabilities	37	–	–	37
Total	**628**	**–**	**–**	**628**

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 current financial liabilities	20	–	–	20
Total	**1,331**	**–**	**–**	**1,331**

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.

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

(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) 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 price risk arises due to uncertainties about the future market values of these investments. The company is not exposed to price risk.

NOTE 32 : DUE TO MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management, following disclosures are made:

Particulars	31 March 2020	31 March 2019
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 33 : AUDITOR'S REMUNERATION

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As Auditors:		
Statutory audit	3	3
Out of pocket expenses	0	0
Total	**3**	**3**

NOTE 34 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2020

Particulars	Opening balance as at 01 April 2019	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2020
Ex-gratia	276	540	351	465
Gratuity	52	20	–	72
Compensated absences	2	9	–	11
Heritage club	7	–	1	6
Total	**337**	**569**	**352**	**554**

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

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	160	276	160	276
Gratuity	41	11	–	52
Compensated absences	1	2	1	2
Heritage club	3	4	–	7
Total	**205**	**293**	**161**	**337**

NOTE 35 : 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 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders [A]	1,148	877
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)	**11,476.64**	**8,768.10**

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 2020	For the year ended 31 March 2019
Travelling and conveyance expenses	4	2
Lodging and boarding expenses	2	1
Legal and professional fees	–	1
Membership fees	4	2
Total	**10**	**6**

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 2019-20

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 2020	For the year ended 31 March 2019
Donation for empowerment tribal and rural people	–	2
Donation for school	7	–
Donation for environment sustainability drill irrigation	4	–
Donation for construction of technical institution	1	–
Donation for construction of school	4	7

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 16 lakhs (Previous year : ₹ 7 lakhs)

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	16	–	16
Total	**16**	**–**	**16**

Above includes a contribution of ₹ 16 lakhs (Previous year: ₹ 9 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24 - "Related Party Disclosures". (refer note 42)

NOTE 39 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2020

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 1 lakhs (31 March 19: ₹ Nil).

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 2020	For the year ended 31 March 2019
Employers' contribution to provident fund	16	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 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Discount rate (per annum)	4.80%	7.12%	4.80%	7.12%
Rate of escalation in salary (per annum)	18.59%	18.00%		
Expected rate of return on plan assets (per annum)	–	–		
Employee attrition rate (Past Service)	PS: 0 to 40 : 10.00%	PS: 0 to 37 : 11.43%	PS: 0 to 37 : 50.04%	PS: 0 to 37 : 43.93%
Expected average remaining service	7.96	7.08	1.00	1.27
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	52	42	7	3
Interest cost	3	3	–	–
Current service cost	9	9	–	4
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Benefits paid	–	–	(1)	–
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain)/loss on obligation	8	(2)	–	–
PVO at end of period	72	52	6	7
III) Interest expense				
Interest cost	3	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	52	42	–	–
Fair value of the assets at beginning report	–	–	–	–
Net liability at the beginning of the period	52	42	–	–
VI) Net Interest				
Interest expenses	3	3	–	–
Interest income	–	–	–	–
Net interest	3	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	1	(1)	–	–
Due to financial assumption	13	4	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Due to experience	(6)	(6)	–	–
Total actuarial (gain)/loss	8	(2)	–	–
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	–	–
Past service cost -(vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service cost- non vested benefits	–	2	–	–
Recognised Past service cost- vested benefits	–	–	–	–
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	72	52	–	–
Fair Value of plan assets at end of period	–	–	–	–
Funded status	(72)	(52)	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net asset/(liability) recognized in the balance sheet	(72)	(52)	–	–
XII) Expense recognised in the statement of profit and loss				
Current service cost	9	8	–	4
Net Interest	3	3	–	–
Past service cost - (non vested benefits)	–	2	–	–
Past service cost - (vested benefits)	–	–	–	–
Curtailment effect	–	–	–	–
Settlement effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (gain)/loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	12	13	–	4
XIII) Other Comprehensive Income (OCI)				
Actuarial (gain)/loss recognized for the period	8	(2)	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–
Unrecognized Actuarial (gain)/loss from previous period	–	–	–	–
Total Actuarial (gain)/loss recognized in (OCI)	**8**	**(2)**	**–**	**–**

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
XIV) Movement in liability recognized in balance sheet				
Opening net liability	52	41	–	–
Adjustment to opening balance	–	–	–	–
Expenses as above	12	13	–	4
Contribution paid	–	–	–	–
Other Comprehensive Income(OCI)	8	(2)	–	–
Closing net liability	72	52	–	4
XV) Projected Service Cost 31 Mar 2021	**10**	**–**	**–**	**–**
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	66	79	73	71

XVIII) Expected Payout

Year	Expected					
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Six to ten years
Payouts	4	5	5	6	6	29

XIX) Asset Liability Comparisons

Year	3/31/2016	3/31/2017	3/31/2018	3/31/2019	3/31/2020
PO at end of period	11	20	42	52	72
Plan assets	–	–	–	–	–
Surplus / (Deficit)	(11)	(20)	(42)	(52)	(72)
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

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

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
- Motilal Oswal Capital 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
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC 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)
- OSAG Enterprises LLP

(ii) Transactions with related parties

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2020	Year ended 31 March 2019
Rent paid	MOPE Investment Advisors Private Limited	–	35
	Motilal Oswal Financial Services Limited	102	–
Placement fees	Motilal Oswal Wealth Management Limited	456	312
	Motilal Oswal Financial Services Limited	141	87
Referral fees	Motilal Oswal Wealth Management Limited	4	1
	Motilal Oswal Financial Services Limited	45	46
Set up fees	Motilal Oswal Wealth Management Limited	51	161
	Motilal Oswal Financial Services Limited	75	137
Business support charges	Motilal Oswal Financial Services Limited	105	120
	MOPE Investment Advisors Private Limited	300	–

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

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2020	Year ended 31 March 2019
Donation	Motilal Oswal Foundation (Trust)	16	9
Interest paid	Motilal Oswal Financial Services Limited	1	12
	Motilal Oswal Finvest Limited	5	3
Loans taken	Motilal Oswal Financial Services Limited	1,641	523
	Motilal Oswal Finvest Limited	1,135	410
Loans repaid	Motilal Oswal Financial Services Limited	1,691	868
	Motilal Oswal Finvest Limited	1,135	410

(ii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		As at 31 March 2020	As at 31 March 2019
Loan payable	Motilal Oswal Financial Services Limited	–	50
Rent/MOT cost	Motilal Oswal Financial Services Limited	16	–
Interest payable	Motilal Oswal Finvest Limited	–	0
Trade payable	Motilal Oswal Wealth Management Limited	107	338
Trade payable	MOPE Investment Advisors Private Limited	324	–
Trade payable	Motilal Oswal Financial Services Limited	100	452
Prepaid expenses	Motilal Oswal Wealth Management Limited	801	651
	Motilal Oswal Financial Services Limited	527	458
Investment	Aspire Home Finance Corporation Limited	0	0

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

NOTE 43 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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 is an Investment Manager and provide investment management and administrative services to the Alternet Investment Funds. The 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	
	Investment management fees	Advisory fees
Total Revenue from contracts with customers	**3,614**	**461**

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

Particulars	Type of service	
	Investment management fees	Advisory fees
Geographical Markets		
India	3,614	461
Outside India	–	–
Total Revenue from contracts with customers	**3,614**	**461**
Timing of revenue recognition		
Services transferred at a point in time		
Services transferred over time	3,614	461
Total Revenue from contracts with customers	**3,614**	**461**

b) Contract balances

Trade receivable are non-interest bearing balances.

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. The usual payment term for the performance obligation of the company is three month.

NOTE 44 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Real Estate Investment Advisors II Private Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

The company has not faced business stoppage/interuption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 45 :

Amount below ₹ 50000 have been rounded off or 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 2020

For and on behalf of the Board of Directors of
Motilal Oswal Real Estate Investment Advisors II Private Limited

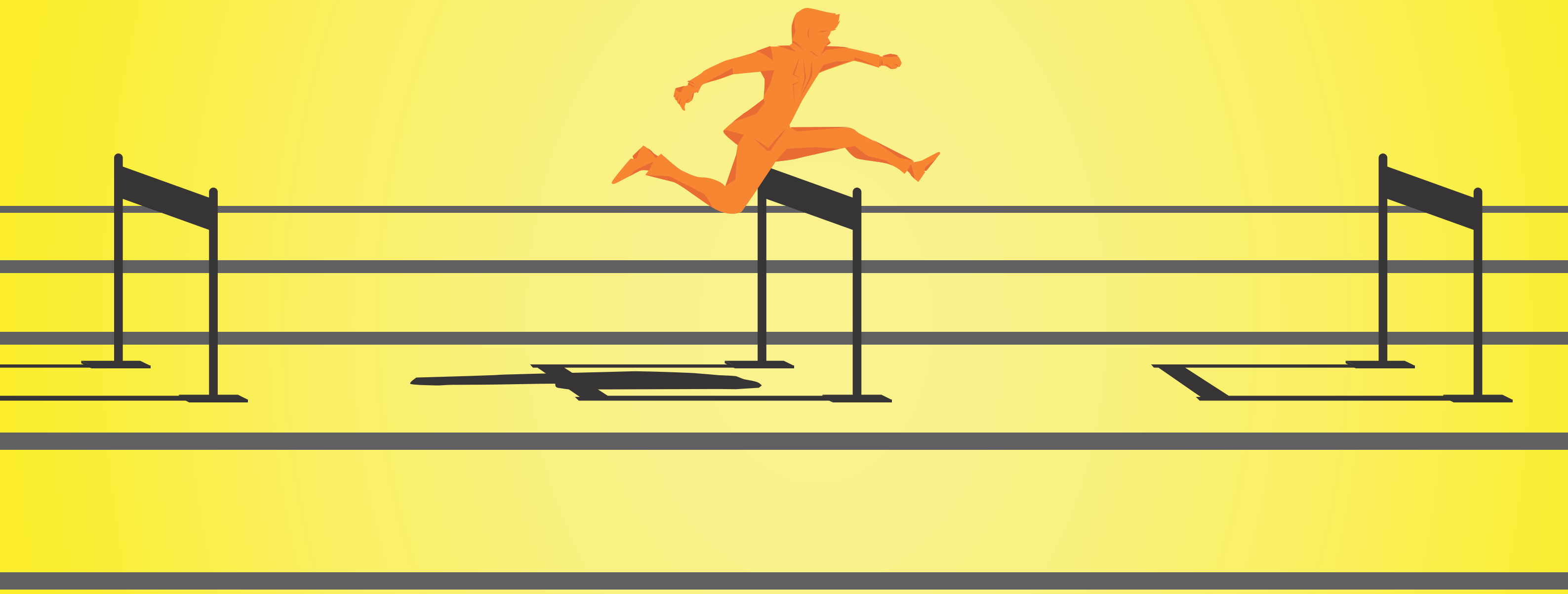
Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 11 May 2020

Motilal Oswal Home Finance Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To the Members of Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Home Finance Limited** (formerly known as Aspire Home Finance Corporation Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, 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 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. 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.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Impairment of loans and advances to customers (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") As at 31 March 2020, the Company has reported gross loans and advances of INR 36,708,735,452 against which an impairment loss allowance of INR 433,326,094 is recognised as at year-end. Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, considering reasonable and supportable information about past events,	Our audit procedures included, but were not limited to, the following: • Considered the Company's accounting policies for impairment of financial instruments and assessed compliance with the policies in terms of Ind AS 109. • Obtained an understanding of management's process including the key inputs and assumptions used, systems and controls implemented in relation to impairment allowance process. • Obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the regulatory announcement made by the RBI. • Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment charge.

Key audit matters	How our audit addressed the key audit matters

current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters:
a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section under note 47(A). Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.
b) Staging of loans and estimation of behavioral life.
c) Estimation of expected loss from historical observations.
d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.
The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD).
Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility for certain customers, this area required significant auditor attention to test such complex accounting estimates. Therefore, we have determined this to be a key audit matter for the current year audit.
	• Assessed the critical assumptions used by the management including the impact due to the moratorium facility availed by certain customers for estimation of allowance for expected credit losses as at 31 March 2020, which included:
	  • examining on sample basis, data inputs to the discounted cash flow models
	  • corroborating the forecasts of future cash flows prepared on the basis of expected repayments from the borrowers
	  • testing collateral valuation adopted based on internal policies of the Company on a sample basis
	• Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets based on their past-due status and other qualitative factors identified by the management which indicate significant increase in credit risk. For a sample of exposures, we tested the appropriateness of such staging.
	• Understood and checked the key data sources and assumptions for data used in the ECL model used by the Company to determine impairment provisions.
	• Performed sample testing to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.
	• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.

Information Technology (IT) systems and controls The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. The Company's key financial accounting and reporting processes are highly dependent on the automated controls enabled by the IT systems and information extracted from loan management systems which impacts key financial accounting and reporting areas such as loans and advances, interest income, impairment of loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications which is ultimately used for financial reporting. We have focused on user access management, change management, segregation of duties and key automated controls over key financial accounting and reporting systems.	Our audit procedures with the involvement of our IT specialists included, but were not limited to, the following: • In relation to key accounting and financial reporting systems, we obtained an understanding on IT General Controls (ITGC), IT infrastructure and key automated controls operating over such identified IT applications. • Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above; • Tested a sample of key general controls operating over the information technology in relation to the identified IT applications particularly logical access, password management and backup procedures. • Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic

Key audit matters	How our audit addressed the key audit matters
Accordingly, since our audit strategy has focused on key IT systems and controls due to the pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general controls, we have determined IT systems and controls as a key audit matter for the current year audit.	review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. • Tested the design and operating effectiveness of Change Management controls to assess authorised changes are moved to production environment. • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Loans and Advances, Interest income, Impairment allowance for evaluating the completeness and accuracy.

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

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

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

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

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

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

7. 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.

8. 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.

9. 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

10. 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.

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

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

12. 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.

13. 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.

14. 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.

Other Matter

15. The financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 10 May 2019.

Report on Other Legal and Regulatory Requirements

16. 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.

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

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

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

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 April 2020 as per Annexure B expressed unmodified opinion; and

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

        i. the Company, as detailed in note 36 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

        iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN No.: 20105782AAAABY6602

Place: Mumbai
Date: 27 April 2020

Annexure 'A'

Annexure A to the Independent Auditor's Report of even date to the members of Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited), on financial statements for the year ended 31 March 2020

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) The property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.

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

The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	626,160	Nil	Assessment year 2016-17	CIT Appeals
		1,524,313	Nil	Assessment year 2017-18	

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. There are no loans or borrowings payable to government.

(ix) In our opinion, the Company has applied moneys raised by way of issuance of non-convertible debentures and term loans for the purposes for which these were raised during the year, though idle funds which were not required for immediate utilisation have been invested in liquid investments, redeemable on demand. The Company did not raise moneys by way of initial public offer/ further public offer during the year.

(x) No material 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 Ind AS.

(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
UDIN No.: 20105782AAAABY6602

Place: Mumbai
Date: 27 April 2020

Annexure 'B'

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 Home Finance Limited** (formerly known as Aspire Home Finance Corporation Limited) ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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. 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') 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 2020, 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
UDIN No.: 20105782AAAABY6602

Place: Mumbai
Date: 27 April 2020

BALANCE SHEET

(Amount in INR)

Particulars		Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS				
(I) Financial Assets				
(a) Cash and cash equivalents		4	**1,134,226,728**	799,662,881
(b) Bank balances other than (a) above		5	**27,655,409**	25,884,255
(c) Receivables		6		
(i) Trade receivables			**12,503,003**	24,485,264
(ii) Other receivables			**–**	–
(d) Loans		7	**36,275,409,358**	42,131,000,807
(e) Investment		8	**–**	506,381,148
(f) Other financial assets		9	**131,094,703**	572,103,731
Total Financial assets	**(A)**		**37,580,889,201**	**44,059,518,086**
(II) Non-financial Assets				
(a) Current tax assets (net)		10	**84,595,677**	22,083,110
(b) Deferred tax assets (net)		11	**976,224,576**	1,198,720,187
(c) Property, plant and equipment		12	**130,473,670**	109,844,774
(d) Other intangible assets		13	**28,855,997**	32,046,419
(e) Other non-financial assets		14	**72,889,570**	258,609,201
Total Non- Financial Assets	**(B)**		**1,293,039,490**	**1,621,303,691**
Total Assets	**(C) = (A) + (B)**		**38,873,928,691**	**45,680,821,777**
II. LIABILITIES AND EQUITY				
(I) Financial liabilities				
(a) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		15	**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises “		15	**5,488,659**	34,604,477
(b) Debt securities		16	**15,084,638,683**	20,361,100,798
(c) Borrowings (Other than Debt securities)		17	**14,397,851,659**	15,505,541,789
(d) Other financial liabilities		18	**651,330,450**	1,457,011,450
Total Financial liabilities	**(D)**		**30,139,309,451**	**37,358,258,514**
(II) Non-Financial Liabilities				
(a) Current tax liabilities (net)		19	**35,149,703**	16,005,288
(b) Provisions		20	**25,615,658**	27,561,373
(c) Other non-financial liabilities		21	**–**	12,942,882
Total Non-Financial Liabilities	**(E)**		**60,765,361**	**56,509,543**

(Amount in INR)

Particulars		Note	As at 31 March 2020	As at 31 March 2019
(III) Equity				
(a) Equity share capital		22	**6,013,037,765**	6,008,692,515
(b) Other equity		23	**2,660,816,114**	2,257,361,205
Total Equity	**(F)**		**8,673,853,879**	**8,266,053,720**
TOTAL LIABILITIES AND EQUITY	**(G) = (D) + (E)+ (F)**		**38,873,928,691**	**45,680,821,777**

The accompanying notes form an integral part of these financial statements

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

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

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Sudhir N. Pillai
Partner
Membership No: 105782

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

Place: Mumbai
Date: 27 April 2020

STATEMENT OF PROFIT AND LOSS

(Amount in INR)

Particulars		Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		24		
Interest income			**5,636,686,057**	6,285,769,691
Net gains on fair value changes (Realised/Unrealised)			**20,197,828**	62,641,190
Fees and other Income			**73,155,505**	66,276,090
Total revenue from operations	**(I)**		**5,730,039,390**	**6,414,686,971**
Other income		25		
Other income			**34,361,570**	69,450,000
Total other income	**(II)**		**34,361,570**	**69,450,000**
Total Income	**III= (I+II)**		**5,764,400,960**	**6,484,136,971**
Expenses				
Finance cost		26	**3,432,563,737**	4,040,645,741
Employee benefits expenses		27	**626,577,814**	637,248,930
Depreciation and amortization expenses		12	**68,004,053**	44,900,619
Impairment on financial instruments		28	**766,468,476**	3,523,166,020
Other expenses		29	**261,618,866**	353,737,974
Total Expenses	**(IV)**		**5,155,232,946**	**8,599,699,285**
Profit/(Loss) before tax	**(III-IV)**		**609,168,014**	**(2,115,562,314)**
Less: Tax expense :		30		
(1) Current tax			**–**	(7,529,715)
(2) Deferred tax charge/(credit)			**218,391,279**	(739,206,993)
Profit/(Loss) for the year			**390,776,735**	**(1,368,825,606)**
Other comprehensive income		31		
(A) Items that will not be reclassified to profit & loss			**–**	–
(i) Actuarial gain/(loss) on post retirement benefit plans			**11,278,118**	18,111,556
Tax impact on the above			**(3,941,026)**	(6,339,044)
Total other comprehensive income			**7,337,092**	**11,772,512**
Total comprehensive income for the year			**398,113,827**	**(1,357,053,094)**
Earnings/(losses) per share:		32		
Basic			**0.07**	(0.25)
Diluted			**0.06**	(0.25)
Face value per share			**1**	1

The accompanying notes form an integral part of these 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's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Sudhir N. Pillai
Partner
Membership No: 105782

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

Place: Mumbai
Date: 27 April 2020

STATEMENT OF CASH FLOW

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities:		
Profit/(Loss) before tax:	**609,168,014**	(2,115,562,314)
Adjustments :		
Depreciation and amortisation	**68,004,053**	44,900,619
Interest income	**(1,771,154)**	1,793,922
Interest expense	**8,068,263**	–
Employee share option scheme	**(10,145,373)**	12,240,111
Provisions for employee benefits	**9,301,732**	14,587,514
Other provisions	**30,670**	(5,810,255)
Impairment on financial instruments	**(1,316,754,989)**	624,784,646
Loss on derecognition of loan assets	**2,083,223,462**	–
Bad debts written off	**–**	2,898,381,374
Net gains on fair value changes	**(20,197,828)**	(62,641,190)
Operating profit before working capital changes	**1,428,926,850**	**1,412,674,428**
Adjustments for increase/ decrease in operating assets and liabilities:		
(Increase)/Decrease in Trade receivables	**11,982,261**	51,510,522
(Increase)/Decrease in Loans	**5,089,122,979**	1,635,995,708
(Increase)/Decrease in Other financial assets	**441,009,028**	(110,852,531)
(Increase)/Decrease in Other non financial assets	**189,385,701**	(18,363,387)
Increase/(Decrease) in Debt securities	**(5,276,462,116)**	(490,471,322)
Increase/(Decrease) in Non financial liabilities	**–**	6,077,944
Increase/(Decrease) in Borrowings other than debt securities	**(1,107,690,130)**	(3,208,496,295)
Increase/(Decrease) in Trade payables	**(29,115,820)**	15,603,678
Increase/(Decrease) in Other financial liabilities	**(859,552,464)**	(835,849,304)
Increase/(Decrease) in Current tax liabilities	**19,144,415**	(2,921,112)
Cash generated from/ (used in) operations	**(93,249,295)**	(1,545,091,671)
Less: Income taxes paid (net of refunds)	**(62,028,839)**	13,502,997
Net cash outflow from operating activities	**(155,278,134)**	**(1,558,594,667)**
Cash flows from investing activities:		
Sale of investment measured at FVTPL	**26,578,976**	56,260,042
Purchase of property, plant and equipments	**(89,108,596)**	(50,611,435)
Sale of mutual funds units	**81,510,000,000**	179,807,000,000
Purchase of mutual funds units	**(81,010,000,000)**	(180,307,000,000)
Net cash inflow/(outflow) from investing activities	**437,470,380**	**(494,351,393)**

STATEMENT OF CASH FLOW *(Contd..)*

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from financing activities:		
Proceeds from issue of share capital	**4,345,250**	802,122,000
Share Premium on issue of share capital	**2,223,150**	1,202,018,721
Increase in lease liabilities (net)	**74,324,809**	–
Payment towards lease liabilities	**(20,453,346)**	–
Interest paid	**(8,068,263)**	–
Net cash inflow from financing activities	**52,371,601**	**2,004,140,721**
Net Increase/(Decrease) in Cash and cash equivalents	**334,563,847**	**(48,805,339)**
Add: Cash and cash equivalents as at beginning of the year	**799,662,881**	848,468,220
Cash and cash equivalents at end of the year	**1,134,226,728**	**799,662,881**

The Statement of cash flow has been prepared under the 'Indirect Method' given under Ind AS 7 - Statement of Cash Flows

The accompanying notes form an integral part of these financial statements

This is the Statement of cash flows referred to in our report of even date

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place: Mumbai
Date: 27 April 2020

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

STATEMENT OF CHANGES IN EQUITY

(Amount in INR)

A. Equity share capital

	Number	Amount
Balance as at 01 April 2019	**5,206,570,515**	**5,206,570,515**
Changes in equity share capital during the year	**802,122,000**	**802,122,000**
Balance as at 31 March 2019	**6,008,692,515**	**6,008,692,515**
Balance as at 01 April 2019	**6,008,692,515**	**6,008,692,515**
Changes in equity share capital during the year	**4,345,250**	**4,345,250**
Balance as at 31 March 2020	**6,013,037,765**	**6,013,037,765**

B. Other equity

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2019	**2,605,431,042**	**377,067,230**	**24,206,111**	**(749,343,178)**	**2,257,361,205**
Profit for the year	–	–	–	390,776,735	390,776,735
Acturial gain/ loss during the year (net of taxes)	–	–	–	7,337,092	7,337,092
Total comprehensive income for the period	**2,605,431,042**	**377,067,230**	**24,206,111**	**(351,229,351)**	**2,655,475,032**
Transfer to statutory reserve	–	78,155,347	–	(78,155,347)	–
Stock options exercised/ lapsed	–	–	(10,145,373)	–	(10,145,373)
Securities premium on shares issued during the year	2,223,150	–	–	–	2,223,150
Transfer from lease equalisation due to adoption of Ind AS 116	–	–	–	12,942,882	12,942,882
Others	–	–	–	320,424	320,424
Balance as at 31 March 2020	**2,607,654,192**	**455,222,577**	**14,060,738**	**(416,121,392)**	**2,660,816,114**

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2018	**1,403,412,321**	**377,067,230**	**11,966,000**	**607,709,917**	**2,400,155,468**
Loss for the year	–	–	–	(1,368,825,606)	(1,368,825,606)
Acturial gain/loss during the year (net of taxes)	–	–	–	11,772,512	11,772,512
Total comprehensive income for the period	**1,403,412,321**	**377,067,230**	**11,966,000**	**(749,343,178)**	**1,043,102,374**
Stock options granted	–	–	12,985,632	–	12,985,632
Securities premium on shares 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**	**(749,343,178)**	**2,257,361,205**

The accompanying notes form an integral part of these financial statements

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

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place: Mumbai
Date: 27 April 2020

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

(Amount in INR)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

Note 1 : Corporate information

Motilal Oswal Home Finance Limited ("MOHFL" or "the Company") (formerly known as Aspire Home Finance Corporation Limited) 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. As required by Division III issued under Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in order of the liquidity.

(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 financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2020 based on the 'Press Release' issued by the Ministry of Company Affairs on 18 January 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 judgment

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) **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'

(Amount in INR)

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

(h) **Effective interest rate:** The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral 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 behavior 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. The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

(Amount in INR)

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

(Amount in INR)

- 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 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.

(Amount in INR)

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 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,

(Amount in INR)

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.

(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.

(Amount in INR)

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 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 calculated 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.

(Amount in INR)

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.

Minimum Alternate Tax (MAT)

MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company assess the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have reasonable evidence that it will pay normal tax during the specified period.

3.5 Leases – As lessee

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

Measurement and recognition of leases as a lessee

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

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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 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.

(Amount in INR)

(iii) Transition to Ind AS

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

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, 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 of 5 years commencing from the month in which the asset is first 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 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

(Amount in INR)

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 Aspire Home Finance Corporation 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 the holding company to the employees at deputation to the company are also accounted for in line with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to holding company.

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.

(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.

(Amount in INR)

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 Recent Indian Accounting Standards (Ind AS)

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

	As at 31 March 2020	As at 31 March 2019
Note 4: Cash and cash equivalents		
(i) Cash on hand	**2,928,737**	19,585,192
(ii) Balance with banks :		
In current account	**1,131,297,991**	780,077,689
	1,134,226,728	**799,662,881**

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.

(Amount in INR)

	As at 31 March 2020	As at 31 March 2019
Note 5: Bank balances other than (4) above		
Deposits with maturity of more than 3 months but less than 12 months	**27,655,409**	25,884,255
	27,655,409	**25,884,255**

Note: The above deposit is lien with State Bank of Mauritius, against term loan.

	As at 31 March 2020	As at 31 March 2019
Note 6: Receivables		
Trade Receivables		
Considered good - unsecured	**12,503,003**	24,485,264
	12,503,003	**24,485,264**

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 Company 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 2020	As at 31 March 2019
Note 7: Loans - at amortised cost (Also, refer note 33)		
(A) Asset under management*	**36,708,735,452**	43,881,081,889
less : Impairment loss allowance	**433,326,094**	1,750,081,082
	36,275,409,358	**42,131,000,807**
* Comprises of housing loans and non-housing loans		
(B) (i) Secured by tangible assets	**36,708,735,452**	43,881,081,889
(ii) unsecured	**–**	–
Less : Impairment loss allowance	**433,326,094**	1,750,081,082
Total (B)	**36,275,409,358**	**42,131,000,807**
C) (I) Loans in India		
(i) Public sector	**–**	–
(ii) Others	**36,708,735,452**	43,881,081,889
Less : Impairment loss allowance	**433,326,094**	1,750,081,082
Total (C) (I) Gross	**36,275,409,358**	**42,131,000,807**
C) (II) Loans Outside India	**–**	–
Less : Impairment loss allowance	**–**	–
Total (C) (II) Gross	**–**	**–**
Total (C) (I) and (C) (II)	**36,275,409,358**	**42,131,000,807**

(Amount in INR)

	As at 31 March 2020	As at 31 March 2019
Stage wise break up of loans,		
(i) Low credit risk (Stage 1)	**34,474,922,572**	36,703,210,286
(ii) Significant increase in credit risk (Stage 2)	**1,304,865,865**	2,457,166,134
(iii) Credit impaired (Stage 3)	**495,620,921**	2,970,624,387
Total	**36,275,409,358**	**42,131,000,807**
Loan assets pledged as security for borrowings	**31,102,518,077**	32,650,141,920

	As at 31 March 2020	As at 31 March 2019
Note 8: Investments		
Investments in mutual funds (Unquoted) - At FVTPL (In India)	**-**	506,381,148
	-	**506,381,148**
Kotak Saving Fund Direct Plan- Growth	**-**	253,318,984
Kotak Saving Fund Direct Plan- Growth 2	**-**	253,062,164
	-	**506,381,148**
Investments in India	**-**	**506,381,148**

	As at 31 March 2020	As at 31 March 2019
Note 9: Other financial assets		
EMI /Pre EMI receivables on loans	**107,166,359**	547,022,801
Other receivable from related parties (Refer note 44)	**782,904**	424,533
Security deposit	**15,778,618**	17,170,051
Loan to Employees	**7,366,822**	7,486,346
	131,094,703	**572,103,731**

	As at 31 March 2020	As at 31 March 2019
Note 10: Current tax assets (Net)		
Advance income tax and TDS	**84,595,677**	22,083,110
	84,595,677	**22,083,110**

	As at 31 March 2020	As at 31 March 2019
Note 11: Deferred tax assets (Net)		
Deferred tax assets (Net) [Refer note 30(d)]	**976,224,576**	1,198,720,187
	976,224,576	**1,198,720,187**

(Amount in INR)

Note 12 : Property, Plant and Equipment

	Computers and data processing units	Furniture and fixtures	Electric installations	Office equipments	Motor car	Leasehold improvements	Right of use (Office premise)	Total
Reconciliation of carrying amount								
Cost or deemed cost (gross carrying amount)								
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
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**
Adjustment on transition to Ind AS 116	–	–	–	–	–	–	81,973,196	81,973,196
Additions	955,192	–	74,580	416,382	–	2,974,655	–	4,420,809
Disposals	–	48,934	–	–	–	47,920	7,648,387	7,745,241
Balance as at 31 March 2020	**83,164,848**	**39,509,548**	**19,904,439**	**33,597,841**	**2,337,137**	**74,581,209**	**74,324,809**	**327,419,830**
Accumulated depreciation and impairment losses								
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	2,782,470	4,930,528	2,294,719	181,110	16,429,240	–	37,302,118
Disposals	–	–	–	–	–	–	–	–
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**
Depreciation for the year	10,687,008	2,495,097	3,417,546	2,485,000	260,165	12,335,436	26,339,615	58,019,867
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March 2020	**67,145,806**	**19,015,703**	**15,874,244**	**14,801,807**	**694,685**	**53,074,300**	**26,339,615**	**196,946,160**
Carrying amounts (net)								
As 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
As at 31 March 2020	**16,019,042**	**20,493,845**	**4,030,195**	**18,796,034**	**1,642,452**	**21,506,909**	**47,985,194**	**130,473,670**

Note 13: Other Intangible assets

	Computer software
Reconciliation of carrying amount	
Cost or deemed cost	
Balance at 1 April 2018	30,367,160
Additions – internally developed	17,287,750
Balance at 31 March 2019	47,654,910
Other additions – internally developed	6,793,765
Balance as at 31 March 2020	**54,448,675**
Accumulated amortisation and impairment losses	
Balance at 1 April 2018	8,009,991
Amortisation for the year	7,598,500
Balance at 31 March 2019	15,608,491
Amortisation for the year	9,984,187
Balance as at 31 March 2020	**25,592,678**
Carrying amounts (net)	
As at 31 March 2019	32,046,419
As at 31 March 2020	**28,855,997**

(Amount in INR)

	As at 31 March 2020	As at 31 March 2019
Note 14: Other non-financial assets		
Prepaid expenses	**1,628,814**	4,342,380
GST credit receivable	**40,784,728**	13,067,042
Capital advances	**4,994,497**	8,660,568
Other advances	**25,481,531**	4,075,098
Asset held for sale or disposal	**–**	228,464,113
	72,889,570	**258,609,201**

	As at 31 March 2020	As at 31 March 2019
Note 15: Trade payables		
Total outstanding dues of Micro and small enterprises (Refer note 50)	**–**	–
Total outstanding dues of creditors other than Micro and small enterprises	**5,488,659**	34,604,480
	5,488,659	**34,604,480**

	As at 31 March 2020	As at 31 March 2019
Note 16: Debt Securities at Amortised cost		
Secured redeemable non-convertible debentures	**12,443,659,409**	12,910,980,501
Unsecured redeemable non-convertible debentures	**2,640,979,274**	7,450,120,297
	15,084,638,683	**20,361,100,798**
Debt Securities in India	**15,084,638,683**	20,361,100,798
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 2020

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-3/ FY19/FY25	250	250,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	19 October 2024
SERIES A-4/ FY19/FY25	3,000	3,000,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	10.00%	27 January 2024
SERIES A-1/ FY19/FY24	2,500	2,500,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	9.85%	24 August 2023
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15 May 2023

(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-5/ FY20/FY23	2,000	2,000,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24 March 2023
SERIES M-7/ FY20/FY23	383	384,481,168	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29 December 2022
SERIES M-6/ FY20/FY23	334	335,397,844	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18 May 2022
SERIES M-3/ FY20/FY22	280	282,670,905	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28 December 2021
SERIES M-2/ FY20/FY22	143	143,204,078	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16 November 2021
SERIES M-1/ FY19/FY22	1,000	1,019,479,696	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30 April 2021
SERIES M-5/FY20 /FY21	313	313,952,643	Exclusive charge over specific receivables	1 times of the amount outstanding	9.35%	26 November 2020
SERIES M-4/FY20 /FY21	808	809,976,569	Exclusive charge over specific receivables	1 times of the amount outstanding	9.50%	16 October 2020
SERIES A (2015-16)/3	450	450,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	10.75%	08 June 2020
Grand Total	**12,458**	**12,486,162,903**				

As at 31 March 2019

NCD Series	Units	Amount	Security provided	Security coverage	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 October 2024
SERIES A-4/ FY19/FY25	3,000	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 January 2024
SERIES A-1/ FY19/FY25	2,500	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 August 2023
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 2023
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 April 2021

(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
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 June 2020
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 March 2020
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 February 2020
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 February 2020
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 February 2020
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 January 2020
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 January 2020
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 January 2020
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 December 2019
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 December 2019
SERIES A (2016-17)/04	1,250	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 June 2019
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 April 2019
Total	**12,874**	**12,962,761,713**				

(Amount in INR)

Unsecured Debt securities as at 31 March 2020

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-2/FY19/FY24	2,000,000,000	2,000	10.00%	28 September 2023
SERIES A (2016-17)/1	150,000,000	150	11.40%	28 April 2021
Total	**2,650,000,000**	**2,650**		

Unsecured Debt securities As at 31 March 2019

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-2/FY19/FY24	2,000,000,000	2000	10.60%	24 March 2023
SERIES A (2016-17)/08	2,500,000,000	2500	10.50%	21 July 2023
SERIES B/FY (2015-16)/2	200,000,000	200	11.00%	16 May 2021
SERIES B/FY (2015-16)/1	300,000,000	300	11.00%	03 May 2021
SERIES A (2016-17)/1	500,000,000	500	11.40%	28 April 2021
SERIES A (2016-17)/05	500,000,000	500	11.25%	16 March 2020
SERIES A (2016-17)/12	500,000,000	500	10.75%	30 August 2019
SERIES A (2016-17)/03	230,000,000	230	11.25%	17 May 2019
SERIES A (2016-17)/02	250,000,000	250	11.25%	06 May 2019
Total	**7,480,000,000**	**7,480**		

	As at 31 March 2020	As at 31 March 2019
Note 17: Borrowings at Amortised cost		
Secured		
Term loans from banks*	**14,360,474,636**	15,012,394,852
Cash credit from banks #	**(5,315,642)**	230,835,855
Book overdraft	**42,692,665**	262,311,082
	14,397,851,659	**15,505,541,789**
* Out of the above, term loans amounting INR 8,474,910,714 (PY - ₹ 7,420,000,000) are also secured by Corporate guarantee from the Holding Company.		
# This represents debit balances in cash credit accounts as at 31 March 2020.		
Borrowings in India	**14,397,851,659**	15,505,541,789
Borrowings outside India	**–**	–

(Amount in INR)

Security and other terms of loans are as follows :

a) Rate of interest of cash credit is 3M MCLR (Marginal cost of funds-based Lending Rate) + 2% and is secured by way of hypothecation of receivables. Further, these are repayable on demand.

As at 31 March 2020

b) Terms of repayment of terms loans

Term loans from banks - 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					
7.00 % to 12.00 % annually	3,332,499,556	6,250,039,244	3,958,698,689	819,237,147	14,360,474,636
Total	**3,332,499,556**	**6,250,039,244**	**3,958,698,689**	**819,237,147**	**14,360,474,636**

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 2020	As at 31 March 2019
Note 18: Other financial liabilities		
Interest accrued but not due on borrowings	**447,051,362**	1,375,459,151
Salary and bonus payable	**30,008,408**	31,630,220
Lease liabilities (Refer note 37)	**53,871,463**	–
Other miscellaneous liabilities	**120,399,217**	49,922,079
	651,330,450	**1,457,011,450**

	As at 31 March 2020	As at 31 March 2019
Note 19: Current tax liabilities (net)		
Statutory liabilities	**35,149,703**	16,005,288
	35,149,703	**16,005,288**

(Amount in INR)

	As at 31 March 2020	As at 31 March 2019
Note 20: Provisions		
(a) Provision for employee benefits		
Gratuity (Refer note 40)	**7,831,989**	10,613,678
Other employee benefit	**685,411**	747,715
Compensated absences	**11,218,008**	10,350,401
(b) Provision for expenses	**5,880,250**	5,849,579
	25,615,658	**27,561,373**

	As at 31 March 2020	As at 31 March 2019
Note 21: Other Non- financial liabilities		
Lease equalisation*	–	12,942,882
	–	**12,942,882**

* The balance as at 1 April 2019 have been transferred to Retained Earnings, pursuant to adoption of Ind AS 116.

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Note 22 : (I) Equity Share capital				
(a) Authorised Share Capital				
Equity shares of Re. 1/- each	**10,000,000,000**	**10,000,000,000**	10,000,000,000	10,000,000,000
(b) Equity shares of Re. 1/- each issued, subscribed and fully paid up				
Equity share capital of Re. 1/- each	**6,013,037,765**	**6,013,037,765**	6,008,692,515	6,008,692,515
	6,013,037,765	**6,013,037,765**	**6,008,692,515**	**6,008,692,515**

a) The Company has only one class of equity shares having a face value of Re. 1 each. Each holder of equity shares is entitled to one vote per share.

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 at 31 March 2020.

(c) Reconciliation of share capital :

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at the beginning of the year	**6,008,692,515**	**6,008,692,515**	5,206,570,515	5,206,570,515
Issued during the year	**4,345,250**	**4,345,250**	802,122,000	802,122,000
Outstanding at the end of the year	**6,013,037,765**	**6,013,037,765**	**6,008,692,515**	**6,008,692,515**

(Amount in INR)

(d) Details of shares held by holding Company and subsidiaries of holding company / shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	% of holding	Number	% of holding
Motilal Oswal Financial Services Limited				
Equity share of Re. 1 each fully paid-up	**4,836,267,897**	**80.43%**	4,836,267,897	80.49%
Motilal Oswal Finvest Limited				
Equity share of Re. 1 each fully paid-up	**600,000,000**	**9.98%**	600,000,000	9.99%
	5,436,267,897	**90.41%**	**5,436,267,897**	**90.48%**

Pursuant to receipt of Order dated 30 July 2018 from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") approving the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company" or "Company") and their respective shareholders ("Scheme"), the Board of Directors ("Board") of the Company at its Meeting held on 21 August 2018, inter-alia, has made the Scheme effective from 21 August 2018. The Appointed date is 01 April 2017. The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Finvest Limited ("MOFL") (formerly known as "Motilal Oswal Capital Markets Limited') as contemplated in the Business Transfer Agreement ("BTA") dated 20 August 2018 at a consideration of INR 5,000 lakhs (subject to the post completion adjustments).

Also refer note 41 for disclosure relating to employee stock option scheme.

(e) The Company has not issued any shares for consideration other than cash nor there has been any buyback of shares during the five years immediately preceding 31 March 2020.

	As at 31 March 2020	As at 31 March 2019
Note 23: Other Equity		
(I) Other Reserves		
(a) Share option outstanding account		
Opening Balance	**24,206,111**	11,966,000
Add: Addition during the year/(Deletion)	**(10,145,373)**	12,985,632
Transfer of Share Premium on account of issue of shares	**–**	(745,521)
	14,060,738	**24,206,111**
(b) Statutory reserves		
Opening Balance		
Section 29C of The National Housing Bank Act, 1987	**71,285,792**	71,285,792
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**305,781,438**	305,781,438
Transfer during the year		
Section 29C of The National Housing Bank Act, 1987	**78,155,347**	–
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**–**	–
Closing Balance		
Section 29C of The National Housing Bank Act, 1987	**149,441,138**	71,285,792
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**305,781,438**	305,781,438
	455,222,576	**377,067,230**

(Amount in INR)

			As at 31 March 2020	As at 31 March 2019
	(c)	Securities Premium account		
		Opening Balance	**2,605,431,042**	1,403,412,321
		Securities premium on shares issued during the year	**2,223,150**	1,202,018,721
			2,607,654,192	**2,605,431,042**
(II)	**Retained Earnings**			
	(a)	**Surplus/ (Deficit) in profit or loss account**		
		Opening Balance	**(766,392,954)**	602,432,652
		(Loss) / Profit for the year	**390,776,735**	(1,368,825,606)
		Transfer to Statutory Reserve	**(78,155,347)**	–
		Transfer from Lease equalisation due to Ind AS 116	**12,942,882**	–
		Others	**320,424**	–
			(440,508,260)	**(766,392,954)**
	(b)	**Other comprehensive income**		
		Opening Balance	**17,049,776**	5,277,265
		Other Comprehensive Income (net of tax)	**7,337,092**	11,772,511
			24,386,868	**17,049,776**
	Total Other Equity		**2,660,816,114**	**2,257,361,205**

23.1 Nature and purpose of Other Reserve

Share option outstanding account

Share option outstanding account is used to recognise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the Company.

Statutory Reserves

(a) Reserve u/s 29C of National Housing Bank Act, 1987:

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred.

(b) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961:

In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head “Profits and gains of business or profession” (before making any deduction under this clause) is carried to such reserve account.

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 surplus/ deficit of the Company and remeasurement gains/ loss on defined benefit plan.

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
NOTE 24: Revenue from operations		
(i) Interest Income on loan at amortised cost	**5,634,718,108**	6,283,620,719
(ii) Interest Income on bank deposit at amortised cost	**1,967,949**	2,148,972
(iii) Net gains on fair value changes on financial instruments at FVTPL	**20,197,828**	62,641,190
(iv) Fees and commission income	**73,155,505**	66,276,090
TOTAL	**5,730,039,390**	**6,414,686,971**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 25: Other income		
Other non operating income	**34,361,570**	69,450,000
TOTAL	**34,361,570**	**69,450,000**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 26: Finance cost		
(i) Interest cost	**3,312,526,877**	3,924,300,107
(ii) Interest cost on lease liability	**8,068,263**	–
(iii) Other borrowing cost	**111,968,597**	116,345,634
TOTAL	**3,432,563,737**	**4,040,645,741**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 27: Employee benefits expenses		
(i) Salary, bonus and allowances	**595,598,974**	582,204,268
(ii) Share based payments	**(11,885,096)**	8,790,223
(iii) Contribution to provident and other funds (Refer note 40 A)	**30,124,991**	28,210,861
(iv) Staff welfare expenses	**3,317,303**	3,780,008
(v) Gratuity obligation (Refer note 40 B)	**9,421,642**	14,263,570
TOTAL	**626,577,814**	**637,248,930**

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 28: Impairment on financial instruments		
(i) Impairment on loans (Loans measured at amortised cost)	**(1,316,754,986)**	624,784,646
(ii) Loss on derecognition of loan assets*	**2,083,223,462**	–
(iii) Bad debts written off	**–**	2,898,381,374
TOTAL	**766,468,476**	**3,523,166,020**

* This majorly includes loss on sale of assets to an asset reconstruction company. Also, refer note 33 for additional details.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 29: Other expenses		
(i) Rates & Taxes	**23,174,866**	29,226,170
(ii) Rent (Refer note 37)	**48,411,528**	110,900,016
(iii) Insurance	**7,926,996**	8,920,222
(iv) Computer Maintenance and software charges	**4,195,679**	3,183,792
(v) Legal and professional charges	**36,056,055**	17,112,692
(vi) Remuneration to auditors (Refer note 34)	**3,710,400**	3,475,520
(vii) Data processing charges	**10,763,604**	24,208,711
(viii) Marketing and brand promotion expenses	**314,761**	998,225
(ix) Advertisement expenses	**11,609,617**	9,234,913
(x) Printing & Stationary	**3,343,099**	4,001,150
(xi) Power and fuel	**10,422,190**	14,696,660
(xii) Communication and data charges	**9,814,255**	24,531,850
(xiii) Travelling, lodging and boarding expenses	**31,253,536**	25,474,059
(xiv) Membership and subscription Fees	**526,280**	190,700
(xv) Filing Fees	**77,363**	324,510
(xvi) Corporate social responsibility expense (Refer note 35)	**–**	17,578,000
(xvii) Business support service (Refer note 44)	**22,500,000**	22,500,000
(xviii) Car running expenses	**–**	45,400
(xix) Loss/ (profit) on repossessed assets	**(488,540)**	–
(xx) Repair and maintenance	**1,276,912**	3,547,001
(xxi) Directors' sitting fees (Refer note 44)	**450,000**	623,000
(xxii) Miscellaneous expenses	**36,280,265**	32,965,384
TOTAL	**261,618,866**	**353,737,975**

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 30: Income tax expense		
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	–	(7,529,715)
Changes in estimates related to prior years (b)	–	–
Deferred tax (c)		
Origination and reversal of temporary differences	218,391,279	(739,206,993)
Tax expense of continuing operations (a)+(b)+(c)	**218,391,279**	**(746,736,708)**
B. Amount recognised in other comprehensive income		
Remeasurements of defined benefit liability	(3,941,026)	(6,339,044)
	(3,941,026)	**(6,339,044)**
C. Reconciliation of effective tax		
Profit/(Loss) before tax	609,168,014	(2,115,562,314)
Tax at the rate of 34.944%	212,867,671	(739,262,094)
Effect of:		
Recognition of tax on unamortised borrowings	5,166,037	(7,529,715)
Miscellaneous disallowance	357,571	55,101
Effective tax	**218,391,279**	**(746,736,708)**
Effective Tax Rate	35.85%	35.30%
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	18,941,491	16,612,981
Other Employee Benefits	1,013,711	3,970,126
Unamortized borrowing cost	(14,640,674)	(28,443,305)
Deposit and rent Equalization	8,123,354	8,123,354
Provision for compensated absence	3,920,021	3,616,844
Provision for Standard asset	(499,599,032)	359,272,120
Reserve created u/s 36(1)(viii)	577,114	(871,340)
Business loss	759,576,588	593,080,775
Unamortised processing fees	47,128,197	(6,687,753)
Expected credit loss	651,183,807	252,276,213
Unrealised gain on Mutual Fund	–	(2,229,828)
	976,224,576	**1,198,720,187**

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 31: Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on post retirement benefit plans	**11,278,118**	18,111,556
Deferred tax impact on the above	**(3,941,026)**	(6,339,044)
Total other comprehensive income, net of tax	**7,337,092**	**11,772,512**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 32: Earnings/(losses) per share		
Basic earnings per share		
Profit/(loss) attributable to equity shareholders (₹) [A]	**390,776,735**	(1,368,825,606)
Nominal value per share (in ₹)	**1**	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1)	**6,010,857,762**	5,440,532,608
Basic earnings/(losses) per share [A] / [B] (₹)	**0.07**	(0.25)
Diluted earnings per share		
(Loss)/Profit attributable to equity shareholders (₹)	**390,776,735**	(1,368,825,606)
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]	**390,776,735**	(1,368,825,606)
Weighted average number of equity shares used in computing basic earnings per share	**6,010,857,762**	5,440,532,608
Effect of potential equity shares for stock options outstanding	**21,637,854**	25,783,089
Weighted number of equity shares used in computing diluted earnings per share [B]	**6,032,495,616**	5,466,315,697
Diluted earnings per share (₹) [A] / [B]	**0.06**	(0.25)

Note 33: Loans and ECL movement

1 Loan book movement - during the year ended 31 March 2020

Particulars	Total
Opening	**43,881,081,889**
Orignation of new loans	1,921,787,505
Derecognition of loans*	(4,211,635,532)
Repayments received during the year	(4,882,498,410)
Closing	**36,708,735,452**

*Derecognition of loan includes loan assets sold to an asset reconstruction company (ARC):

During the current year, the Company has sold in two tranches a pool of certain non performing loan assets aggregating to INR 4,211,635,532 to an Asset Reconstruction Company vide separate agreements dated 30 September 2019 and 26 March 2020. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true sale basis. This has resulted in

(Amount in INR)

reversal of ECL amounting to INR 953,157,809, which represents the amount of ECL allowance created on such loans.

2 Loan book movement - during the year ended 31 March 2019

Particulars	Total
Opening	**48,415,458,973**
Orignation 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	As at 31 March 2020	As at 31 March 2019
Low credit risk (Stage 1)	**34,591,386,719**	37,035,134,061
Significant increase in credit risk (Stage 2)	**1,456,662,672**	2,886,070,874
Credit impaired (Stage 3)	**660,686,061**	3,959,876,954
Closing	**36,708,735,452**	**43,881,081,889**

ECL movement as at 31 March 2020

Particulars	Amount
Opening	**1,750,081,082**
ECL impact due to sale of loans to ARC	(953,157,809)
Movement during the year*	(363,597,179)
Closing	**433,326,094**

* This is combination of addition for slippage, addition allowance due to Covid-19 pandemic impact and improvisation due to change in Probaility of Default post sale to Asset Reconstruction Company of non performing loan assets.

ECL movement as at 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

Particulars	As at 31 March 2020	As at 31 March 2019
Low credit risk (Stage1)	**116,464,148**	331,923,775
Significant increase in credit risk (Stage 2)	**151,796,807**	428,904,739
Credit impaired (Stage 3)	**165,065,139**	989,252,568
Closing	**433,326,094**	**1,750,081,082**

Note: The above ECL calculation is inclusive of impairement calculated on overdue principal and interest accrued.

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 34: Remuneration to auditors		
Payment to Auditor		
Statutory audit	**1,950,000**	2,050,000
Limited review of quarterly results	**1,200,000**	1,050,000
For certification work	**240,000**	290,000
As Auditor	**3,390,000**	**3,390,000**
Reimbursement of expenses	**88,886**	85,520
GST	**231,514**	625,594
Total	**3,710,400**	**4,101,114**

*Amount includes Goods and service tax for which Input credit availed and disallowed

Note 35: Corporate Social Responsibility

1. During the year, Company has spent Nil amount (previous year ₹ 1,75,78,000/-) on CSR activities, considering the average profit for last three financial years is negative.
2. Details of CSR spent during the Financial Year:
   (a) Total amount to be spent for the Financial Year: Nil
   (b) Amount unspent, if any: NA
   (c) Manner in which the amount spent during the Financial Year is detailed below:

For the year ended 31 March 2020						
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**
NA	NA	NA	NA	NA	NA	NA
For the year ended 31 March 2019						
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

Note 36: Contingent liabilities and commitments

		As at 31 March 2020	As at 31 March 2019
(a)	Claims against the company not acknowledge as debt		
	Income tax matter	**5,802**	626,160
(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**46,000**	3,260,874
(c)	Undrawn committed sanctions to borrowers	**671,788,930**	1,499,181,163

(Amount in INR)

(d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the books of account.

Note 37: Leases

The Company has taken various office premises 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.

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

The adoption of the new standard Ind AS 116, resulted in recognition of 'Right of Use' (ROU) asset of ₹ 81,973,196 and a lease liability of ₹ 81,973,196. The lease equalisation reserve amounting to INR 12,942,282 was consequently transferred to retained earnings. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cashout flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended 31 March 2020

Particulars	Amount
Balance as at 1 April 2019	**–**
Adjustment on transition to Ind AS 116	81,973,196
Movement during the year	(7,648,387)
Depreciation on Right-Of-Use (ROU) assets	(26,339,615)
Balance as at 31 March 2020	**47,985,194**

(B) Lease liabilities for the year ended 31 March 2020

Particulars	Amount
Balance as at 1 April 2019	**–**
Adjustment on transition to Ind AS 116	81,973,196
Movement during the year	(7,648,387)
Add: Interest cost accrued during the period	8,068,263
Less: Payment of lease liabilities	(28,521,609)
Balance as at 31 March 2020	**53,871,463**

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2020

Particulars	As at 31 March 2020
Less than three months	**7,007,616**
Three to twelve months	**18,760,415**
One to five years	**27,438,614**
More than five years	**664,818**
Total	**53,871,463**

(Amount in INR)

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2020

Particulars	Amount
Interest cost on lease liabilities	8,068,263
Depreciation on right of use assets	26,339,615
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability	48,411,528

(E) Amount recognised in statement of cash flows for the year ended 31 March 2020

Particulars	Amount
Cash payments for the principal & interest portion of the lease liability within financing activities	(28,521,609)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	48,411,528

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at 31 March 2019 during the non- cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended 31 March 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

	As at 31 March 2020	As at 31 March 2019
Within one year	–	2,171,292
Later than one year but not later than five years	–	5,519,165
Later than five years	–	1,689,860
	–	**9,380,317**

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" :

Nature of borrowing	As at 31 March 2020		As at 31 March 2019	
	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 AA-/Stable	ICRA]A+ (Stable)	CRISIL A+/Stable
Bank Borrowings	ICRA]A+ (Stable)	CRISIL AA-/Stable	ICRA]A+ (Stable)	CRISIL A+/Stable

Notes:

1. 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.
2. CRISIL has reaffirmed its 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+' rating on the debt instruments and bank loan facilities of the Company.

Note 39: Estimation of uncertainties relating to the global health pandemic from COVID-19

"The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Home Finance Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020, the Indian Government had announced a strict 21 day lockdown which has been further extended by 19 days across the country to contain the spread of virus. Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the Company would be granting a moratorium of three months on payments of instalments and/ or interest falling due

(Amount in INR)

between 1 March 2020 and 31 May 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification). The Company has recognise provisions as on 31 March 2020 towards its assets including loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions."

Note 40: Disclosure pursuant to Ind AS 19 - Employee Benefits

A) Defined contribution plan :

Motilal Oswal Home Finance Limited (formerly know as Aspire Home Finance Corporation 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 2020	As at 31 March 2019
Employer's contribution to provident fund	**24,067,098**	21,655,299
Employer's contribution to ESIC	**5,704,312**	5,911,215
Employer's contribution to National Pension Scheme	**279,012**	576,000
Total	**30,050,422**	**28,142,514**

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 2020	As at 31 March 2019
Interest / Discount Rate	**4.80%**	7.12%
Rate of increase in compensation	**10.24%**	15.00%
Employee attrition rate (Past Service) (PS)	**PS: 0 to 40 : 55.44%**	PS: 0 to 37 : 31.25%
Expected average remaining service	**0.8**	2.18

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	**10,613,678**	15,095,907
Current service cost	**9,070,656**	12,908,516
Past service cost	**(347,354)**	–
Interest cost	**698,340**	1,023,696
Benefit paid	**(925,213)**	(302,885)
Curtailment cost	**–**	–
Settlement cost	**–**	–
Net actuarial gain or loss recognized in the year	**(11,278,118)**	(18,111,556)
Present value of obligation at the end of the year	**7,831,989**	**10,613,678**

(Amount in INR)

Fair value of plan assets

Particulars	**As at 31 March 2020**	As at 31 March 2019
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)	**(7,831,989)**	(10,613,678)
Excess of actual over estimated return of plan assets	**–**	**–**

Experience history

Particulars	**As at 31 March 2020**	As at 31 March 2019
(Gain)/loss on obligation due to change in assumption	**(4,720,311)**	(7,655,761)
Experience (gain)/loss on obligation	**(6,557,807)**	(10,455,795)
Actuarial gain/(loss) on plan assets	**(11,278,118)**	**(18,111,556)**

Amounts to be recognized in the balance sheet

Particulars	**As at 31 March 2020**	As at 31 March 2019
Present value of obligation at the beginning of the year	**7,831,989**	10,613,678
Fair value of plan assets at end of period		
Funded status	–	–
Unrecognized acturial gain/(loss)	–	–
Unrecognized past service cost - non vested benefits	–	–
Net assets/(liability) recognized in balance sheet	**(7,831,989)**	**(10,613,678)**

Expense recognized in the statement of profit and loss account

Particulars	**As at 31 March 2020**	As at 31 March 2019
Current service cost	**9,070,656**	12,908,516
Interest cost	**698,340**	1,023,696
Past service cost (non vested benefits)	**(347,354)**	331,358
Past service cost (vested benefits)		–
Unrecognized past service cost - non vested benefits	–	–
Expected return on plan assets	–	–
Net acturial gain/ (loss) recognized for the period	–	–
Expense recognized in the statement of profit and loss account	**9,421,642**	**14,263,570**

(Amount in INR)

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
Opening net liability	**10,613,678**	14,764,549
Expenses as above	**9,768,996**	14,263,570
Transfer in liability	**721,824**	
Transfer Out liability	**(1,069,178)**	
Expenses recognized	**9,421,642**	14,263,570
Employer's contributions	**(925,213)**	(302,885)
Other Comprehensive Income(OCI)	**(11,278,118)**	(18,111,556)
Closing net liability	**7,831,989**	10,613,678
Closing provisions at the end of the year	**7,831,989**	**10,613,678**

Defined benefit plans

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	**7,831,989**	10,613,678
Plan assets	**(7,831,989)**	(10,613,678)
Experience adjustments :		
On plan liabilities	**–**	–
On plan assets	**–**	–

Sensitivity analysis

Particulars	DR: Discount Rate		ER Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER - 1%	PVO ER - 1%
Present value of obligation (PVO)	7,689,260	7,980,767	7,933,664	7,731,278

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	3,057,715	2,002,854	1,328,937	1,008,786	627,985	566,939

Asset Liability Comparisons

Year	31 March 2016	31 March 2017	31 March 2018	31 March 2019	31 March 2020
PVO at the end of period	3,202,246	12,758,761	15,095,907	10,613,678	**7,831,989**
Plan Assets	–	–	–	–	**–**
Surplus / (Deficit)	(3,202,246)	(12,758,761)	(15,095,907)	(10,613,678)	**(7,831,989)**
Experience adjustments on plan assets	**–**	**–**	**–**	**–**	**–**

(Amount in INR)

Note 41: Disclosure relating to Employee stock option scheme

The Company has following stock option schemes:

Aspire Home Finance Corporation Limited -Employees' Stock Option Scheme 2014 - (ESOS - 2014)

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in three tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016)

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in five tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 10,000,000 options representing 10,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in two tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017 H Co.) (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 30,000,000 options representing 30,000,000 Equity shares of Re. 1 each.

The activity in the (ESOS 2014), (ESOS 2016) , (ESOS 2017) and (ESOS 2017 H Co) during the year ended 31 March 2020 and 31 March 2019 is set below:

Equity Shares	As at 31 March 2020 (in numbers)	Weighted Average Exercise price	As at 31 March 2019 (in numbers)	Weighted Average Exercise price
The AHFCL (ESOS 2014): (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year	3,990,000	1.00	12,370,000	1.00
Add: Granted	17,725,000	3.00	–	–
Less: Exercised	640,000	1.00	–	–
Less: Lapsed	3,930,000	1.66	8,380,000	1.00
Option outstanding, end of the year	17,145,000	2.92	3,990,000	1.00
Exercisable at the end of the year	720,000	1.00	690,000	1.00
The AHFCL (ESOS 2016): (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year	42,800,000	2.39	38,750,000	1.60
Add: Granted	10,930,000	3.50	24,100,000	3.00
Less: Exercised	640,000	1.60	–	–
Less: Lapsed	35,375,000	2.53	20,050,000	1.60
Option outstanding, end of the year	17,715,000	2.82	42,800,000	2.39
Exercisable at the end of the year	1,360,000	1.60	3,720,000	1.60
The AHFCL (ESOS 2017): (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	4,578,500	2.56	8,435,000	2.12
Add: Granted	–	–	–	–
Less: Exercised	80,500	1.60	–	–
Less: Lapsed	2,193,500	2.32	3,856,500	1.60
Option outstanding, end of the year	2,304,500	2.83	4,578,500	2.56
Exercisable at the end of the year	158,000	3.39	–	–
The AHFCL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	21,413,500	1.60	29,390,000	–
Add: Granted	–	–	–	–
Less: Exercised	2,984,750	1.60	2,122,000	1.60
Less: Lapsed	2,834,250	1.60	5,854,500	1.60
Option outstanding, end of the year	15,594,500	1.60	21,413,500	1.60
Exercisable at the end of the year	588,000	1.60	817,000	1.60

(Amount in INR)

Employees' Stock Options Scheme (ESOS) :

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements .

<table>
<tr><th>Particulars</th><th>ESOS 2014</th><th>ESOS 2016</th><th>ESOS 2017</th><th>ESOS 2017 H Co.</th></tr>
<tr><td>Date of grant</td><td>Various dates</td><td>Various dates</td><td>Various dates</td><td>Various dates</td></tr>
<tr><td>Date of board approval</td><td>11 September 2014</td><td>29 April 2016</td><td>25 April 2017</td><td>25 April 2017</td></tr>
<tr><td>Date of shareholders' approval</td><td>16 October 2014</td><td>07 July 2016</td><td>25 May 2017</td><td>25 May 2017</td></tr>
<tr><td>Number of options granted</td><td>46,925,000</td><td>73,780,000</td><td>8,435,000</td><td>29,390,000</td></tr>
<tr><td>Method of settlement</td><td>Equity shares</td><td>Equity shares</td><td>Equity shares</td><td>Equity shares</td></tr>
<tr><td>Vesting period</td><td>1 year to 4 years</td><td>1 year to 4 years</td><td>1 year to 4 years</td><td>1 year to 5 years</td></tr>
<tr><td>Vesting pattern</td><td>30:30:40</td><td>10:20:30:40</td><td>10:20:30:40</td><td>10:17:25:32:15</td></tr>
<tr><td>Weighted average remaining contractual life</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Granted but not vested</td><td>3.01 year
(PY 1.11 years)</td><td>2.71 years
(PY 2.91 Years)</td><td>2.12 years
(PY 2.78)</td><td>1.39 years
(PY 2.17)</td></tr>
<tr><td>Vested but not exercised</td><td>0.15 year
(PY NIL)</td><td>0.27 Years
(PY 0.26 year)</td><td>NIL
(PY NA)</td><td>0.03 year
(PY NA)</td></tr>
<tr><td>Weighted average share price at the date of exercise for stock options exercised during the year *</td><td>CY ₹ 3.00
(PY NA)</td><td>CY ₹ 3.50
(PY NA)</td><td>CY ₹ 3.50
(PY NA)</td><td>CY ₹ 3.50
(PY ₹ 3.00)</td></tr>
<tr><td>Exercise period</td><td>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.</td><td colspan="3">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.</td></tr>
<tr><td>Vesting conditions</td><td colspan="4">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.</td></tr>
<tr><td>Weighted average fair value of options as on grant date</td><td>Re. 0.49</td><td>Re. 0.79</td><td>Re. 0.72</td><td>Re. 0.70</td></tr>
</table>

Note: The vesting period of the Grant I & II of AHFCL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

(Amount in INR)

Exercise pricing formula

The exercise pricing formula for AHFCL ESOS 2014, AHFCL ESOS 2016, AHFCL ESOS 2017 and AHFCL ESOS 2017-H Co are as under:

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

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 2014I, ESOS 2016, ESOS 2017 and ESOS 2017- H co., as on the date of grant are as follow :

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017-H Co.
Risk-free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%
Expected volatility of share price*	40%	40%	40%	40%
The weighted average price of equity share as on grant date	₹ 1.57	₹ 2.20	₹ 1.85	₹ 1.74

*Expected volatility has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

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.

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	**1,134,226,728**	**–**	**1,134,226,728**	799,662,881	–	799,662,881
Bank balance other than cash and cash equivalents above	**27,655,409**	**–**	**27,655,409**	25,884,255	–	25,884,255
Receivables						
Trade receivables	**12,503,003**	**–**	**12,503,003**	24,485,264	–	24,485,264
Loans	**1,083,341,189**	**35,523,784,734**	**36,607,125,923**	2,642,426,960	41,262,992,026	43,905,418,986
Investments	**–**	**–**	**–**	506,381,148	–	506,381,148
Other financial assets	**115,551,085**	**15,543,618**	**131,094,703**	572,103,731	–	572,103,731
Total Financial Assets (A)	**2,373,277,414**	**35,539,328,352**	**37,912,605,766**	**4,570,944,239**	**41,262,992,026**	**45,833,936,265**
Non-financial assets						
Current tax assets (Net)	**–**	**84,595,677**	**84,595,677**	–	22,083,110	22,083,110
Deferred tax assets (Net)	**–**	**976,224,576**	**976,224,576**	–	1,198,720,187	1,198,720,187
Property, plant and equipment	**–**	**130,473,670**	**130,473,670**	–	109,844,774	109,844,774
Other intangible assets	**–**	**28,855,997**	**28,855,997**	–	32,046,419	32,046,419
Other non-financial assets	**72,889,570**	**–**	**72,889,570**	258,609,200	–	258,609,200
Total Non-Financial Assets (B)	**72,889,570**	**1,220,149,921**	**1,293,039,491**	**258,609,200**	**1,362,694,490**	**1,621,303,691**
Total assets (C) = (A) + (B)	**2,446,166,984**	**36,759,478,273**	**39,205,645,258**	**4,829,553,439**	**42,625,686,516**	**47,455,239,956**

(Amount in INR)

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
total outstanding dues of creditors other than micro enterprises and small enterprises	5,488,659	–	5,488,659	34,604,477	–	34,604,477
Debt securities	1,573,929,212	13,562,233,691	15,136,162,903	6,306,694,300	14,136,067,413	20,442,761,713
Borrowings (Other than debt securities)	3,338,566,649	11,065,643,057	14,404,209,706	3,827,980,087	11,415,250,620	15,243,230,707
Other financial liabilities	478,300,719	173,029,731	651,330,450	1,457,011,451	–	1,457,011,451
Total Financial Liabilities (A)	**5,396,285,239**	**24,800,906,479**	**30,197,191,718**	**11,626,290,315**	**25,551,318,033**	**37,177,608,348**
Non-financial Liabilities						
Current tax assets (Net)	35,149,703	–	35,149,703	16,005,288	–	16,005,288
Provisions	25,615,658	–	25,615,658	27,561,373	–	27,561,373
Other non-financial liabilities	–	–	–	–	12,942,882	12,942,882
Total Non-Financial Liabilities (B)	**60,765,361**	**–**	**60,765,361**	**43,566,661**	**12,942,882**	**56,509,543**
Total liabilities (C) = (A)+(B)	**5,457,050,600**	**24,800,906,479**	**30,257,957,079**	**11,669,856,976**	**25,564,260,915**	**37,234,117,891**

Note 43: Segmental Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. The Company also provides consumer loans (top-up loans) and loan against properties. The Board reviews the Company's performance as a single business. Further the Company does not have any separate geographical segment in India. There being only one segment, disclosure for segment as per Ind AS 108 is not applicable. Further, no clients individually accounted for more than 10% of the revenue in financial year ended 31 March 2020 and 31 March 2019.

Note 44: 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 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 (upto 02 August 2019)
Sanjaya Kulkarni - Independent Director
Smita Gune - Independent Director
Rekha Shah - Independent Director
Gautam Bhagat - Independent Director (upto 10 May 2019)
Hemant Kaul - Independent Director (upto 15 February 2019)
Vijay Kumar Goel - Chief Executive Officer (from 30 July 2019)
Shalibhadra Shah - Chief Financial Officer (from 10 May 2019)
Vivek Kannan - Chief Operating Officer (from 16 August 2019)

(Amount in INR)

(C) Transactions with related parties are as enumerated below:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses by the Company		
Motilal Oswal Financial Services Limited		
- Sundry expenses	**2,667,938**	3,134,097
- Rent	**34,916,316**	47,080,158
- Electricity expense	**2,407,544**	4,479,210
Share based payment cost incurred by the Company		
Motilal Oswal Financial Services Limited	**(405,386)**	676,911
Share based payment cost incurred by Holding Company		
Motilal Oswal Financial Services Limited	**1,074,081**	4,856,320
Loan Received		
Motilal Oswal Financial Services Limited	**10,830,000,000**	2,150,000,000
Motilal Oswal Finvest Limited	**–**	1,000,000,000
Loan repaid		
Motilal Oswal Financial Services Limited	**10,830,000,000**	2,150,000,000
Motilal Oswal Finvest Limited	**–**	1,000,000,000
Loan repayment received		
Anil Sachidanand	**–**	9,676,087
Interest paid		
Motilal Oswal Financial Services Limited	**20,962,467**	5,684,383
Motilal Oswal Finvest Limited	**–**	4,372,603
Payment towards collections from derecognised loan assets		
Motilal Oswal Finvest Limited	**266,192,454**	–
Arranger fees paid		
Motilal Oswal Wealth Management Limited	**5,139,538**	4,186,837
Business Support Charges paid		
Motilal Oswal Financial Services Limited	**22,500,000**	22,500,000
Commission on Bank Guarantee		
Motilal Oswal Financial Services Limited	**19,258,096**	4,593,171
Remuneration paid including accrual for compensated absences *		
Anil Sachidanand - resigned on 17 August 2018	**–**	8,768,215
Mr. Sanjay Athalye	**4,457,895**	8,915,534
Mr. Sanjaya Kulkarni	**70,000**	113,000
Mrs. Smita Gune	**180,000**	245,000
Mrs. Rekha Shah	**180,000**	–
Mr. Hemant Kaul	**–**	157,000
Mr. Gautam Bhagat	**20,000**	108,000
Mr. Vivek Kannan	**9,249,876**	–

* The above figures do not include provision for gratuity since it is actuarially determined for the Company as a whole.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Subscription of equity shares including premium		
Motilal Oswal Investment Advisors Limited	–	500,000,000
Motilal Oswal Finvest Limited	–	1,500,000,000
Mr. Shalibhadra Shah	60,000	–
Balance payable		
Motilal Oswal Finvest Limited	50,621,960	–
Motilal Oswal Financial Services Limited	9,482,848	4,444,413
Motilal Oswal Wealth Management Limited	609,749	155,776
Balance Receivable		
Motilal Oswal Securities Limited	–	412,572
Motilal Oswal Financial Services Limited	782,905	11,962
Corporate guarantee received (to the extent of outstanding amount)		
Motilal Oswal Financial Services Limited	8,474,910,714	7,420,000,000
Key Management personnel compensation		
Short term employee benefit	14,157,771	18,306,749
Share based payments	1,368,758	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.

Note 45: 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 of the Company as at Balance sheet date.

Note 46: Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2020			As at 31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	1,134,226,728	–	–	799,662,881
Bank balance other than cash and cash equivalents above	–	–	27,655,409	–	–	25,884,255
Trade receivables	–	–	12,503,003	–	–	24,485,264
Loans	–	–	36,275,409,358		–	42,131,000,809
Investments	–	–	–	506,381,148	–	–
Other financial assets	–	–	131,094,703	–	–	572,103,731
Total financial assets	**–**	**–**	**37,580,889,201**	**506,381,148**	**–**	**43,553,136,940**
Financial liabilities						
total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	5,488,659	–	–	34,604,477
Debt securities	–	–	15,084,638,683	–	–	20,361,100,798
Borrowings (Other than debt securities)	–	–	14,397,851,659	–	–	15,505,541,789
Other financial liabilities	–	–	651,330,450	–	–	1,457,011,451
Total financial liabilities	**–**	**–**	**30,139,309,452**	**–**	**–**	**37,358,258,515**

(Amount in INR)

As at 31 March 2020				
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 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**

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. 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 and 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 and 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.
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.

(Amount in INR)

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):

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

(Amount in INR)

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.

* In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the Company would be granting a moratorium of three months on payments of instalments and/ or interest falling due between 1 March 2020 and 31 May 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset / Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The Probability of Default (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.

(Amount in INR)

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. 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 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 information : Forward- looking economic variable/assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflations rates set by International Monetory Fund, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Impact of RBI Circular - COVID-19 – Regulatory Package

As per Ind AS 109 - Financial Instruments, the Company has rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are due for more than 30 days, for the customers who have availed moratorium relief through the RBI circular of COVID-19 - Regulatory Package. The default period criteria of 90 days for the cases who has been provided moratorium relief are accordingly freezed at the Days past due of those cases as at 1 March 2020.

In its ECL models, the Company also relies on a broad range of forward looking information. In case of PD which represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation, Company has created a blended PD based on the past historical movement of the customers and an accelerated PD on the customers which has availed the moratorium benefit and and expected to avail the benefit in next 2 months. Accordingly the Company has computed the 12M PD and Lifetime PD.

The Company is of the opinion that it is pre-mature to predict the COVID impact on the valuation of collaterals and hence have not changed the computation of LGD and kept the same as mentioned earlier.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" between 12-month and Lifetime ECL;

b. Additional allowances for financial instruments de-recognised in the period;

(Amount in INR)

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.

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.

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.

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.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities.

As at 31 March 2020

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	1,134,226,728	–	–	–	–	1,134,226,728
Bank balance other than cash and cash equivalents above	–	27,655,409	–	–	–	27,655,409
Trade receivables	7,501,802	5,001,201	–	–	–	12,503,003

(Amount in INR)

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
Loans	251,546,217	831,794,972	5,523,681,350	8,304,092,007	21,696,011,377	36,607,125,923
Investments	–	–	–	–	–	–
Other financial assets	111,761,453	3,789,632	8,128,792	7,414,826	–	131,094,703
Total financial assets	**1,505,036,200**	**868,241,214**	**5,531,810,142**	**8,311,506,833**	**21,696,011,377**	**37,912,605,766**
Financial liabilities						
(I) Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	3,659,106	1,829,553	–	–	–	5,488,659
Debt securities	450,000,000	1,123,929,212	13,062,233,591	500,000,100	–	15,136,162,903
Borrowings (Other than debt securities)	1,054,406,130	2,284,160,519	10,243,607,663	822,035,394	–	14,404,209,706
Other financial liabilities	237,396,348	240,904,371	173,029,731	–	–	651,330,450
Total financial liabilities	**1,745,461,584**	**3,650,823,655**	**23,478,870,985**	**1,322,035,494**	**–**	**30,197,191,718**

As at 31 March 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
(I) Trade receivables	14,691,159	9,794,105	–	–	–	24,485,264
Loans	842,569,127	1,799,857,832	7,298,947,410	8,146,624,151	25,817,420,465	43,905,418,986
Investments	506,381,148	–	–	–	–	506,381,148
Other financial assets	343,262,239	228,841,492	–	–	–	572,103,731
Total financial assets	**2,506,566,554**	**2,064,377,684**	**7,298,947,410**	**8,146,624,151**	**25,817,420,465**	**45,833,936,265**
Financial liabilities						
(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	828,663,557	–	20,442,761,713
Borrowings (Other than debt securities)	938,336,365	2,889,643,722	9,976,285,462	1,397,431,747	41,533,411	15,243,230,707
Other financial liabilities	874,206,870	582,804,581	–	–	–	1,457,011,450
Total financial liabilities	**4,253,594,480**	**7,372,695,835**	**23,283,689,318**	**2,226,095,304**	**41,533,411**	**37,177,608,347**

(Amount in INR)

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 doesnot have any foreign curreny 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 continous efforts to reduce its cost of funds by diverifying 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.

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.

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 2020	As at 31 March 2019
Loans		
Interest rates – increase by 100 basis points	**242,705,633**	308,603,102
Interest rates – decrease by 100 basis points	**242,705,633**	308,603,102
Borrowings		
Interest rates – increase by 100 basis points	**141,514,900**	116,367,309
Interest rates – decrease by 100 basis points	**141,514,900**	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 susceptible to changes in market price.

Note 49: 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.

Net Debt-to-Equity Ratio:

Net Debt-to-Equity Ratio as at 31 March 2020	3.27 times
Net Debt-to-Equity Ratio as at 31 March 2019	4.24 times

Net Debt represents the Total Debt securities and Borrowings, as reduced by cash and cash equivalents and other bank balances as at year end.

Equity represents the Total equity as disclosed in the financials as at year end.

(Amount in INR)

Note 50: Details of dues to micro enterprises and small enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management, following disclosures are made:

Particulars	As at 31 March 2020	As at 31 March 2019
1. The principal amount remaining unpaid at the end of the year.	–	–
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	**–**	**–**

Note 51:

Additional information required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2018 NHB(ND)/DRS/REG/MC-07/2018, is given in Annexure 1, which have been presented solely based on the information compiled by the Management. The figures stated therein are not traceable to the Financial Statements as at 31 March 2020. The differences are arising as the disclosures are made as per the regulatory requirement vis á vis the financial statements prepared as per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.

Note 52:

The previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's presentation as under:

- Loans written off are regrouped from Other expenses to Impairment on financial instruments.
- Advertisement income from Revenue from operations to Other income.

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place: Mumbai
Date: 27 April 2020

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

(Amount in INR)

Annexure 1 to the financial statements for the year ended 31 March 2020

Disclosures pursuant to National Housing Finance (NHB) circulars

The following disclosures have been given in terms of Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the NHB and have been presented solely based on the information compiled by the Management. These figures are not traceable to the Financial Statements as at March 31, 2020. The differences are arising as the disclosures are made as per the regulatory requirement vis á vis the financial statements prepared as per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.

All amount in INR unless stated otherwise

1 Reconciliation of loans as per IGAAP and IND AS

	As at 31 March 2020	As at 31 March 2019
Housing and Non-housing Loan		
(i) Loans as per IGAAP	**36,607,125,923**	43,905,418,986
(ii) Unamortized upfront income / expense- IND AS Adjustment	**(175,941,057)**	(335,027,077)
(iii) Interest accrued but not due on home loans	**277,550,586**	310,689,980
Total Loans (i) +(ii)+ (iii)	**36,708,735,452**	**43,881,081,889**
less : Impairment loss allowance	**(433,326,094)**	(1,750,081,082)
Loans as per IND AS	**36,275,409,358**	**42,131,000,807**

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 2020	As at 31 March 2019
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**71,285,792**	71,285,792
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	**305,781,438**	305,781,438
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	**78,155,347**	–
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	**–**	–
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.	**–**	–

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**149,441,139**	71,285,792
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.	**305,781,438**	305,781,438
Total	**455,222,577**	**377,067,230**

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 2020	As at 31 March 2019
CRAR (%)	**47.58%**	29.20%
CRAR - Tier I Capital (%)	**46.41%**	27.46%
CRAR - Tier II Capital (%)	**1.17%**	1.74%
Amount of subordinated debt raised as Tier - II Capital	**–**	200,000,000
Amount raised by issue of perpetual debt Instruments	**–**	–

II. Exposure to Real estate sector

Particulars	As at 31 March 2020	As at 31 March 2019
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	28,255,175,917	32,852,179,800
Housing Loan more than ₹ 15 Lacs	8,166,977,633	10,762,320,720
(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;	184,972,373	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)	–	–

(Amount in INR)

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2020

(₹ in crores)

Pattern	1day 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	12.94	7.25	85.24	78.31	150.12	627.14	397.22	58.59	23.61	0.00	1,440.42
Market Borrowings	–	–	45.00	0.00	112.39	431.52	874.70	50.00	0.00	0.00	1,513.62
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	8.37	8.36	8.43	25.70	57.48	257.20	295.17	325.21	505.19	2169.60	3,660.71
Investments	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency Asset	–	–	–	–	–	–	–	–	–	–	–

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	–	–	–	–	–	–	–	–	–	–	–
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
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 2020	As at 31 March 2019
Penalty if any levied by National Housing Bank	–	–
Total	–	–

II Adverse remarks

Particulars	As at 31 March 2020	As at 31 March 2019
Adverse remarks if any given by National Housing Bank	–	–

(Amount in INR)

III % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.

Particulars	As at 31 March 2020	As at 31 March 2019
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	–	–

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 2020	As at 31 March 2019
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	–	500,000,000
(b) Outside India		
(II) Provisions for Depreciation		
(a) In India	–	–
(b) Outside India	–	–
(III) Net value of investments		
(a) In India	–	500,000,000
(b) 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 2020	As at 31 March 2019
Sanctioned Limit/ Amount outstanding for Single borrower limit	–	–
Sanctioned 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	For the year ended 31 March 2020	For the year ended 31 March 2019
1. Provisions for depreciation on investment	–	–
2. Provisions made towards income tax (net of reversal of tax of earlier year)	–	(142,169)
3. Provisions towards NPAs	**(2,481,670,546)**	2,125,773,021
4. Provisions for standard assets	**23,820,409**	(21,481,524)
5. Other provision and contingencies		
Gratuity	**9,421,642**	14,263,570
Compensated absence	**867,607**	2,855,638
Heritage Club	**225,797**	391,636
Provision for expenses	**5,173,264**	5,104,673

(Amount in INR)

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 2020	As at 31 March 2019
Total Exposure to top ten NPA accounts	**27,390,091**	32,083,735

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 2020	As at 31 March 2019
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	1.13%	6.40%
(II) Builders / Project Loans		
(III) Corporates		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	2.01%	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 2020	As at 31 March 2019
(I) Net NPAs to Net Advances (%)	**1.12%**	2.99%
(II) Movement of Gross NPAs		
(a) Opening Balance	**3,959,794,528**	2,199,094,528
(b) Additions during the year	**517,232,888**	6,006,600,000
(c) Reduction during the year	**3,817,037,800**	4,245,900,000
(d) Closing balance	**659,989,616**	3,959,794,528
(III) Movement of Net NPAs		
(a) Opening Balance	**1,222,402,851**	1,616,202,851
(b) Additions during the year	**320,595,814**	3,830,900,000
(c) Reduction during the year	**1,138,642,994**	4,224,700,000
(d) Closing balance	**404,355,671**	1,222,402,851
(IV) Movement of provisions for NPAs		
(a) Opening Balance	**2,737,391,677**	582,891,677
(b) Additions during the year	**196,637,074**	2,175,700,000
(c) Write off/ write back of excess provision	**2,678,394,807**	21,200,000
(d) Closing balance	**255,633,945**	2,737,391,677

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 2020	As at 31 March 2019
Overseas assets	**–**	–

12 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)-

Name of the SPV sponsored	As at 31 March 2020	As at 31 March 2019
Domestic	**–**	–
Overseas	**–**	–

(Amount in INR)

13 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 2020	As at 31 March 2019
(a) No. of complaints pending at the beginning of the year	3	3
(b) No. of complaints received during the year	127	52
(c) No. of complaints redressed during the year	128	52
(d) No. of complaints pending at the end of the year	2	3

14 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 2020	As at 31 March 2019
(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	–	–

15 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 2020	As at 31 March 2019
No. of accounts		
Aggregate value (net of provision) of accounts assigned	–	–
Aggregate consideration	–	–
Additional consideration realized in respect of accounts transferred in earlier years	–	–
Aggregate gain/loss over net book value	–	–

(Amount in INR)

16 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 2020	As at 31 March 2019
(I) No of SPVs sponsored by the HFC for securitisation transactions	–	–
(II) Total amount if securitised assets as per books of the SPVs sponsored	–	–
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements	–	–
(b) On balance sheet exposures towards credit enhancements	–	–
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–
(b) On balance sheet exposures towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–

II Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at 31 March 2020	As at 31 March 2019
(I) No. of accounts	**5,148**	–
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	**1,163,189,907**	–
(III) Aggregate consideration	**2,935,000,000**	–
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	**1,771,810,093**	–

III Details of assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2020	As at 31 March 2019
(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 2020	As at 31 March 2019
(I) No. of accounts purchased during the year	–	–
(II) Aggregate outstanding	–	–
(III) Of these, number of accounts restructured during the year	–	–
(IV) Aggregate outstanding	–	–

(Amount in INR)

(ii) Details of non-performing financial assets sold:

Particulars	As at 31 March 2020	As at 31 March 2019
(I) No. of accounts sold	5,148	–
(II) Aggregate outstanding	4,211,635,532	–
(III) Aggregate consideration received	2,935,000,000	–

17 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 2020	As at 31 March 2019
Registration from other financial regulator if any	–	–

18 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 2020	As at 31 March 2019
Amount of unsecured advances given against rights, licenses, authorisations etc.	–	–

19 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 2020	As at 31 March 2019
Details of financing of parent company products	–	–

20 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 2020	As at 31 March 2019
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

21 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 2020	As at 31 March 2019
Total Loans & Advances to twenty largest borrowers	147,850,941	207,542,668
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.40%	0.47%

22 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 2020	As at 31 March 2019
Total Exposure to twenty largest borrowers / customers	153,592,336	215,819,481
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	0.42%	0.48%

(Amount in INR)

23 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 2020	As at 31 March 2019
(I) The notional principal of swap agreements	–	–
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(III) Collateral required by the HFC upon entering into swaps	–	–
(IV) Concentration of credit risk arising from the swaps.	–	–
(V) The fair value of the swap book	–	–

24 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 2020	As at 31 March 2019
(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 2020	As at 31 March 2019
(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 2020	For the year ended 31 March 2019
Borrowing cost	–	–

(Amount in INR)

25 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.

Nature of borrowing	As at 31 March 2020		As at 31 March 2019	
	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 AA-/ Stable	ICRA]A+ (Stable)	CRISIL A+/ Stable
Bank Borrowings	ICRA]A+ (Stable)	CRISIL AA-/ Stable	ICRA]A+ (Stable)	CRISIL A+/ Stable

26 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	33,057,581,603	2,896,178,809
Provisions	155,676,595	31,182,312
Sub-standard assets		
Total outstanding	579,109,979	72,798,559
Provisions	223,362,285	28,629,720
Doubtful assets- Category I		
Total outstanding	1,456,973	–
Provisions	1,238,427	–
Doubtful assets- Category II		
Total outstanding	–	–
Provisions	–	–
Doubtful assets- Category III		
Total outstanding	–	–
Provisions	–	–
Loss assets		
Total outstanding	–	–
Provisions	–	–
Total		
Total outstanding	**33,638,148,555**	**2,968,977,369**
Provisions	**380,277,307**	**59,812,032**

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
Standard Asset		
Total outstanding	39,123,894,761	821,647,270
Provisions	156,503,494	8,261,473

(Amount in INR)

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
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	**2,750,335,063**	**101,718,617**

Note : For above disclosure Overdue Principal and interest accrued but no due has not been considered.

27 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 2020	As at 31 March 2019
Amount of Fraud	**273,834,989**	25,95,93,108

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place: Mumbai
Date: 27 April 2020

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Navin Agarwal
Director
DIN: 00024561

Vijay Kumar Goel
Chief Executive Officer

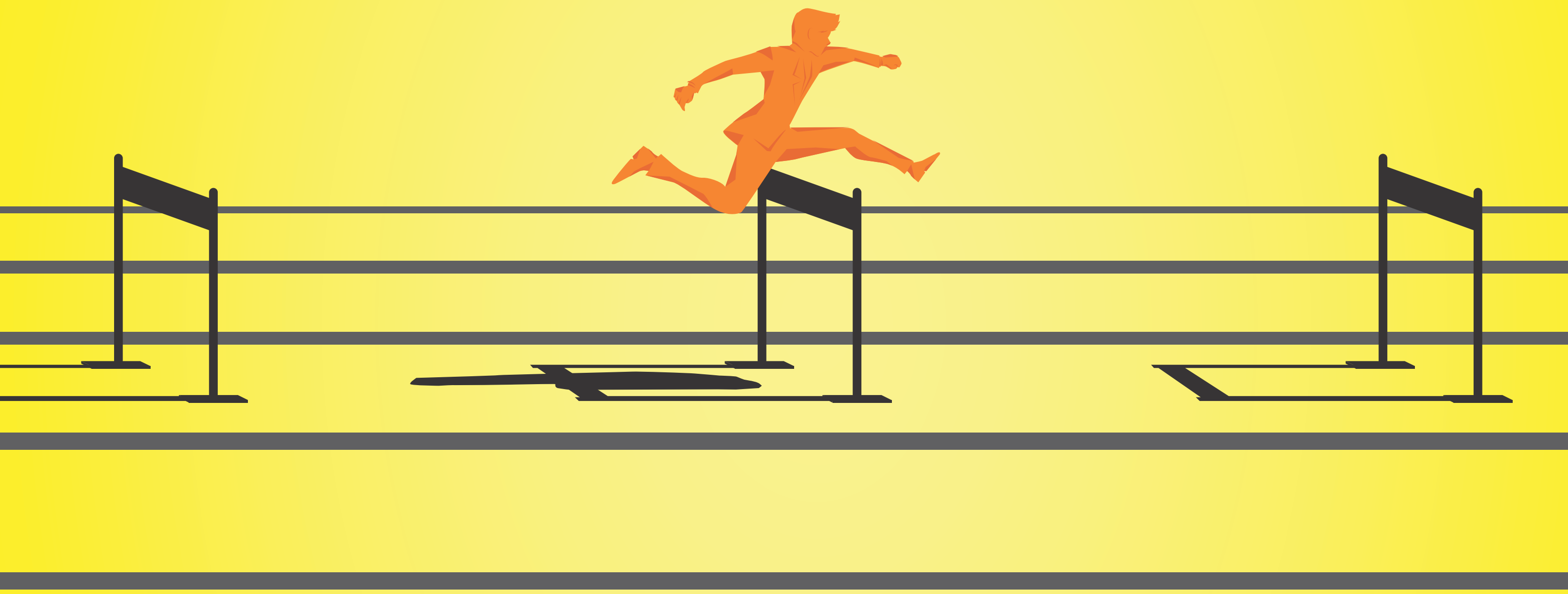
Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 27 April 2020

Motilal Oswal Investment Advisors Limited

Financial Statement 2019 -20



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, 2020, 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, 2020, and profit/loss, and its cash flows for the year ended on March 31, 2020.

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 year 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the Internal Financial 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: 24th April, 2020

UDIN:- 20040117AAAACA6956

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 are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

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, 2020 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: 24th April, 2020

UDIN:- 20040117AAAACA6956

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 2020 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 2020, 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: 24th April, 2020
UDIN:- 20040117AAAACA6956

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No.	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	4	5,424,286	4,218,829
b) Receivables			
Trade receivables	5	–	162,245,001
Other receivables		–	991,000
c) Investments	6	974,649,433	1,120,885,050
		980,073,719	**1,288,339,881**
2 Non-financial assets			
a) Current tax asset (net)	7	56,373,873	44,470,667
b) Deferred tax asset (net)	8	31,996,671	12,802,942
c) Property plant & equipments	9 (a)	1,672,333	2,548,689
d) Intangible assets	9 (b)	–	4,408
e) Other non-financial assets	10	9,542,788	1,533,103
		99,585,665	**61,359,809**
TOTAL ASSETS		**1,079,659,383**	**1,349,699,690**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Borrowings	11	55,900,000	177,000,000
(b) Other financial liabilities	12	7,106,733	6,504,067
		63,006,733	**183,504,067**
2 Non-financial liabilities			
(a) Provision	13	9,476,668	21,280,859
(b) Other non-financial liabilities	14	2,596,315	21,868,142
		12,072,983	**43,149,001**
3 Equity			
(a) Share capital	15	10,000,000	10,000,000
(b) Reserves and surplus	16	994,579,668	1,113,046,622
		1,004,579,668	**1,123,046,622**
TOTAL LIABILITIES AND EQUITY		**1,079,659,383**	**1,349,699,690**

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 : 24th April 2020
UDIN: 20040117AAAACA6956

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 : 24th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

		Note No.	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
I.	**Revenue from operations**			
	Fees and commission Income	17	118,975,001	371,306,523
	Other Operating Revenue	18	1,855,204	5,650,658
	Total Revenue from operations		**120,830,205**	**376,957,181**
II.	**Other Income**	19	**291,234**	**4,319,460**
III.	**Total Income (I+II)**		**121,121,439**	**381,276,641**
IV.	**Expenses**			
	Finance Cost	20	9,997,971	9,959,773
	Fees and commission expense	21	–	14,127,503
	Impairment on financial instruments	22	3,240,000	45,269
	Net gain on fair value changes	23	25,190,857	29,811,345
	Employee benefit Expenses	24	100,404,890	117,637,638
	Depreciation and amortisation	6	880,764	820,499
	Other Expenses	25	118,865,520	129,481,365
	Total Expenses		**258,580,002**	**301,883,391**
V.	**Profit/(loss) Before Taxation (III-IV)**		**(137,458,564)**	**79,393,250**
VI.	**Less: Tax Expenses/(credit)**			
	Current tax		–	30,616,033
	Deferred tax		(19,142,859)	(3,608,278)
			(19,142,859)	**27,007,755**
VII.	**Profit/(loss) for the period (V-VI)**		**(118,315,704)**	**52,385,494**
VIII.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Acturail gain/(losses) on post retirement benefit plans		(202,119)	2,488
	(b) Deferred tax impact on the above		(50,869)	725
	Total other comprehensive income		**(151,250)**	**1,763**
IX.	**Total comprehensive income/(loss) (VII+VIII)**		**(118,466,954)**	**52,387,258**
	Earnings per equity share (₹) (Face value per share ₹ 10/-)	30		
	Basic		(118.32)	52.39
	Diluted		(118.32)	52.39

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 : 24th April 2020
UDIN: 20040117AAAACA6956

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 : 24th April 2020

STATEMENT OF CHANGES IN EQUITY

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

(A) Equity Share Capital

(Amount in ₹)

Particulars	EQUITY SHARE CAPITAL		Total
	Number of shares	Amount	
As at 31 March 2019	1,000,000	10,000,000	10,000,000
As at 31 March 2020	1,000,000	10,000,000	10,000,000

(B) Other Equity

(Amount in ₹)

Particulars	31 March 2020				31 March 2019				Total	
	Reserves and Surplus			Items of other comprehensive income	Reserves and Surplus			Items of other comprehensive income	31 March 2020	31 March 2019
	General Reserve	Capital Redemption Reserve	Retained earnings	Remeasurements of net defined benefit plans	General Reserve	Capital Redemption Reserve	Retained earnings	Remeasurements of net defined benefit plans		
Balance at the beginning of the reporting period	52,344,267	179,000,000	881,561,103	141,254	52,344,267	179,000,000	829,175,608	139,491	**1,113,046,623**	**1,060,659,366**
Total comprehensive income/(loss) for the year	–	–	(118,315,704)	(151,250)	–	–	52,385,495	1,763	**(118,466,954)**	**52,387,258**
Balance at the end of the reporting period	**52,344,267**	**179,000,000**	**763,245,398**	**(9,996)**	**52,344,267**	**179,000,000**	**881,561,103**	**141,254**	**994,579,669**	**1,113,046,623**

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 24th April 2020
UDIN: 20040117AAAACA6956

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 : 24th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	**(13,74,58,564)**	**7,93,93,250**
Add /Less :		
1) Depreciation	880,764	820,499
2) Bad debts w/off / Provision for bad debt	3,240,000	45,269
3) Gratuity	1,914,315	3,140,769
4) Loss / (gain) on Investments-Realised	(15,716,423)	3,275,802
5) Loss / (gain) on Investments-Unrealised	40,907,280	26,535,543
OPERATING PROFIT/(LOSS)	**(106,232,628)**	**113,211,132**
Adjustment for:		
1) (Increase)/decrease in receivables	163,236,001	(126,899,854)
2) (Increase)/decrease in loans	–	–
3) (Increase)/decrease in other financial assets	–	5,553,373
4) (Increase)/decrease in other non-financial assets	(11,249,685)	1,393,299
5) Increase/(decrease) in trade payables	–	(9,235,254)
6) Increase/(Decrease) in borrowing	(121,100,000)	146,000,000
7) Increase/(decrease) in other financial liabilities	602,666	(5,703,936)
8) Increase/(decrease) in provisions	(13,920,625)	(84,044,528)
9) Increase/(decrease) in other non-financial liabilities	(19,271,827)	20,384,669
CASH FLOW FROM OPERATIONS	**(107,936,098)**	**60,658,901**
Taxes Paid	(11,903,206)	(84,457,015)
NET CASH FLOW FROM OPERATIONS	**(119,839,304)**	**(23,798,114)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	0	(1,949,763)
Sale of Investment	263,544,760	517,745,522
Purchase of Investment	(142,500,000)	(500,000,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	**121,044,761**	**15,795,759**

CASH FLOW STATEMENT *(Contd..)*

	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
CASH FLOW FROM FINANCING ACTIVITIES	–	–
Increase/(Decrease) In Share capital	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**–**
NET CASH GENERATED/(USED)FOR THE YEAR ENDED	**1,205,457**	**(8,002,355)**
Cash and Bank Balances comprise of:		
Cash as at beginning of period	21,832	13,600
Scheduled Banks- In Current Accounts	4,196,998	12,207,584
Cash & Cash Equlvalents as at beginning of year	**4,218,829**	**12,221,184**
Cash and Bank Balances comprise of:		
Cash as at end of period	22,100	21,832
Scheduled Banks- In Current Accounts	5,402,187	4,196,998
Cash & Cash Equlvalents as at end of year	**5,424,286**	**4,218,829**

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 24th April 2020
UDIN: 20040117AAAACA6956

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 : 24th April 2020

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, 2020 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 GDRs. 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 financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2020 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:

- he 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

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

Measurement and recognition of leases as a lessee

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

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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) 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.

(iv) 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.

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.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Cash on hand	22,100	21,832
Balance with Bank		
Scheduled Banks- In Current Accounts	5,402,187	4,196,998
TOTAL	**5,424,286**	**4,218,829**

NOTE 5 : RECEIVABLES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Trade Receivables		
Unsecured, Considered Good	(0)	162,245,001
Other Receivables		
Unsecured, Considered Good	–	991,000
TOTAL	**(0)**	**163,236,001**

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: INVESTMENTS

Particulars	Face value / NAV	31 March 2020		31 March 2019	
		Units	Amount in ₹	Units	Amount in ₹
I. Investments carried at cost					
Investments at equity instruments					
Investments in fellow subsidiaries - Unquoted					
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	1	260,344,836	850,000,005	260,344,836	850,000,005
II. Mandatorily measured at FVTPL					
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted					
Motilal Oswal Most Focused Multicap 35 Fund	10	–	–	9,476,599	258,163,413
Aditya Birla Private Equity - Fund I	10	150	6,550,088	150	6,550,088
Motilal Oswal Large and Midcap fund	10	14,250,000	113,008,200		
III. Investment in Alternative Investment Funds - Unquoted					
Reliance Alternative Investments Fund	10	509,114	5,091,140	583,470	6,171,544
Total			**974,649,433**		**1,120,885,050**

NOTE 7: CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Advance Tax and TDS	56,373,873	44,470,667
TOTAL	**56,373,873**	**44,470,667**

NOTE 8 : DEFERRED TAX ASSET (NET)

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Deferred tax asset (net) (refer note 26)	31,996,671	12,802,942
Total	**36,654,967**	**12,802,942**

NOTE 9 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-4-19	Additions	As at 31-03-20	As at 1-4-19	Additions	As at 31-03-20	As at 31-03-20	As at 31-3-19
(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	3,754,126	–	3,754,126	3,516,471	12,487	3,528,958	225,168	237,655
Lease hold improvement	17,642,662	–	17,642,662	17,642,619	–	17,642,619	43	43
Furniture	4,842,927	–	4,842,927	4,641,417	–	4,641,417	201,510	201,510
Electrical Equipment	439,097	–	439,097	381,519	–	381,519	57,578	57,578
Air Conditioner	44,000	–	44,000	16,967	3,450	20,416	23,584	27,033
Mobile	413,073	–	413,073	319,470	20,960	340,429	72,644	93,603
Office Equipments	450,942	–	450,942	430,973	12,790	443,764	7,178	19,969
Projector	100,829	–	100,829	95,788		95,788	5,041	5,041
Computer	4,639,959	–	4,639,959	3,767,646	387,400	4,155,046	484,914	872,313
Car	1,400,000	–	1,400,000	366,058	439,269	805,327	594,673	1,033,942
Total (A)	**33,727,615**	**–**	**33,727,615**	**31,178,927**	**876,356**	**32,055,282**	**1,672,333**	**2,548,689**
(b) INTANGIBLE ASSETS								
Computer Software	178,041	–	178,041	173,633	4,408	178,041	0	4,408
Total (B)	**178,038**	**–**	**178,041**	**173,633**	**4,408**	**178,041**	**0**	**4,408**
Total (A+B)	**33,905,653**	**–**	**33,905,656**	**31,352,560**	**880,764**	**32,233,323**	**1,672,333**	**2,553,097**

Previous Year 2018-19

(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
(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	3,688,404	65,722	3,754,126	3,503,984	12,487	3,516,471	237,655	184,420
Lease hold improvement	17,642,662	–	17,642,662	17,642,619	–	17,642,619	43	43
Furniture	4,842,927	–	4,842,927	4,641,417	–	4,641,417	201,510	201,510
Electrical Equipment	439,097	–	439,097	381,519	–	381,519	57,578	57,578
Air Conditioner	44,000	–	44,000	12,797	4,170	16,967	27,033	31,203
Mobile	413,073	–	413,073	297,333	22,137	319,470	93,603	115,740
Office Equipments	450,942	–	450,942	399,908	31,065	430,973	19,969	51,034
Projector	100,829	–	100,829	95,788	–	95,788	5,041	5,041
Computer	4,155,918	484,041	4,639,959	3,389,465	378,181	3,767,646	872,313	766,453
Car		1,400,000	1,400,000	–	366,058	366,058	1,033,942	–
Total (A)	**31,777,852**	**1,949,763**	**33,727,615**	**30,364,830**	**814,097**	**31,178,927**	**2,548,689**	**1,413,023**
(b) INTANGIBLE ASSETS								
Computer Software	178,038	3	178,041	167,231	6,401	173,633	4,408	10,810
Total (B)	**178,038**	**–**	**178,041**	**167,231**	**6,401**	**173,633**	**4,408**	**10,810**
Total (A+B)	**31,955,890**	**1,949,763**	**33,905,656**	**30,532,061**	**820,499**	**31,352,560**	**2,553,097**	**1,423,832**

NOTE 10 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Advances for suppy for services	6,207	6,207
Prepaid Expenses	1,753,713	1,526,896
Tax credit receivable	7,782,868	–
TOTAL	**9,542,788**	**1,533,103**

NOTE 11 : BORROWINGS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Loan from Related Party	55,900,000	177,000,000
TOTAL	**55,900,000**	**177,000,000**

NOTE 12 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Salary, bonus & other benefits	2,006,728	*358,578*
Other Payables	3,598,741	*4,134,923*
Interest Accrued	368,181	*1,309,531*
Provision for expenses	1,133,083	*701,035*
TOTAL	**7,106,733**	**6,504,067**

NOTE 13 : PROVISION

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Provision for employee benefits		
For Gratuity and benefits (refer note 30)	8,260,316	6,413,112
Other long term benefits (refer note 30)	1,066,352	702,647
Others		
Provision for :		
Ex-Gratia (refer note 30)	150,000	14,165,100
Total	**9,476,668**	**21,280,859**

NOTE 14 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Withholding and other taxes payable	2,596,315	21,868,142
Total	**2,596,315**	**21,868,142**

NOTE 15: SHARE CAPITAL

Particulars	As at		As at	
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
	Number of shares	in ₹	Number of shares	in ₹
AUTHORISED				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000
Preference Shares of ₹ 10/- each (previous year ₹ 10 each)	9,000,000	90,000,000	9,000,000	90,000,000
	10,000,000	**100,000,000**	10,000,000	**100,000,000**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000
	1,000,000	**10,000,000**	**1,000,000**	**10,000,000**

15.1 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.

15.2 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	1,000,000	10,000,000	1,000,000	10,000,000
Addition During the Year	–	–	–	–
At the end of the year	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

15.3 Reconciliation of number of Preference shares outstanding

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	–	–	–	–
(Redeem) during the Year	–	–	–	–
At the end of the year	**–**	**–**	**–**	**–**

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

Name of shareholder	As at 31-Mar-20		As at 31-Mar-10	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited (Holding company)	10,00,000	100.00	10,00,000	100.00

15.5 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE : 16 OTHER EQUITY

	Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
a)	**Retained earnings**		
	Balance at the beginning of the year	881,561,102	829,175,608
	Add: Transfer from Statement of Profit and Loss	(118,315,704)	52,385,494
	Less: Transfer to Capital Redemption Reserve	–	–
	Balance at the end of year	**763,245,398**	**881,561,102**
b)	**General Reserve**		
	Balance at the beginning of the year	52,344,267	52,344,267
	Less: Transfer to Capital Redemption Reserve	–	–
	Balance at the end of year	**52,344,267**	**52,344,267**
c)	**Capital Redemption Reserve**		
	Balance at the beginning of the year	179,000,000	179,000,000
	Add: Addition during the year	–	–
	Balance at the end of year	**179,000,000**	**179,000,000**
d)	**Other Comprehensive Income Reserve**		
	Balance at the beginning of the year	141,253	139,490
	Add: Transfer from Statement of Profit and Loss	(151,250)	1,763
	Balance at the end of year	**(9996)**	**141,253**
		994,579,668	**1,113,046,622**

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: 17 FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Advisory Fees	118,975,001	371,306,523
TOTAL	**118,975,001**	**371,306,523**

NOTE : 18 OTHER OPERATING REVENUE

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Out of pocket recovery	1,855,204	5,650,658
TOTAL	**1,855,204**	**5,650,658**

NOTE : 19 OTHER INCOME

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Interest Income at amortised costs	3,358	6,904
Other Non Operating Revenue	287,876	4,312,556
TOTAL	**291,234**	**4,319,460**

NOTE : 20 FINANCE COST

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
On financial liabilities measured at amortised cost:		
Interest Cost	9,997,971	10,659,627
Other borrowing cost	–	(699,854)
TOTAL	**9,997,971**	**9,959,773**

NOTE : 21 FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Advisory/Referral expenses	–	5,644,350
Brokerage Paid	–	8,483,153
TOTAL	**–**	**14,127,503**

NOTE : 22 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Bad debts (Net of provision for doubtful debts)	3,240,000	45,269
TOTAL	**3,240,000**	**45,269**

NOTE : 23 NET GAIN / (LOSS)ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Net gain /(loss) on financial instruments at FVTPL		
On financial instruments designated at FVTPL	(25,190,857)	(29,811,345)
TOTAL (A)	**(25,190,857)**	**(29,811,345)**
Fair value changes:		
Realised gains / (loss)	15,716,423	(3,275,802)
Unrealised gains / (loss)	(40,907,280)	(26,535,543)
TOTAL (B)	**(25,190,857)**	**(29,811,345)**

NOTE : 24 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
EMPLOYEE BENEFIT		
Salary, Bonus and Allowances	85,860,993	103,428,458
Contribution to provident & other Funds	2,097,736	2,362,104
Staff Welfare Expenses	5,272,400	4,723,711
Employee Stock option Scheme	5,259,446	3,982,595
Gratuity (refer note 30)	1,914,315	3,140,769
TOTAL	**100,404,890**	**117,637,638**

NOTE : 25 OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Rent	20,976,900	20,976,874
Insurance	417,381	383,829
Remuneration to Auditors (refer note 27)	125,000	125,000
Membership & Subscription	336,067	864,813
Marketing & Brand Promotion Expenses	170,804	1,745,620
Power & Fuel	1,446,380	1,561,007
Communication Expenses	3,450,165	3,293,299
Travelling Expenses & Conveyance	3,946,649	8,809,643
Entertainment Expenses	1,876,595	2,173,343
Legal & Professional Charges	847,811	2,880,551
Printing & Stationery	600,025	700,929
Rates & Taxes	633	23,418
Computer Maintenance	68,942	83,973
Foreign Exchange Fluctuation	31,972	(64,176)
Business Support Charges	72,000,000	72,000,000
Donation (refer note 34)	10,279,458	11,611,674
Miscellaneous Expenses	2,290,739	2,311,568
TOTAL	**118,865,520**	**129,481,365**

NOTE : 26 TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Note : 26.1 Tax expense		
Current tax expense		
Current tax for the year	–	30,616,033
Total current tax expense	**–**	**30,616,033**
Deferred taxes		
Change in deferred tax liabilities	(19,142,859)	(3,608,278)
Net deferred tax expense	**(19,142,859)**	**(3,608,278)**
	(19,142,859)	**27,007,755**
Note : 26.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**(137,458,564)**	**79,393,250**
Tax at the rate of 25.17% (for 31 March 2019 - 29.12%)	(34,598,320)	23,119,314
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	–	–
Exempt Income	–	–
Expenses not deductible for tax purposes	2,614,376	1,719,697
Tax at different rate	11,611,398	2,168,743
Change due to deferred tax	1,229,687	–
Income tax expense	**19,142,859**	**27,007,755**
Note : 26.3 Items of deferred tax asset		
Deferred tax assets on account of:		
Written Down Value of Fixed Assets	2,836,752	3,988,434
Business Loss	28,097,018	2,267,945
Gratuity provision	2,347,336	2,072,834
Unrealised gain on financial instrument	(1,284,435)	4,473,730
Total deferred tax assets	**31,996,671**	**12,802,942**

NOTE 27 : AUDITOR'S REMUNERATION

Particulars	31-Mar-20 (in ₹)	31-Mar-19 (in ₹)
Audit Fees	75,000	75,000
Interim Review	50,000	50,000
Total	**125,000**	**125,000**

NOTE 28 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-Mar-20 (in ₹)	31-Mar-19 (in ₹)
Profit after tax attributable to equity shareholders [A]	(118,315,704)	52,385,494
Number of weighted average equity shares issued [B]	1,000,000	1,000,000
Basic Earnings per share (EPS) –[A/B] (₹)	(118.32)	52.39
Weighted Number of equity shares outstanding for Diluted EPS [C]	1,000,000	1,000,000
Diluted Earnings per share (DEPS) [A/C)] (₹)	(118.32)	52.39

NOTE 29 : ACTIVITY IN FOREIGN CURRENCY

Particulars	31-Mar-20 (in ₹)	31-Mar-19 (in ₹)
Earnings in foreign currency		
Income from Advisory	–	5,797,612
Total	**–**	**5,797,612**
Expenditure in foreign currency		
Overseas travel expenses	–	506,220
Professional charges	–	1,267,000
Data Subscription Charges	1,312,159	–
Total	**1,312,159**	**1,773,220**

NOTE 30 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2020 COMPRISES OF:

(in ₹)

Particulars	Opening balance	Provided during the year ended 31st March, 2020	Paid /reversed during the year ended 31st March, 2020	Closing balance as of 31st March, 2020
Ex-gratia (Bonus)	14,165,100	–	14,015,100	150,000
Gratuity	6,413,112	2,116,434	269,230	8,260,316
Other Long term benefits	702,647	822,349	458,644	1,066,352

Provisions made for the Year ended 31st March, 2019 comprises of:

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)	97,400,000	14,165,100	97,400,000	14,165,100
Gratuity	4,044,059	3,138,281	769,228	6,413,112
Other Long term benefits	743,047	-190,400	-150,000	702,647

NOTE 31 : CONTINGENT LIABILITIES:

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

NOTE 32 : CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 1,14,450/- (Previous Year : ₹ 82,700/-)

NOTE : 33 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 34 : CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹ 97,89,960 (Previous year : 94,52,006)

b) Amount spent during the period ended 31st March, 2020 on :

Particulars	Amount paid in ₹
a) Construction/acquisition of any asset	
– Donation to Ramakrishna Mission for hostel construction	1,250,000
– Donation for school construction	947,490
– Donation for Hostel Construction	5,842,470
– Construction of technical institution	106,498
b) on Purposes other than (a) above	
– Payment for Mid-day meal	250,000
– Donation to Dhamma Pattana Vipassana Trust	1,500,000
– For donation to SSF - Abitghar school	383,000
Total	**10,279,458**

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)	10,039,812
b) on Purposes other than (a) above	
– Academy for computer training(Guj) Pvt. Ltd (Education purpose)	615,044
– Friends of Tribal Society	956,818
Total	**11,611,674**

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 : 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-20 (in ₹)	31-Mar-19 (in ₹)
Employer's contribution to provident fund	2,004,343	2,311,081
Employer's contribution to ESIC	–	–
Employer's contribution to National Pension Scheme	–	–
	2,004,343	**2,311,081**

(B) Defined benefit plan

		Gratuity		Other Long Term Benefits	
I)	**Assumptions as at**	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
	Mortality	IALM (2012-14) Ult.	IALM (2006-08) Ult.	IALM (2012-14) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	4.80%	7.12%	4.80%	7.12%
	Rate of increase in compensation	11.51%	11.00%		
	Expected rate of return on plan assets (per annum)				
	Employee Attrition Rate (Past Service)	PS: 0 to 40 : 39.13%	PS: 0 to 37 : 40.18%	PS: 0 to 37 : 50.04%	PS: 0 to 37 : 43.93%
	Expected average remaining service	2	1.48	0.98 to 1	1.26 to 1.27
II)	**Changes in present value of obligations (PVO)**				
	PVO at beginning of period	6,413,112	4,044,059	–	–
	Interest cost	372,254	250,672	–	–
	Current Service Cost	1,532,705	2,890,097	1,066,352	702,647
	Past Service Cost- (non vested benefits)	–	–	–	–
	Past Service Cost - (vested benefits)	–	–	–	–
	Transfer in liability	9,356			
	Benefits Paid	(269,230)	(769,228)	–	–
	Contributions by plan participants	–	–		
	Business Combinations	–	–		
	Curtailments	–	–		
	Settlements	–	–		
	Actuarial (Gain)/Loss on obligation	202,119	(2,488)	–	–
	PVO at end of period	8,260,316	6,413,112	1,066,352	702,647
III)	**Interest expense**				
	Interest cost	372,254	250,672		
IV)	**Fair value of plan assets**				
	Fair Value of Plan Assets at the beginning	–	–	–	–
	Interest income	–	–	–	–
V)	**Net Liability**				
	PVO at beginning of period	6,413,112	4,044,059		
	Fair Value of the Assets at beginning report	–	–		
	Net Liability	6,413,112	4,044,059		
VI)	**Net Interest**				
	Interest Expenses	372,254	250,672		
	Interest Income	–	–		

		Gratuity		Other Long Term Benefits	
Year		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Net Interest	372,254	250,672		
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	32,414	(61,122)		
	Due to Financial Assumption	424,447	222,131		
	Due to Experience	(254,742)	(163,497)		
	Total Actuarial (Gain)/Loss	202,119	(2,488)		
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	269,230	769,228		
	Contributions by Employee	–	–		
	Benefits Paid	(269,230)	(769,228)		
	Fair Value of Plan Assets at end	–			
X)	**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	–	–		
XI)	**Amounts to be recognized in the balance sheet and statement of profit & loss account**				
	PVO at end of period	8,260,316	6,413,112		
	Fair Value of Plan Assets at end of period	–	–		
	Funded Status	(8,260,316)	(6,413,112)		
	Net Asset/(Liability) recognized in the balance sheet	(8,260,316)	(6,413,112)		
XII)	**Expense recognised in the statement of profit and loss**				
	Current service cost	1,532,705	2,890,097	1,066,352	702,647
	Net Interest	372,254	250,672		
	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	–	–		
	Expense recognized in the statement of profit and loss	1,904,959	3,140,769	1,066,352	702,647

	Gratuity		Other Long Term Benefits	
Year	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	202,119	(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)	202,119	(2,488)		
XIV) Movement in liability recognized in balance sheet				
Opening net liability	6,413,112	4,044,059		
Adjustment to opening balance	–	–		
Expenses as above	1,904,959	3,140,769	1,066,352	702,647
Transfer in liability	9,356			
Benefits paid by the Company	–	–		
Contribution paid	(269,230)	(769,228)		
Other Comprehensive Income (OCI)	202,119	(2,488)		
Closing net liability	8,260,316	6,413,112	1,066,352	702,647
XV) Schedule III of The Companies Act 2013				
Current liability	2,898,702	2,379,007	741,356	450,000
Non - current liability	5,361,614	4,034,105	324,996	252,647
XVI) Projected Service Cost 31 Mar 2021	1,666,127	1,532,705		
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 ER -1%**
PVO	8,087,490	8,441,761	8,337,148	8,182,830

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	2,898,702	2,114,645	1,431,663	973,368	638,338	1,068,424

XX) Asset Liability Comparisons

Year	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020
PO at End of period	7,699,523	3,080,966	4,044,059	6,413,112	8,260,316
Plan Assets					
Surplus / (Deficit)	(7,699,523)	(3,080,966)	(4,044,059)	(6,413,112)	(8,260,316)
Experience adjustments on plan assets					

NOTE 37 : 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 “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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue :								
External revenue	121,118,081	381,269,737	–	–	3,358	6,904	121,121,439	381,276,641
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**121,118,081**	**381,269,737**	**–**	**–**	**3,358**	**6,904**	**121,121,439**	**381,276,641**
Result :								
Segment result	(91,354,734)	132,770,756	(25,298,271)	(29,911,062)	(10,404,458)	(11,736,674)	(127,057,463)	91,123,020
Unallocated corporate expenses							10,404,458	11,736,674
Unallocated revenue							3,358	6,904
Operating profit							**(137,458,564)**	**79,393,250**
Tax expense :								
Current tax							–	30,616,033
Deferred tax							(19,142,859)	(3,608,278)
MAT credit adjustments of previous year	–							
Profit after tax							**(118,315,704)**	**52,385,495**
Other information :								
Segment assets	105,009,951	228,814,640	974,649,433	1,120,885,050		–	1,079,659,383	1,349,699,690
Segment Liabilities	75,079,716	226,653,066				–	75,079,716	226,653,066
Capital Expenditure	–	1,949,763					–	1,949,763
Depreciation	880,764	820,499					880,764	820,499

NOTE 38 : 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 Market 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 Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Market (Singapore) Pte Limited
- Motilal Oswal Home Finance (formarly known as 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
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC 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: 31-03-2020

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Brokerage Expense	Motilal Oswal Financial Services Limited		8,483,153			–	8,483,153
Interest Expense	Motilal Oswal Financial Services Limited	6,085,148	3,659,652			6,085,148	3,659,652
	Motilal Oswal Finvest Limited			6,085,148	6,841,103	6,085,148	6,841,103
Interest (Income)	Motilal Oswal Financial Services Limited	(3,358)	(6,904)			(3,358)	(6,904)
Rent Expense	Motilal Oswal Financial Services Limited	20,976,900	20,976,874			20,976,900	20,976,874
Business Support Charges	Motilal Oswal Financial Services Limited	72,000,000	72,000,000			72,000,000	72,000,000
Loans (Taken)	Motilal Oswal Financial Services Limited	(42,000,000)	(557,081,366)			(42,000,000)	(557,081,366)
	Motilal Oswal Finvest Limited		–	429,100,000	747,059,080	429,100,000	747,059,080

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Loans Repaid	Motilal Oswal Financial Services Limited	219,000,000	411,081,366			219,000,000	411,081,366
	Motilal Oswal Finvest Limited		–	(373,200,000)	(747,059,080)	(373,200,000)	(747,059,080)
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	160,000,000	(108,000,000)	–		160,000,000	(108,000,000)
	Motilal Oswal Finvest Limited			140,000,000		140,000,000	–
Loans Given / (Taken)	Motilal Oswal Financial Services Limited	–	(177,000,000)			–	(177,000,000)
	Motilal Oswal Finvest Limited		–	(55,900,000)	–	(55,900,000)	–

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Sundry (payables) / receivables	Motilal Oswal Financial Services Limited	–	–	–	–	–	–
	Motilal Oswal Securities Limited	–	–	–	–	–	–
Other (payables) / receivables	Motilal Oswal Financial Services Limited	(2,059,318)	(838,772)	–	–	(2,059,318)	(838,772)
	Motilal Oswal Finvest Limited	–	–	(371,203)	(1,215,698)	(371,203)	(1,215,698)
Rent Deposit (Received) / Given	Motilal Oswal Financial Services Limited	–	–	–	–	–	–
Investments	Motilal Oswal Home Finance Limited	–	–	850,000,005	850,000,005	850,000,005	850,000,005
ESOP (payables) / receivables	Motilal Oswal Financial Services Limited	–	(1,238,724)	–	–	–	(1,238,724)

Notes: Income / Liability figure are shown in brackets.

NOTE : 39 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:

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Upto 3 months	–	159,005,001
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	3,240,000
Total	**–**	**162,245,001**

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 2020

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Borrowing	55,900,000	–	–	**55,900,000**
Other financial liabilities	7,106,733	–	–	**7,106,733**
Total	**63,006,733**	**–**	**–**	**63,006,733**

As at 31 March 2019

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Borrowing	177,000,000	–	–	**177,000,000**
Other financial liabilities	6,504,067	–	–	**6,504,067**
Total	**183,504,067**	**–**	**–**	**183,504,067**

(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 2020 in ₹	31 March 2019 in ₹
Impact on profit before tax for 10% increase in NAV/price	12,464,943	27,088,505

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, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents		5,424,286		4,218,830
Receivables				
(i) Trade receivables		–		162,245,001
(ii) Other receivables		–		991,000
Loans		–		–
Investments	124,649,428	850,000,005	270,885,045	850,000,005
Other financial assets		–		–
Total financial assets	**124,649,428**	**855,424,291**	**270,885,045**	**1,017,454,836**
Financial liabilities				
Borrowings	–	55,900,000	–	177,000,000
Other financial liabilities	–	7,106,733	–	6,504,067
Total financial liabilities	**–**	**63,006,733**	**–**	**183,504,067**

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 20		As at 31 March 19	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
– Mutual funds	119,558,288	–	264,713,501	–
– Alternative investment funds	5,091,140	–	6,171,544	–
Total	**124,649,428**	**–**	**270,885,045**	**–**

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 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, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	5,424,286		5,424,286	4,218,830		4,218,830
Receivables						
(i) Trade receivables	–		–	162,245,001		162,245,001
(ii)Other receivables	–		–	991,000		991,000
Loans	–		–	–		–
Investments	–	974,649,433	974,649,433	–	1,120,885,050	1,120,885,050
Other financial assets	–	–	–	–	–	–
Non–financial assets						
Current tax assets (Net)	56,373,873		56,373,873	44,470,667		44,470,667
Deferred tax assets (Net)	31,996,671		31,996,671	12,802,942		12,802,942
Property, plant and equipment	–	1,672,333	1,672,333	–	2,548,689	2,548,689
Other intangible assets	–	–	–	–	4,408	4,408
Other non-financial assets	9,542,788	–	9,542,788	1,533,103	–	1,533,103
Total assets	**103,337,618**	**976,321,766**	**1,079,659,383**	**226,261,543**	**1,123,438,147**	**1,349,699,690**
Financial liabilities						
Trade payables	–		–	–		–
Borrowings (Other than debt securities)	55,900,000	–	55,900,000	177,000,000		177,000,000
Other financial liabilities	7,106,733		7,106,733	6,504,067		6,504,067
Non-financial Liabilities						
Current tax liabilities (Net)	–		–	–		–
Provisions	9,476,668		9,476,668	21,280,859		21,280,859
Other non-financial liabilities	2,596,315		2,596,315	21,868,142		21,868,142
Total liabilities	**75,079,716**	**–**	**75,079,716**	**226,653,068**	**–**	**226,653,068**

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date : 24th April 2020
UDIN: 20040117AAAACA6956

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

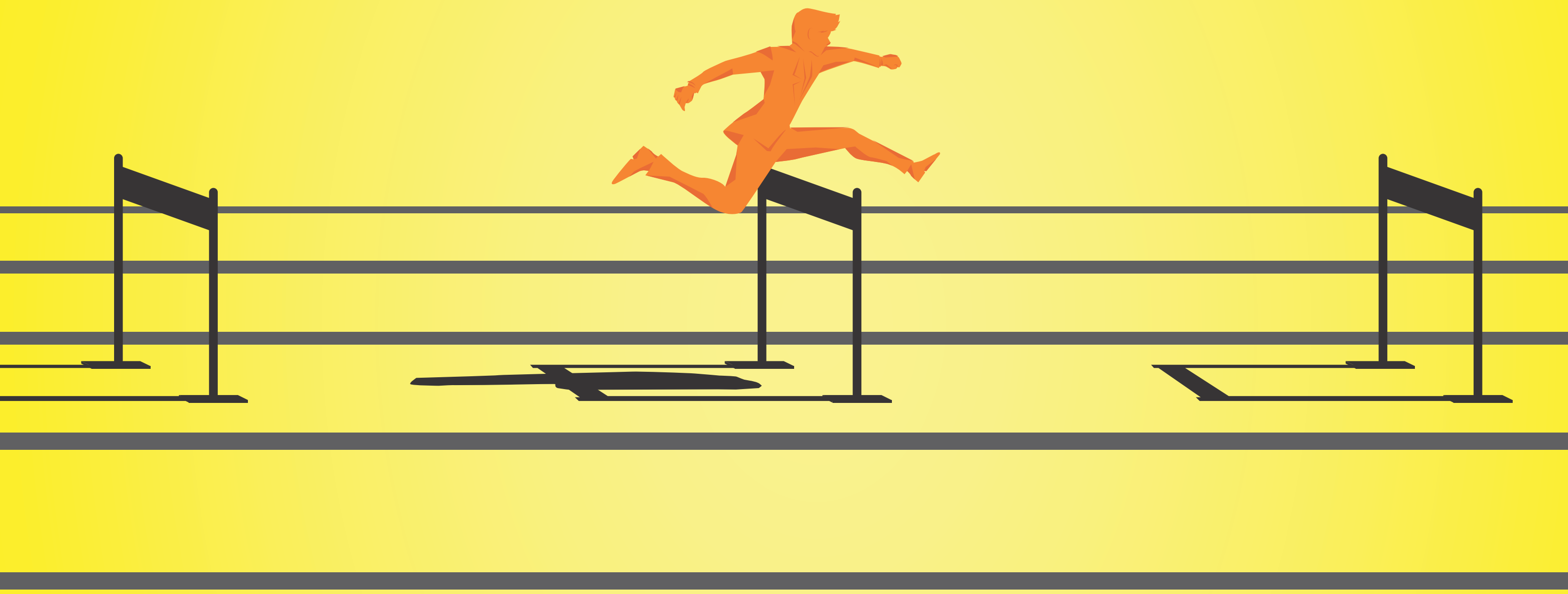
Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 24th April 2020

Motilal Oswal Finvest Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To the Members of
Motilal Oswal Finvest Limited (formerly 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 Motilal Oswal Capital Markets Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 37 of the financial results, with respect to listing of Commercial papers. Our opinion is not modified in respect of this matter.

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

   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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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.

7. 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.

8. 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

9. 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.

10. 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 controls.
    - Obtain an understanding of internal controls 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.

11. 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.

Report on Other Legal and Regulatory Requirements

12. Based on our audit we report that 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, based on our audit we report, to the extent applicable, that:

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

    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 are disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2020 as per Annexure II expressed an unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership. No : 105782
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 11 May 2020

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited), on the financial statements for the year ended 31 March 2020

ANNEXURE I

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

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

(b) All property plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The 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 principal and payment of interest has been stipulated and the principal amount is not due for repayment currently however, the receipts of the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the 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 a re not applicable.

(vii) (a) 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, have been generally regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases.

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

(viii) The Company has 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 the Act, where applicable, and the requisite details have been disclosed in the financial statements, 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
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 11 May 2020

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited) on the financial statements for the year ended 31 March 2020

ANNEXURE II

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

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

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 11 May 2020

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

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
I ASSETS			
1 Financial asset			
a) Cash and cash equivalents	4	187	48
b) Receivable			
Trade receivables	5A	13	2
Other receivable	5B	111	68
c) Loans	6	25,977	18,624
d) Investments	7	49,552	30,728
e) Other financial assets	8	0	0
Sub - total financial assets (A)		**75,840**	**49,470**
2 Non-financial asset			
a) Current tax assets (net)	9	191	36
b) Deferred tax assets (net)	10	416	52
c) Property, plant and equipment	11 (A)	1	3
d) Intangible assets	11 (B)	3	4
e) Goodwill	11 (C)	405	405
f) Other non-financial assets	12	776	10
Sub - total non- financial assets (B)		**1,792**	**510**
Total assets (A+B)		**77,632**	**49,980**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Debt securities	13	24,821	14,777
b) Borrowings (other than debt securities)	14	–	4,281
c) Other financial liabilities	15	129	67
Sub - total financial liabilities (A)		**24,950**	**19,125**
2 Non-Financial Liabilities			
a) Provisions	16	11	15
b) Other non-financial liabilities	17	33	8
Sub - total non-financial liabilities (B)		**44**	**23**
3 Equity			
a) Equity share capital	18	4,936	2,948
b) Other equity	19	47,702	27,884
Sub - total equity (C)		**52,638**	**30,832**
Total Liabilities and equity (A+B+C)		**77,632**	**49,980**

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 50 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, 2020

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

Ajay Menon
Whole- time Director
DIN: 00024589

Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May, 2020

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the Year ended 31-03-2020	For the Year ended 31-03-2019
REVENUE FROM OPERATIONS			
(i) Interest income	20	4,295	1,457
(ii) Dividend income	21	99	8
(iii) Fees and commission income	22	137	93
(iv) Net gain on fair value changes	23	–	9
(v) Other operating income	24	54	1
1) Total Revenue from operations		**4,585**	**1,568**
2) Other income		**–**	**–**
3) Total income (1+2)		**4,585**	**1,568**
EXPENSES			
(i) Finance cost	24	3,433	1,105
(ii) Impairment on financial instruments	26	(8)	152
(iii) Net loss on fair value changes	23	1,176	–
(iv) Employee benefits expense	27	50	45
(v) Depreciation and amortisation	11	2	2
(vi) Other expenses	28	998	110
(4) Total expenses		**5,651**	**1,414**
(5) Profit before tax (III-IV)		**(1,066)**	**155**
Tax expense/(credit)			
(a) Current tax		37	26
(b) Deferred tax expense/(credit)		(87)	(81)
(c) Short/(excess) provision for earlier years		29	–
6) Total tax expenses/(credit)	29	**(21)**	**(55)**
7) Profit/(loss) for the period/year after tax (5 - 6)		**(1,044)**	**210**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined employee benefit plans		0	0
(b) Changes in fair value gain/(loss) of FVOCI equity instruments		(2,425)	267
(c) Deferred tax impact on the above		(277)	30
8) Other comprehensive income/(loss)		**(2,148)**	**238**
Total comprehensive income/(loss) for the period/year (7 + 8)		**(3,193)**	**448**
Paid up equity share capital (Face value of equity shares of ₹ 10 each)		4,936	2,948
Other equity		47,702	27,884
Basic and Diluted Earning / (loss) per share (amount in ₹) (not annualised)	30	(2.61)	2.13

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 50 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, 2020

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

Ajay Menon
Whole- time Director
DIN: 00024589

Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May, 2020

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the Year ended 31-03-2020	For the Year ended 31-03-2019
A. Cash flow from operating activities		
Profit before taxation	**(1,066)**	**155**
Adjustment for:		
1) Net (gain) /loss on fair value changes	1,176	(9)
2) Bad debts, provision for standard, sub-std and doubtful debts	(8)	152
3) Depreciation and amortisation	2	2
4) Provision for employee benefits	(1)	8
5) Dividend received	(99)	(8)
Operating profit	**4**	**300**
Adjustment for working capital changes:		
1) Decrease/(increase) in receivables	(99)	(62)
2) Decrease/(increase) in loans	(7,301)	(18,777)
3) Decrease/(increase) in financial assets	–	(0)
4) Decrease/(increase) in other non financial assets	(767)	(1)
5) Proceeds of debt securities	10,044	14,777
6) Proceeds of borrowing	(4,281)	4,281
7) Increase/(decrease) in other financial liabilities	62	66
8) Increase/(decrease) in provisions	(2)	6
9) Increase/(decrease) in other non-financial liabilities	24	7
Cash generated from operations	**(2,314)**	**597**
Direct taxes paid net (including MAT credit utilised)	(221)	(62)
Net cash generated from operating activities	**(2,535)**	**535**
B. Cash flow from investing activities		
1) (Purchase) of investments	(27,152)	(30,100)
2) Proceeds of sale of investments	4,727	–
3) (Purchase) of fixed assets	–	(416)
4) Dividend received	99	8
Net cash flow used in investing activities	**(22,326)**	**(30,508)**
C. Cash flow from financing activities		
Issue of share capital	25,000	30,000
Net cash flow used in financing activities	**25,000**	**30,000**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**139**	**27**
Cash on Hand	0	0
Scheduled Bank - In Current Account	48	20
Cash & cash equivalents as at beginning of the year	**48**	**21**
Cash and cheques in hand	0	0
Scheduled bank - In current account	187	48
Cash & Cash Equivalents at the end of the year	**187**	**48**

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.

The accompanying notes 1 to 50 form an integral part of the financial statements

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, 2020

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

Ajay Menon
Whole- time Director
DIN: 00024589

Navin Agarwal
Director & Chief Financial Officer
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Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May, 2020

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

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

(A) Equity share capital

Particulars	Equity share capital		Total
	Number of shares	Amount	
Issued, subscribed and paid up			
As at 1 April 2018	**350,000**	**10**	**35**
Add: Issue of capital	29,126,212	10	2,913
As at 31 March 2019	**29,476,212**	**10**	**2,948**
Add: issue of capital	19,883,877	10	1,988
As at 31 March 2020	**49,360,089**	**10**	**4,936**

(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	Impairment reserve	Equity instruments through other comprehensive income	Actuarial gain/ (losses) on post retirement benefit plans	
Balance as at 01 April 2018	**90**	**–**	**–**	**259**	**–**	**–**	**–**	**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**
Addition during the year	–	23,012	–	–		–	–	23,012
Transfer from retained earning	–	–	–	(62)	62	–	–	(0)
Profit for the year	–	–	–	(1,044)	–	–	–	(1,044)
Total other comprehensive income for the year	–	–	–	–	–	(2,149)	0	(2,149)
Balance as at 31 March 2020	**90**	**50,099**	**42**	**(680)**	**62**	**(1,911)**	**0**	**47,702**

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

Sudhir N. Pillai
Partner
Membership. No : 105782

Place : Mumbai
Date : 11 May, 2020

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
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Ajay Menon
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Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May, 2020

(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 11 May 2020.

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 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 financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2020 based on the 'Press Release' issued by the Ministry of Company Affairs on 18 January 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 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

(iii) Preparation of financial statements

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

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

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.

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.

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

2.3. Leases

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

Measurement and recognition of leases as a lessee

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

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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.

(All amounts are in INR lakhs, 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 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);
- 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

(i) 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.

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

(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.

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.

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

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

carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

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.

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.

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

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

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

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

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

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. Rounding of amounts

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

2.17. 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.

2.18. Recent accounting developments

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

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-03-2020	As at 31-03-2019
Cash on hand	0	0
Balances with bank in current account	186	48
	187	**48**

NOTE 5A : TRADE RECEIVABLE

	As at 31-03-2020	As at 31-03-2019
Considered good - unsecured	13	0
Receivables which have significant increase in credit risk	0	2
	13	**2**

NOTE 5B : OTHER RECEIVABLE

	As at 31-03-2020	As at 31-03-2019
Other	111	68
	111	**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 2019 - ₹ 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 2019 - ₹ 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 31-03-2020	As at 31-03-2019
(A)		
Loan to related parties	9,347	–
Term loan	3,466	–
Loan repayable on demand*	13,205.89	18,675
Less : impairment loss allowance	(42)	(51)
	25,977	**18,624**
(B)		
(i) Secured by tangible assets	9,366	13,240
(ii) Unsecured*	16,653	5,436
Total (B) gross	**26,019**	**18,675**
Less : impairment loss allowance	(42)	(51)
Total (B) Net	**25,977**	**18,624**
(C) Loans in India		
(i) Public sector	–	–
(ii) Other than public sector	26,019	18,675
Total (C) Gross	**26,019**	**18,675**
Less : Impairment loss allowance	(42)	(51)
Total (C) Net	**25,977**	**18,624**

* It includes loan givens to related parties, for details refer note-40

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

(i) Analysis of changes in the gross carrying amount of demand loans

Loan book movement

Particulars	As at 31-03-2020	As at 31-03-2019
Opening	**18,675**	–
Origination of new loan	9,327	18,846
Write-offs during the year	–	(171)
Repayments received during the year	(1,984)	–
Closing	**26,019**	**18,675**

Break - up of loans under

Particulars	As at 31-03-2020	As at 31-03-2019
Low credit risk (Stage 1)	26,014	18,671
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	5	5
Closing	**26,019**	**18,675**

Reconciliation of ECL balance

Particulars	As at 31-03-2020	As at 31-03-2019
Opening	51	–
ECL impact due to Write-offs	–	(171)
Addition during the year	(10)	223
Closing	**42**	51

Break - up of ECL under

Particulars	As at 31-03-2020	As at 31-03-2019
Low credit risk (Stage 1)	37	47
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	5	5
Closing	**42**	**51**

NOTE 7 : INVESTMENTS

	Particulars	Face value	As at 31-03-2020		As at 31-03-2019	
			Units	Amount	Units	Amount
I.	**Investments at amortised cost**					
	Investments at equity instruments					
	Investments in fellow subsidiaries - Unquoted					
	Aspire Home Finance Corporation Limited	1	600,000,000	15,000	600,000,000	15,000
	Total I		**600,000,000**	**15,000**	**600,000,000**	**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	15,018,013	3,096	15,018,013	4,091
	Most Focus Midcap 30 Fund - Growth	10	3,930,791	816	3,930,791	1,064

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

	Particulars	Face value	As at 31-03-2020		As at 31-03-2019	
			Units	Amount	Units	Amount
	Motilal Oswal Most Focused Multicap 25 Fund - Growth	10	836,077	170	836,077	194
	Motilal Oswal Nifty 50 Index Fund	10	615,438	44	–	–
	Motilal Oswal Nifty Next 50 Index Fund	10	179,254	13	–	–
	Investments in Exchange Traded Fund (Equity) - Fully paid up - Quoted					
	Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	10	17,889	35	17,889	56
	Motilal Oswal Mutual Fund - Motilal Oswal MOSt Shares M100 ETF GO	10	227,920	28	227,920	43
	Motilal Oswal Mutual Fund-Motilal Oswal MOSt Shares NASDAQ 100 ETF -GO	10	378,201	48	378,201	41
	Reliance ETF Gold BeES	100	675	26	675	19
	SBI-ETF Nifty Next 50	10	44,978	40	44,978	53
	Investment in security receipts					
	Phoenix Trust–FY20-9	889	2,210,000	19,647	–	
	Phoenix Trust-FY20-21	1000	284,750	2,848	–	
	Total II		**23,743,986**	**26,810**	**20,454,543**	**5,561**
III.	**Investment at fair value through other comprehensive income FVOCI:**					
	Quoted Equity Instruments- Fully paid-up					
	Investment through Portfolio Management Services (PMS)					
	3M India Ltd	10	10	2	–	–
	Aegis Logistics Ltd	1	102,183	142	102,183	208
	Ajanta Pharma Ltd	2	137	2	216	2
	Alkem Laboratories Ltd	2	11,046	257	11,026	193
	Asian Paints Ltd	1	345	6	345	5
	Astral Poly Technik Ltd	1	–	–	88	1
	Au Small Finance Bank Ltd	10	1,107	6	1,646	10
	Axis Bank Ltd	2	2,731	10	2,088	16
	Bajaj Finance Ltd	2	7,512	166	17,397	526
	Bajaj Finserv Ltd	5	83	4	168	12
	Balkrishna Industries Ltd	2	525	4	425	4
	Bata India Ltd	5	523	6	–	–
	Bayer Cropscience Ltd	10	3,990	138	1,971	87
	Bhansali Engineering Polymers Ltd	1	–	–	1,417	1
	Bharat Forge Ltd	2	59,693	140	60,282	309
	Bharat Petroleum Corporation Ltd	10	–	–	880	3
	Blue Star Ltd	2	–	–	167	1
	Bosch Ltd	10	2,111	198	2,111	384
	Britania Ind. Ltd - Debentures	1	78	0	–	–
	Britannia Industries Ltd	1	98	3	224	7
	Canfin Homes Ltd	2	–	–	4,067	14
	Cholamandalam Investment And Finance Company Ltd	10	775	1	742	11
	City Union Bank Ltd	1	234,315	302	270,902	555

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

Particulars	Face value	As at 31-03-2020		As at 31-03-2019	
		Units	Amount	Units	Amount
Colgate Palmolive (India) Ltd	1	19,039	239	19,039	240
Container Corporation Of India Ltd	5	51,578	171	51,578	271
Crompton Greaves Consumer Electricals Ltd	2	–	–	786	2
Cummins India Ltd	2	29,413	96	29,413	219
DCB Bank Ltd	10	5,933	6	2,852	6
Divis Laboratories Ltd	2	225	4	–	–
Dr Reddy's Laboratories Ltd	5	76	2	–	–
Eicher Motors Ltd	10	2,191	287	2,178	448
Emami Ltd	1	55,097	94	55,097	220
Endurance Technologies Ltd	10	–	–	168	2
Engineers India Ltd	5	60,206	36	60,206	71
Eris Lifesciences Ltd	1	271	1	271	2
Federal Bank Limited	2	244,492	100	–	–
Glaxosmithkline Consumer Healthcare Ltd (Formerly Smithkline Beecham Consumer)	10	3,519	351	3,519	255
GlaxoSmithkline Pharmaceuticals Ltd	10	156	2		–
Godrej Industries Ltd	1	66,449	188	66,449	356
Havells India Ltd	1	–	–	551	4
HDFC Asset Management Company Ltd	5	–	–	125	2
HDFC Bank Ltd	2	2,534	22	1,391	32
HDFC Standard Life Insurance Company Ltd	10	5,695	25	5,023	19
Hindustan Petroleum Corporation Ltd	10	98,205	187	99,326	282
Hindustan Unilever Ltd	1	280	6	288	5
Honeywell Automation India Ltd	10	8	2	–	–
Housing Development Finance Corporation Ltd	2	242	4	242	5
ICICI Bank Ltd	2	133,046	431	55,334	222
ICICI Lombard General Insurance Company Ltd	10	691	7	877	9
IndusInd Bank Ltd	10	380	1	–	–
Infosys Ltd	5	881	6	881	7
Interglobe Aviation Ltd	10	–	–	428	6
Ipca Laboratories Ltd	2	31,917	444	32,001	314
ITC Ltd	1	3,788	7	1,800	5
J&k Bank	1	142,437	18	–	–
Jubilant Foodworks Ltd	10	650	10	118	2
Jubilant Life Sciences Ltd	1	–	–	294	2
Kajaria Ceramics Ltd	1	975	4	975	6
Kansai Nerolac Paints Ltd	1	–	–	782	4
Kotak Mahindra Bank Ltd	5	85,688	1,111	86,015	1,148
L&T Technology Services Ltd	2	27,530	320	27,671	435
Larsen & Toubro Infotech Ltd	1	568	8	811	14
Larsen & Toubro Ltd	2	889	7	899	12
LIC Housing Finance Ltd	2	4,140	10	–	–
Liquid funds and cash and cash equivalents held through PMS		–	58	11,144	78
Mahindra Logistics Ltd	10	–	–	2,062	11
Maruti Suzuki India Ltd	5	222	10	212	14

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

Particulars	Face value	As at 31-03-2020		As at 31-03-2019	
		Units	Amount	Units	Amount
Max Financial Services Ltd	2	92,513	356	83,019	361
Minda Industries Ltd	2	1,836	4	685	2
Monsanto India Ltd (Formly Monsanto Chemicals of India)	10	–	–	3,030	79
Motherson Sumi Systems Limited	1	2,988	2	–	–
Multi Commodity Exchange of India Ltd	10	298	3	–	–
Muthoot Finance Ltd	10	1,552	10	–	–
Page Industries Ltd	10	3,660	621	3,597	898
Persistent Systems Ltd	10	455	3	455	3
Petronet Lng Ltd	10	1,246	2	3,677	9
PI Industries Ltd	1	300	4	172	2
Polycab India Ltd	10	833	6	–	–
Quess Corp Ltd	10	1,547	3	1,980	15
Rbl Bank Ltd	10	–	–	1,409	10
SBI Life Insurance Company Ltd	10	878	6	878	5
SRF Ltd	10	153	4	128	3
State Bank of India	1	3,871	8	–	–
Sundram Fasteners Ltd	1	–	–	748	4
Tata Consultancy Services Ltd	1	214	4	214	4
Teamlease Services Ltd	10	199	3	–	–
Tech Mahindra Ltd	5	47,570	269	50,146	389
The Federal Bank Ltd	2	–	–	244,492	236
The Jammu & Kashmir Bank Ltd	1	–	–	142,437	76
The Ramco Cements Ltd	1	–	–	422	3
The Supreme Industries Ltd	2	–	–	100	1
Titan Company Ltd	1	1,760	16	990	11
Tube Investments of India Ltd	1	831	2	–	–
United Spirits Ltd	2	825	4	674	4
Varroc Engineering	1	–	–	362	2
VIP Industries Ltd	2	1,207	3	1,207	6
Voltas Ltd	1	156,736	747	151,902	956
Wabco India Ltd	5	–	–	47	3
Whirlpool of India Ltd Equity Shares	10	–	–	377	6
Total III		**1,872,066**	**7,742**	**1,835,854**	**10,167**
Total (I)+(II)+(III)			**49,552**		**30,728**
Aggregate amount of quoted investments and market value thereof			7,919		10,379
Aggregate amount of unquoted investments			41,633		20,349
(i) Investment outside India			–		–
(ii) Investment in India			49,552		30,728
Total			**49,552**		**30,728**

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

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-03-2020	As at 31-03-2019
Security deposits (Unsecured, considered good)	0	0
	0	**0**

NOTE 9 : CURRENT TAX ASSETS (NET)

	As at 31-03-2020	As at 31-03-2019
Advance tax and tax deducted at source (net of provisions)	191	36
	191	**36**

NOTE 10 : DEFERRED TAX ASSETS (NET)

	As at 31-03-2020	As at 31-03-2019
Deferred tax assets		
Difference between tax depreciation and book depreciation	–	84
Provision for post retirement benefits and other employee benefits	2	2
Provision for doubtful debts and advances	10	(14)
Fair value gain/(loss) on investments	395	(29)
MAT credit receiveable	9	9
Total deferred tax assets	**416**	**52**
Net deferred tax assets	**416**	**52**

Current Year

NOTE 11 (A) : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer	7	–	–	7	5	1	–	6	1	2
Mobile	0	–	–	0	0	0	–	0	0	0
Total (A)	**7**	**–**	**–**	**7**	**5**	**1**	**–**	**6**	**1**	**2**

NOTE 11 (B) INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer Software	5	–	–	5	1	1	–	2	3	4
Total (B)	**5**	**–**	**–**	**5**	**1**	**1**	**–**	**2**	**3**	**4**

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

NOTE 11 (C) GOODWILL

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Goodwill	405	–	–	405	–	–	–	–	405	405
Total (C)	**405**	**–**	**–**	**405**	**–**	**–**	**–**	**–**	**405**	**405**
Total Net	**417**	**–**	**–**	**417**	**5**	**2**	**–**	**8**	**409**	**411**

Previous Year

NOTE 11 (A) : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 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	2	0
Mobile	0	–	–	0	0	0	–	0	0	0
Total (A)	**1**	**7**	**–**	**7**	**0**	**4**	**–**	**5**	**2**	**0**

NOTE 11 (B) INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 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**

NOTE 11 (C) GOODWILL

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 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 Net	**1**	**416**	**–**	**417**	**1**	**5**	**–**	**5**	**411**	**1**

(i) Represents deemed cost on the date of transition to Ind As. Gross block and accumlated depreciation have been netted off.

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

NOTE 12 : OTHER NON-FINANCIAL ASSETS

	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Balance with Government authorities	–	–
Prepaid expenses	650	9
Indirect tax credit receivable	126	1
Advance against expenses	–	–
	776	**9**

NOTE 13 : DEBT SECURITIES

	As at 31-03-2020	As at 31-03-2019
At Amortised cost		
Commercial paper (Unsecured)		
(i) from banks	–	–
(ii) from other parties	24,821	14,777
Total (A)	**24,821**	**14,777**
Debt securities in India	24,821	14,777
Debt securities outside India	–	–
Total (B)	**24,821**	**14,777**

NOTE 14 : BORROWINGS

	As at 31-03-2020	As at 31-03-2019
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 31-03-2020	As at 31-03-2019
Interest accrued and due on borrowings	–	59
Other payables	62	8
Book overdraft	67	–
	129	**67**

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

NOTE 16 : PROVISIONS

	As at 31-03-2020	As at 31-03-2019
Provision for Employee Benefits		
Ex-gratia payable(refer note 34)	5	7
Gratuity obligation (unfunded) (refer note 34)	7	8
Compensated absences (refer note 34)	0	0
	12	**15**

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-03-2020	As at 31-03-2019
Income received in advance	–	3
Accrued salaries and benefits	2	1
Withholdings and other tax payables	31	5
	33	**8**

NOTE 18 : EQUITY SHARE CAPITAL

	As at 31-03-2020	As at 31-03-2019
Authorised share capital :		
Equity shares of ₹ 10 each	5,000	2,948
7% Non-cumulative redeemable preference shares of ₹ 10 each	–	–
	5,000	**2,948**
Issued, Subscribed and Paid Up :		
Equity Shares of ₹ 10 Each Fully Paid Up	4,936	2,948
(All the above shares are held by hoding company Motilal Oswal Financial Services Limited)		
	4,936	**2,948**

Rights, preferences and restrictions attached to shares

1. Equity shares :

The Company has one class of equity shares having a par value of ₹ 10 each (previous year: having a par value of ₹ 10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of 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.

2. Reconciliation of number of shares outstanding

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number of shares	In ₹	Number of shares	In ₹
At beginning of the year	29,476,212	2,948	350,000	35
Additions during the year	19,883,877	1,988	29,126,212	2,913
At the end of the year	**49,360,089**	**4,936**	**29,476,212**	**2,948**

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

3. Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	49,360,089	100.00%	29,476,212	100.00%

4. Shares held by holding company

Name of shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	49,360,089	100.00%	29,476,212	100.00%

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 immediately preceding the balance sheet date.

NOTE 19 : OTHER EQUITY

	As at 31-03-2020	As at 31-03-2019
a) Capital redemption reserve		
Balance at the beginning of the year	90	90
Add: Additions during the year	–	–
Balance at the end of the year	**90**	**90**
b) Securities premium		
Balance at the beginning of the year	27,087	–
Add: Additions during the year	23,012	27,087
Balance at the end of the year	**50,099**	**27,087**
c) Statutory reserves		
Balance at the beginning of the year	42	–
Add: Transferred from statement of profit and loss	–	42
Balance at the end of the year	**42**	**42**
d) Retained earnings		
Balance at the beginning of the year	426	259
Add: Profit during the year	(1,044)	210
Less: Transfer to Capital redemption reserve	–	–
Less: Transfer to statutory reserves	–	(42)
Less: impairment reserve	(62)	–
Closing Balance	**(680)**	**426**
e) Impairment reserve		
Balance at the beginning of the year	–	–
Add: Transferred from statement of profit and loss	62	–
	62	**–**
f) Other comprehensive income		
Balance at the beginning of the year	238	–
Add: Other comprehensive income during the year	(2,148)	238
Balance as at end of the year	**(1,911)**	**238**
	47,702	**27,883**

(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 preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

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 ₹ NIL

Retained earnings

Retained earnings represents accumulated profits of the company.

Impairment reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

Other comprehensive income

Other comprehensive income consists of cumulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains/loss on defined benefit plan.

NOTE 20 : INTEREST INCOME

	For the year ended 31-03-2020	For the year ended 31-03-2019
On financial assets measured at amortised cost		
Interest on loans	4,295	1,457
	4,295	**1,457**

NOTE 21 : DIVIDEND INCOME

	For the year ended 31-03-2020	For the year ended 31-03-2019
Dividend income	99	8
	99	**8**

NOTE 22 : FEES AND COMMISSION INCOME

	For the year ended 31-03-2020	For the year ended 31-03-2019
Training fees	21	93
Referral Fees	116	–
	137	**93**

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

NOTE 23 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

	For the year ended 31-03-2020	For the year ended 31-03-2019
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
Realised	148	–
Unrealised	(1,324)	9
	(1,176)	**9**

NOTE 24 : OTHER OPERATING INCOME

	For the year ended 31-03-2020	For the year ended 31-03-2019
Other operating income	54	1
	54	**1**

NOTE 25 : FINANCE COST

	For the year ended 31-03-2020	For the year ended 31-03-2019
On financial liabilities measured at amortised cost		
Interest on debt securities	2,433	255
Interest on borrowings	1,000	850
Other borrowing cost	1	0
	3,433	**1,105**

NOTE 26 : IMPAIRMENT ON FINANCIAL INSTRUMENT

	For the year ended 31-03-2020	For the year ended 31-03-2019
a) Impairment loss allowance on Loan	(10)	(24)
b) Loan written off	2	176
	(8)	**152**

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-03-2020	For the year ended 31-03-2019
Salary and wages	45	33
Contribution to provident (refer note 40)	2	1
Staff welfare expenses	4	3
Gratuity (refer note 40)	(1)	8
	50	**45**

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

NOTE 28 : OTHER EXPENSES

	For the year ended 31-03-2020	For the year ended 31-03-2019
Rates & Taxes	63	67
Bank charges	0	0
Printing stationery expenses	0	1
Power and fuel	2	0
Business Support Charges	24	–
Remmuneration to auditors (refer note 31)	9	1
Legal & professional fees	862	16
Rent	24	14
Advertisement and Brand promotion expenses	–	1
Mobile charges	0	–
Travelling & conveyance	1	–
Computer software charges	1	–
Insurance	0	–
Miscelleneous expenses	11	9
	998	**110**

NOTE 29 : TAX EXPENSE

A. 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 balance sheet 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.

B. Component of income tax expense

	For the year ended 31-03-2020	For the year ended 31-03-2019
I. Tax expense recognised in the statement of profit and loss		
Current tax expense		
Current tax for the year	37	26
Tax adjustment in respect of earlier years	29	–
Total current tax expense	**66**	**26**
Deferred tax (credit)		
Origination and reversal of temporary differences	(87)	(81)
Net deferred tax (credit)	**(87)**	**(81)**
	(21)	**(55)**

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

	For the year ended 31-03-2020	For the year ended 31-03-2019
II. Tax on other comprehensive income		
Deferred taxe charge / (credit)		
(Gain)/loss on equity instruments through other comprehensive income	(277)	30
(Gain)/loss on remeasurement of net defined benefit plans	0	0
	(277)	**30**

C. Reconciliation of effective tax rate

	For the year ended 31-03-2020	For the year ended 31-03-2019
Profit/(loss) before income tax expense	**(1,066)**	**155**
Tax at the rate of 25.17% (for 31 March 2019 - 26%)	(268)	40
Differences due to:		
Temporary tax difference		
Exempt income	(25)	(2)
Tax adjustment of previous years	29	–
Tax at different rate	243	(93)
Mat credit entitlement	–	–
Income tax expense	**(21)**	**(55)**

In the FY 2019-20, the government enacted a change in income tax rate from 25% basic rate to 22% and from 12% of surcharge to 10%. However, the government had given an option to either opt for new tax regime or continue with old tax regime and in the context of the same the company has opted for new tax regime. Accordingly the income tax rate has reduced from 26% in FY 18-19 to 25.17% in FY 19-20.

D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 19	As at 1 April 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2019
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 receivable	–	9	–	9
	1	**82**	**(30)**	**52**

Movement during the year ended 31 March 20	As at 1 April 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2020
Deferred tax assets / (liabilities)				
Difference between tax depreciation and book depreciation	84	(84)	–	0
Provision for post retirement benefits and other employee benefits	2	(0)	(0)	2
Provision for doubtful debts and advances	(14)	25		10
Fair value gain/(loss) on investments	(29)	147	277	395
MAT credit receivable	9	–	–	9
	52	**87**	**277**	**416**

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

Note:

The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

NOTE 30 : EARNINGS PER SHARE

	For the year ended 31-03-2020	For the year ended 31-03-2019
Profit attributable to equity shareholders [A]	(1,044)	210
Weighted average number of equity shares issued [B]	400	99
Nominal value per share	10	10
Earning per share (Basic and diluted) [A]/[B] (Rupees)	**(2.61)**	**2.13**

NOTE 31 : REMUNERATION TO AUDITORS (EXCLUSIVE OF TAXES)

	For the year ended 31-03-2020	For the year ended 31-03-2019
As auditors:		
Statutory audit	8	1
Out of pocket expenses	0	0
	9	**1**

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities and Commitments

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

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	31-03-2020	31-03-2019
Principal amount remaining unpaid to any supplier as at the year end	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, alongwith the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment(which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 34 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2020

Particulars	Opening balance as on 01 April 2019	Provided for the F.Y. 2019-20	Provision reversed / paid for the FY 2019-20	Closing balance as of 31 March 2020
Ex - gratia	7	5	7	5
Provision for gratuity	8	–	0	7
Compensated absences	0	–	–	0

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

For the year ended 31 March 2019

Particulars	Opening balance as on 01 April 2018	Provided for the F.Y. 2018-19	Provision reversed / paid for the FY 2018-19	Closing balance as of 31 March 2019
Ex - gratia	–	7	–	7
Provision for gratuity	–	8	–	8
Compensated absences	–	0	–	0

NOTE 35 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31-03-2020	As at 31-03-2019
Financial assets		
Investments :		
Equity shares	6,339	8,735
Mutual funds	3,096	4,091
Total assets pledged as security	**9,435**	**12,827**

The margin of two times cover is provided against the loan facility sanctioned from Bajaj Finance Limited.

NOTE 36 : RATINGS ASSIGNED BY CREDIT RATING AGENCIES

CRISIL Limited assigned the credit rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 2,50,000 lakhs of the company. Also, re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 50,000 lakhs (previous year : ₹ 25,000 lakhs) of the company.

India Ratings & Research Limited assigned the credit rating of "IND A1+" to the Commercial Paper Programme of ₹ 2,00,000 lakhs of the company. Also,affirms the credit rating of "IND A1+" to the Commercial Paper Programme of ₹ 1,00,000 lakhs of the company.

NOTE 37 : COMPANY NOT QUALIFIED FOR LISTED COMPANY

The Company has listed its Commercial Papers on BSE stock exchange on 3 February 2020 as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019. The Company has been legally advised that the Commercial papers are not covered under the definition of "Securities" as per Companies Act, 2013, Hence the Company will not be considered as a listed company in accordance with the provisions of the Companies Act, 2013.

NOTE 38 : 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.

NOTE 39 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 24 lacs (Previous Year ₹ 14 lacs) in the statement of profit and loss under the head "rent".

General description of lease terms: -

i) Lease rentals are charged on the basis of agreed terms.

ii) Assets are taken on lease for a period of less than 12 months.

iii) Lease agreement is cancellable and there is no escalation clause

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

NOTE 40 : EMPLOYEE BENEFITS

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

(a) Defined contribution plan

Particulars	31-03-2020	31-03-2019
Employer's contribution to provident fund (including Admin charges)	2	1

(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.

	Particulars	Gratuity (unfunded)	
		31-03-2020	31-03-2019
	Assumptions as at		
	Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
	Interest / Discount Rate	4.80%	7.12%
	Rate of increase in compensation	5.00%	9.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate (Past SelVice (PS))	PS: 0 to 40 : 20%	PS: 0 to 37 : 20.92%
	Expected average remaining service	3.94	3.69
I)	**Changes in present value of obligations**		
	PVO at beginning of period	8	–
	Interest cost	0	0
	Current service cost	1	1
	Past service cost - (non vested benefits)	–	–
	Past service cost - (vested benefits)	–	–
	Transfer in Liability	0	7
	Transfer out Liability	(2)	–
	Benefits paid	–	–
	Contributions by plan participants	–	–
	Business combinations	–	–
	Curtailments	–	–
	Settlements	–	–
	Actuarial (gain)/loss on obligation	(0)	(0)
	PVO at end of period	7	8
II)	**Interest expense**		
	Interest cost	0	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	8	–
	Fair value of the assets at beginning report	–	–
	Net Liability	8	–

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

	Particulars	Gratuity (unfunded)	
		31-03-2020	31-03-2019
V)	**Net Interest**		
	Interest expenses	0	0
	Interest income	–	–
	Net interest	0	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	0	–
	Due to financial assumption	(0)	–
	Due to experience	(0)	(0)
	Total actuarial (gain)/loss	(0)	(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	7	8
	Fair value of plan assets at end of period	–	–
	Funded Status	(7)	(8)
	Unrecognised past service cost- non vested benefits	–	–
	Net asset/(liability) recognized in the balance sheet	(7)	(8)
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	–	–
	Expense recognized in the statement of profit and loss	1	1

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

Particulars	Gratuity (unfunded)	
	31-03-2020	31-03-2019
XII) Other comprehensive income (OCI)		
Actuarial (gain)/loss recognized for the period	(0)	(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)	(0)
XIII) Movement in liability recognized in balance sheet		
Opening net liability	8	–
Adjustment to opening balance	–	–
Transfer in liability	0	7
Transfer out liability	(2)	–
Expenses as above	1	1
Contribution paid	–	–
Other comprenehsive income(OCI)	(0)	(0)
Closing net liability	7	8
XIV) Schedule III of The Companies Act 2013	**–**	**–**
Current liability	1	2
Non - current liability	5	6
XV) Projected service cost 31 March 2021	**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	–	–

Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	6	7	7	6

XIX) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth
Payouts	1	1	1	1

Year	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	1	2

XX) Asset liability comparisons

Year	31/03/2020	31/03/2019
PVO at end of period	7	8
Plan assets	–	–
Surplus / (deficit)	(7)	(8)
Experience adjustments on plan assets	–	–

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

Year	31/03/2016	31/03/2017	31/03/2018
PVO at end of period	1	1	–
Plan assets	–	–	–
Surplus / (deficit)	(1)	(1)	–
Experience adjustments on plan assets	–	–	–

NOTE 41 : 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 "Landing 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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
REVENUE:								
External Revenue	3,983	1,551	603	18	–	–	4,586	1,569
Inter-Segment Revenue	–	–	–	–	–	–	–	–
Total Revenue	**3,983**	**1,551**	**603**	**18**	**–**	**–**	**4,586**	**1,569**
RESULT:								
Segment Result	**723**	**139**	**(1,771)**	**18**	**(9)**	**(1)**	**(1,057)**	**156**
Unallocated Corporate Expenses	–	–	–	–	–	–	9	1
Operating Profit	**723**	**139**	**(1,771)**	**18**	**(9)**	**(1)**	**(1,066)**	**155**
Less: Tax Expenses:								
Income Tax							(37)	(26)
Deferred Tax							87	81
Profit from Ordinary Activities							**(1,016)**	**209**
Exceptional Item							29	–
Net Profit							**(1,044)**	**209**
OTHER INFORMATION:								
Segment Assets	27,473	19,164	49,552	30,728	607	88	77,632	49,980
Segment Liabilities	24,994	19,148	–	–	–	–	24,994	19,148
Capital Expenditure	–	–	–	–	–	–	–	416
Depreciation	–	–	–	–	–	–	2	2

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

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

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

Fellow subsidiaries:

1. Motilal Oswal Commodities Broker Private Limited
2. Motilal Oswal Investment Advisors Limited
3. MOPE Investment Advisors Private Limited
4. Motilal Oswal Wealth Management Limited
5. Motilal Oswal Fincap Private Limited. (formerly knowns 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. Motilal Oswal Home Finance Limited (formarly known as 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
17. Glide Tech Investment Advisors Private Limited
18. Motilal Oswal Finsec IFSC Limited

Key Management Personnel (KMP)

1. Navin Agarwal - Director and Chief Financial Officer
2. Ajay Menon -Whole time Director
3. Shalibhadra Shah- Director
4. Kailash Purohit - Company Secretary

(A) Transactions with related parties for the year ended 31st March, 2020

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Training Fees	Motilal Oswal Financial Services Limited	21	49	–	–	21	49
Interest Expense	Motilal Oswal Financial Services Limited	182	415	–	–	182	415
Interest Income	Motilal Oswal Securities Limited	–	19	–	–	–	19
	Motilal Oswal Home Finance Limited	–	–	–	44	–	44
	Motilal Oswal Asset Management Company Limited	–	–	75	5	75	5

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

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Motilal Oswal Commodities Broker Private Limited	–	–	–	1	–	1
	Motilal Oswal Investment Advisors limited	–	–	61	68	61	68
	MOPE Investment Advisors Private Limited	–	–	88	35	88	35
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	5	3	5	3
	Motilal Oswal Wealth Management Limited	–	–	41	32	41	32
	Passionate Investment Management Private Limited	1	1	–	–	1	1
	Motilal Oswal Capital Limited	–	–	1	0	1	0
Rent Expense	Motilal Oswal Financial Services Limited	24	14	–	–	24	14
Loan given	Motilal Oswal Financial Services Limited	284,067	140,895	–	–	284,067	140,895
	Motilal Oswal Home Finance Limited	–	–	–	10,000	–	10,000
	Motilal Oswal Asset Management Company Limited	–	–	27,761	4,049	27,761	4,049
	Motilal Oswal Commodities Broker Private Limited	–	–	–	35	–	35
	Motilal Oswal Investment Advisors limited	–	–	4,291	7,471	4,291	7,471
	MOPE Investment Advisors Private Limited	–	–	4,643	3,341	4,643	3,341
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	1,104	410	1,104	410
	Motilal Oswal Wealth Management Limited	–	–	5,773	5,619	5,773	5,619
	Passionate Investment Management Private Limited	21	155	–	–	21	155
	Motilal Oswal Capital Limited	–	–	63	34	63	34
Repayment of loan	Motilal Oswal Financial Services Limited	274,406	139,614	–	–	274,406	139,614
	Motilal Oswal Home Finance Limited	–	–	–	10,000	–	10,000
	Motilal Oswal Asset Management Company Limited	–	–	27,761	4,049	27,761	4,049
	Motilal Oswal Commodities Broker Private Limited	–	–	0	35	0	35
	Motilal Oswal Investment Advisors limited	–	–	3,732	7,471	3,732	7,471
	MOPE Investment Advisors Private Limited			4,643	3,341	4,643	3,341
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	1,104	410	1,104	410
	Motilal Oswal Wealth Management Limited	–	–	5,385	5,619	5,385	5,619
	Passionate Investment Management Private Limited	21	155	–	–	21	155
	Motilal Oswal Capital Limited	–	–	63	34	63	34

*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 31-03-2020	As at 31-03-2019
Investments	Motilal Oswal Home Finance Limited	15,000	15,000
Loan & Advances receivables/ (payable)	Motilal Oswal Commodities Broker Private Limited	–	0
	Motilal Oswal Investment Advisors limited	559	–
	Motilal Oswal Financial Services Limited	8,381	(1,281)
	Motilal Oswal Wealth Management Limited	388	–

(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 31-03-2020	As at 31-03-2019
Rent / MOT Cost	Motilal Oswal Financial Services Limited	1	3
Trade receivables/ Trade payables	Motilal Oswal Home Finance	506	–
	Motilal Oswal Financial Services Limited	23	23
Interest receivables	Motilal Oswal Financial Services Limited	4	20
	Motilal Oswal Asset Management Company Limited	3	0
	Motilal Oswal Commodities Broker Private Limited	–	0
	Motilal Oswal Investment Advisors limited	4	12
	MOPE Investment Advisors Private Limited	–	7
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	0
	Motilal Oswal Wealth Management Limited	3	3
	Passionate Investment Management Private Limited	–	0

*Note : All Loans referred above are repayable on demand

NOTE 43 : 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.

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

Age of receivables that are past due:

	31-03-2020	31-03-2019
Upto 3 months	111	68
3 - 6 months	–	–
6 - 12 months	13	–
More than 12 months	–	2
Total	**124**	**70**

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.

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:

	31-03-2020	31-03-2019
Expiring within one year (working capital demand loan sanctioned)	30,000	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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	24,821			24,821
Borrowing	–			–
Other financial liabilities	129			129
Total	**24,950**	**–**	**–**	**24,950**

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	**19,126**	**–**	**–**	**19,126**

(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) 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.

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 31-03-2020	As at 31-03-2019
Variable rate borrowing	–	1,281
Fixed rate borrowing	24,821	17,777
Total Borrowing	**24,821**	**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	
	31-03-2020	31-03-2019
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.

Particulars	31-03-2020	31-03-2019
Exposure to price risk	12,057	15,728

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	31-03-2020	31-03-2019
Impact on profit before tax for 10% increase in NAV/price	1,206	1,573
Impact on profit before tax for 10% decrease in NAV/price	(1,206)	(1,573)

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

NOTE 44 : 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 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	187	–	187	48	–	48
Receivables						
Trade receivables	13	–	13	2	–	2
Other receivables	111	–	111	68	–	68
Loans	25,977	–	25,977	18,624	–	18,624
Investments	6,600	42,952	49,552	–	30,728	30,728
Other financial assets	0	–	0	0	–	0
Non-financial assets						
Current tax assets (net)	–	191	191	–	36	36
Deferred tax assets (net)	–	416	416	–	52	52
Property, plant and equipment	–	1	1	–	3	3
Intangible assets	–	3	3	–	4	4
Goodwill	–	405	405	–	405	405
Other non-financial assets	776	–	776	10	–	10
Total assets	**33,664**	**43,968**	**77,633**	**18,753**	**31,228**	**49,981**

Liabilities	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Debt securities	24,821	–	24,821	14,777	–	14,777
Borrowings	–	–	–	4,281	–	4,281
Other financial liabilities	129	–	129	67	–	67
Non-financial Liabilities						
Provisions	11	–	11	15	–	15
Other non-financial liabilities	33	–	33	8	–	8
Total liabilities	**24,994**	**–**	**24,994**	**19,149**	**–**	**19,149**

NOTE 45: 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 31-03-2020	As at 31-03-2019
i)	CRAR (%)	56.99%	48.05%
ii)	CRAR - Tier I Capital (%)	56.91%	47.55%
iii)	CRAR - Tier II Capital (%)	0.07%	0.50%
iv)	Amount of subordinated debt raised as Tier-II capital	–	–
v)	Amount raised by issue of Perpetual Debt Instruments	–	–

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

B. Investments

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
(1)	Value of investments		
(i)	Gross value of investments		
	(a) In India	49,552	30,728
	(b) Outside India	–	–
(ii)	Provisions for depreciation*		
	(a) In India	–	–
	(b) Outside India	–	–
(iii)	Net value of investments		
	(a) In India	49,552	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, 2020.

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

Particulars	As at 31 March 2020								
	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	2,560	2,602	2,602	7,806	10,408	–	–	–	25,977
Investments	550	550	550	1,650	3,300	15,894	12,057	15,000	49,552
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	–	–	–	–	–	–	–	–	–
Debt securities	24,821	–	–	–	–	–	–	–	24,821
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

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

Particulars	As at 31 March 2019								
	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	–	–	–	–	–	–	–	–	–

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 31-03-2020	As at 31-03-2019
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	15,000
	Others	22,494	–
	Total exposure to real estate sector	**37,494**	**15,000**

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

F.2 Exposure to capital market

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
(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;	12,057	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;	8,888	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
(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;	4,065	–
(vii)	bridge loans to companies against expected equity flows / issues;	–	–
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	253	–
	Total exposure to capital market	**25,263**	**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 2019-20, 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 2019-20, Nil remuneration paid to the directors.

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

H. Additional disclosures

H.1 Provisions

Provisions shown under the head expenditure in profit and loss account	For the year ended 31-03-2020	For the year ended 31-03-2019
Provisions for depreciation on Investment	–	–
Provision towards NPA	–	–
Provision made towards Income tax	(21)	(55)
Other provision (with details)*	12	15
Provision for standard assets	(10)	(24)
***Other provisions**		
Provision for employee benefits	7	8
Provision for ex-gratia	5	7
Compensated absences	0	0
	12	**15**

H.2 Drawn down from reserve

No draw down from reserve during the year.

H.3 Concentration of advances

Particulars	As at 31-03-2020	As at 31-03-2019
Total advances to twenty largest borrowers	23,112	13,003
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	88.83%	69.63%

H.4 Concentration of exposures

Particulars	As at 31-03-2020	As at 31-03-2019
Total Exposure to twenty largest borrowers	41,440	23,460
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	28.46%	50.49%

H.5 Concentration of NPAs

Particulars	As at 31-03-2020	As at 31-03-2019
Total exposure to top four NPA accounts	–	–

H.6 Sector - wise NPAs

Sr. No.	Percentage of NPAs to Total Advances in that sector	As at 31-03-2020	As at 31-03-2019
	Sector		
1	Agriculture and allied activities	–	–
2	MSME	–	–
3	Corporate borrowers	–	–
4	Services	–	–
5	Unsecured personal loans	–	–
6	Auto loans	–	–
7	Other personal loans	–	–

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

H.7 Movement of NPAs

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
(i)	Net NPAs to Net Advances (%)	–	–
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	5	–
(b)	Additions during the year	–	176
(c)	Reductions during the year	–	(171)
(d)	Closing balance	5	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	5	–
(b)	Provisions made during the year	–	176
(c)	Write-off / (write-back) of excess provisions	–	(171)
(d)	Closing balance	5	5

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 31-03-2020	As at 31-03-2019
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 2020 (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 31-03-2020		As at 31-03-2019	
			Amount outstanding	Amount overdue	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	24,821	–	14,777	–
	(f)	Other loans (Borrowings)	–	–	1,281	–

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

		Assets side :	As at 31-03-2020 Amount outstanding	As at 31-03-2019 Amount outstanding
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**			
	(a)	Secured	9,366	13,240
	(b)	Unsecured	16,653	5,436
			26,019	**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:		
		(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	7,742	10,167
		(b) Preference	–	–
		(ii) Debentures and bonds	–	–
		(iii) Units of mutual funds	–	–
		(iv) Government Securities	–	–
		(v) Others - Exchange traded funds	177	212

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

Assets side :		As at 31-03-2020 Amount outstanding	As at 31-03-2019 Amount outstanding
2.	Unquoted		
	(i) Shares :		
	(a) Equity	15,000	15,000
	(b) Preference	–	–
	(ii) Debentures and bonds		
	(iii) Units of mutual funds	4,139	5,349
	(iv) Government Securities	–	–
	(v) Others (Investment in security receipts)	22,494	–
	Total	**49,552**	**30,728**

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 31-03-2020**			**As at 31-03-2019**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.	Related Parties						
	(a) Subsidiaries	–	–	–	–	–	–
	(b) Companies in the same group	–	–	–	–	–	–
	(c) Other related parties	–	9,347	9,347	–	110	110
2.	Other than related parties	9,366	7,306	16,672	13,240	5,325	18,565
	Total	**9,366**	**7,306**	**26,019**	**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 31-03-2020**		**As at 31-03-2019**	
		Market Value / Break up or fair value or NAV	**Book Value (Net of Provisions)**	**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	15,000	15,000
	(c) Other related parties	–	–	–	–
2.	Other than related parties (Refer note 2)	34,552	34,552	15,728	15,347
	Total	**49,552**	**49,552**	**30,728**	**30,347**

7) **Other Information**

Particulars		**As at 31-03-2020**	**As at 31-03-2019**
(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 2020.

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

K) Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

As at 31 March 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	26,014	37	25,977	99	62
Stage 2		–	–	–	–	–
Subtotal		**26,014**	**37**	**25,977**	**99**	**62**
Non-performing Assets (NPA)						
Sub-standard	Stage 3	–	–	–	–	–
Doubtful - upto 1 year	Stage 3	–	–	–	–	–
Doubtful - 1 to 3 year	Stage 3	5	5	–	5	–
Doubtful - More than 3 years	Stage 3	–	–	–	–	–
Loss asset	Stage 3	–	–	–	–	–
Subtotal		**5**	**5**	**–**	**5**	**–**
		26,019	**42**	**25,977**	**104**	**62**

The above table discloses the provisions amounts as per IRAC norms, while the Company has made a provision of non-performing assets of ₹ 42 lacs as per IndAs 109. The difference between Ind-AS 109 povisions and IRACP norms of ₹ 62 lacs has been transferred in impairment reserve.

As at 31 March 2019

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	18,671	47	18,624	74	28
Stage 2		–	–	–	–	–
Subtotal		**18,671**	**47**	**18,624**	**74**	**28**
Non-performing Assets (NPA)						
Sub-standard	Stage 3	–	–	–	–	–
Doubtful - upto 1 year	Stage 3	–	–	–	–	–
Doubtful - 1 to 3 year	Stage 3	5	5	–	5	–
Doubtful - More than 3 years	Stage 3	–	–	–	–	–
Loss asset	Stage 3	–	–	–	–	–
Subtotal		**5**	**5**	**–**	**5**	**–**
		18,675	**51**	**18,624**	**79**	**28**

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

L) Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Particulars	As at 31-03-2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	–
(ii) Respective amount where asset classification benefits is extended	–
(iii) General provision made	–
(iv) General provision adjusted during the period against slippages and the residual provisions	–
	–

M) Disclosure pursuant to Reserve Bank of India circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies pertaining to public disclosure on Liquidity Risk

As at 31 March 2020

M.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits / borrowings	% of Total Liabilities
1 (one)	24,821	100%	99.31%

M.2 Top 20 large deposits (amount and % of total deposits) – Not Applicable

M.3 Top 10 borrowings (amount in ₹ lacs and % of total borrowings) - ₹ 24,821 lacs and 100%

M.4 Funding concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits / borrowings
Commercial paper	24,821	100%

M.5 Stock Ratios

(a) Commercial papers as a % of total public funds (31.02%), total liabilities (99.31%) and total assets (31.97%)

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets - NA

(c) Other short-term liabilities, if any as a % of total public funds (0.22%), total liabilities (0.69%) and total assets (0.22%)

M.6 Institutional set-up for liquidity risk management

The company has an Asset Liability Management Committee (ALCO) to handle liquidity risk management. The ALCO meetings are held at periodic intervals and minutes of the ALCO are presented to the Board.

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

NOTE 46 : 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 ₹ 50,00,00,000. 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:

Particulars	In Rupees
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 47 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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	2019-20		2018-19	
	Type of service		Type of service	
	Interest income	Training and referral income	Interest income	Training and referral income
Total Revenue from contracts with customers	**4,295**	**137**	**1,457**	**93**
Geographical Markets				
India	4,295	137	1,457	93
Outside India	–	–	–	–
Total Revenue from contracts with customers	**4,295**	**137**	**1,457**	**93**
Timing of revenue recognition				
Services transferred at a point in time		116		
Services transferred over time	4,295	21	1,457	93
Total Revenue from contracts with customers	**4,295**	**137**	**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. Income from referral is recognised upon rendering of the services.

NOTE 48 : FAIR VALUE MEASUREMENT

a) Financial instruments by category

Particulars	As at 31-03-2020			As at 31-03-2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	187	–	–	48
Receivables						
Trade receivables	–	–	13	–	–	2
Other receivables	–	–	111	–	–	68
Loans	–	–	25,977	–	–	18,624
Investments	26,810	7,742	15,000	5,561	10,167	15,000
Other financial assets	–	–	0	–	–	0
Total financial assets	**26,810**	**7,742**	**41,288**	**5,561**	**10,167**	**33,743**
Financial liabilities						
Debt securities	–	–	24,821	–	–	14,777
Borrowings	–	–	–	–	–	4,281
Other financial liabilities	–	–	129	–	–	67
Total financial liabilities	**–**	**–**	**24,950**	**–**	**–**	**19,126**

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 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 fair values for investment in security receipt are based on the quoted market prices given by independent rating agency.

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

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, ETF and equity 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 31-03-2020			As at 31-03-2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVTPL						
- Mutual funds	4,139	–	–	5,349	–	–
- Exchange traded funds	177	–		212	–	–
- Investment in security receipt	–	–	22,494	–	–	
Financial investments at FVOCI						
- Equity instruments held through portfolio management schemes	7,742	–	–	10,167	–	–
Total	**12,057**	**–**	**22,494**	**15,728**	**–**	**–**

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.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

Particulars	Security receipts
As at April 1, 2019	**–**
Additions	22,494
Disposals	–
Gains/(losses) recognised in statement of profit and loss	–
As at March 31, 2020	**22,494**

d) Transfers between levels 2 and 3

There are no transfers between Level 2 and Level 3 during the year.

e) Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

i) Sensitivity analysis

Particulars	As at 31-03-2020	As at 31-03-2019
Fair value of instruments	22,494	–
Significant unobservable inputs		
Net worth of the fund at Fair value		
- increase by 100 bps	225	–
- decrease by 100 bps	(225)	–

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

NOTE 49 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Financial Services Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

Financial services has been declared an essential service and accordingly company has not faced business stoppage/interruption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 50:

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, 2020

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

Ajay Menon
Whole- time Director
DIN: 00024589

Navin Agarwal
Director & Chief Financial Officer
DIN: 00024561

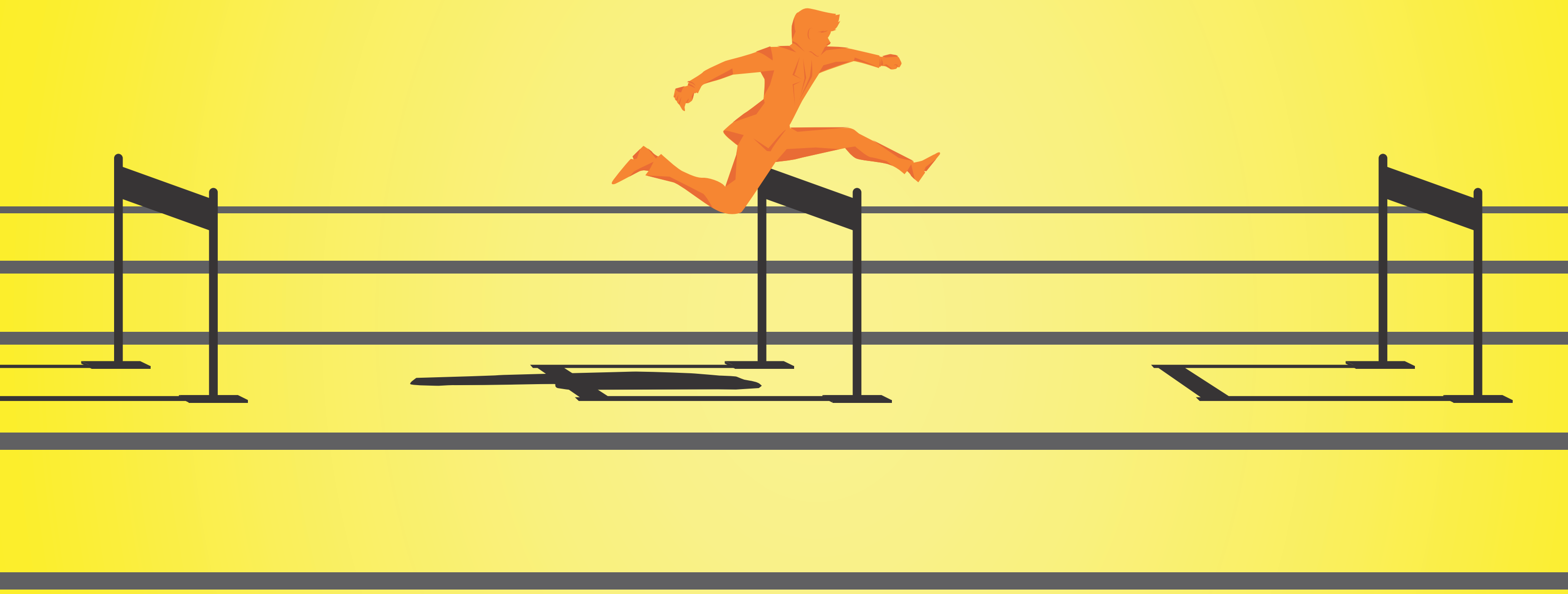
Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 11 May, 2020

Motilal Oswal Fincap Private Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

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, 2020, 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, 2020, and profit/loss, and its cash flows for the year ended on March 31, 2020.

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 year 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the Internal Financial 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: 24th April, 2020.

UDIN:- 20040117AAAABZ5424

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 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, 2020 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: 24th April, 2020.

UDIN:- 20040117AAAABZ5424

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 2020 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 2020, 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: 24th April, 2020.

UDIN:- 20040117AAAABZ5424

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No.	As at 31-Mar-2020 (In ₹)	As at 31-Mar-2019 (In ₹)
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	6,255	6,255
(b) Deferred tax assets (net)	5	2,310	40,496
Current Assets			
(a) Financial assets			
(i) Trade receivables	6	547,000	–
(ii) Cash and cash equivalents	7	12,474,731	1,474,495
(iii) Bank balance other than (ii) above	8	–	6,000,000
(iv) Other financial assets	9	1,660,249	–
(b) Current tax assets (net)	10	3,713,709	3,848,769
(c) Other current assets	11	406,401	717,918
TOTAL ASSETS		**18,810,655**	**12,087,932**
II. EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	12	30,000,000	30,000,000
(b) Other equity	13	(11,747,102)	(18,132,608)
Current Liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	14	557,681	38,343
(ii) Provisions	15	77	182,197
TOTAL EQUITY AND LIABILITIES		**18,810,655**	**12,087,932**

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 : 24th April 2020

UDIN: 20040117AAAABZ5424

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Anupam Agal
Director
DIN: 07608920

Place : Mumbai
Dated : 24th April 2020

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	Year Ended 31-Mar-2020 (in ₹)	Year Ended 31-Mar-2019 (in ₹)
Revenue from operations			
(i) Training fees Income	16	7,872,000	–
(ii) Commission & Brokerage income	17	6,170	–
(iii) Interest income	18	50,120	359,010
1) Total revenue from operations		**7,928,290**	**359,010**
Expenses			
(i) Finance cost	19	–	159,883
(ii) Net gain on fair value changes	20	1,089,751	–
(iii) Employee benefits expense	21	(44,998)	378,089
(iv) Depreciation and amortisation expense	4	–	36,552
(v) Other expenses	22	459,846	377,516
2) Total expenses		**1,504,598**	**952,040**
3) Profit/(loss) before tax (1 - 2)		**6,423,692**	**(593,030)**
Tax expense/(credit):	23		
(i) Current tax		–	–
(ii) Deferred tax expense/(credit)		38,186	(10,296)
4) Total tax expenses		**38,186**	**(10,296)**
5) Profit/(loss) for the period (3 - 4)		**6,385,506**	**(582,733)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		–	140,496
(b) Deferred tax impact on the above		–	(36,529)
6) Other comprehensive income		**–**	**103,967**
Total comprehensive income for the period (5+6)		**6,385,506**	**(478,766)**
Earnings per share (₹ 1 each)			
Basic (amount in ₹) (Refer Note 25)		2.13	(0.19)
Diluted (amount in ₹)		2.13	(0.19)

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 : 24th April 2020

UDIN: 20040117AAAABZ5424

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah	**Harsh Joshi**	**Anupam Agal**
Director	*Director*	*Director*
DIN: 07669954	DIN: 02951058	DIN: 07608920

Place : Mumbai
Dated : 24th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31-Mar-20 (in ₹)	Year Ended 31-Mar-19 (in ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**6,423,692**	**(593,030)**
Adjustment for		
Finance cost	–	159,883
Interest income	(50,120)	(359,010)
Depreciation	–	36,552
Adjustment for working capital changes		
Increase/(Decrease) in other financial liabilities	519,337	(370,246)
(Decrease) in provisions	(182,120)	(1,097,108)
Decrease in non financial assets	311,516	–
(Increase)/Decrease in Other financial assets	(1,660,249)	10,044,265
CASH USED IN OPERATIONS	**4,815,056**	**7,834,380**
Taxes Paid (Net of Refunds)	(135,060)	–
NET CASH FROM OPERATING ACTIVITIES	**4,950,116**	**7,834,380**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received on Fixed Deposits	50,120	359,010
NET CASH FLOW FROM INVESTING ACTIVITIES	**50,120**	**359,010**
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	–	(11,438,387)
Interest paid	–	(159,883)
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**(11,598,270)**
NET CASH FLOW FOR THE YEAR ENDED	**5,000,236**	**(3,404,880)**
Cash & Cash Equivalents comprise of		
Cash on hand	14,800	14,800
Scheduled Bank - In Current Account	1,459,695	864,574
Fixed Deposit with Banks	6,000,000	10,000,000
Total Cash & Cash Equivalents as at beginning of the year	**7,474,495**	**10,879,374**

	Year Ended 31-Mar-20 (in ₹)	Year Ended 31-Mar-19 (in ₹)
Cash & Cash Equivalents as at end of the year		
Cash on hand	14,800	14,800
Scheduled Bank - In Current Account	12,459,931	1,459,695
Fixed Deposit with Banks	–	6,000,000
Total Cash & Cash Equivalents as at end of the year	**12,474,731**	**7,474,495**

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 Cash Flow Statement 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
Dated : 24th April 2020

UDIN: 20040117AAAABZ5424

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Anupam Agal
Director
DIN: 07608920

Place : Mumbai
Dated : 24th April 2020

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, 2020 is Motilal Oswal Financial Services Limited (MOFSL).

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 financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2020 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

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

Measurement and recognition of leases as a lessee

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

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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) 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.

(iv) 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.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computers	440,589	–	–	440,589	434,335	–	–	434,334	6,255	6,254
Total	**440,589**	**–**	**–**	**440,589**	**434,335**	**–**	**–**	**434,334**	**6,255**	**6,254**

Previous 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	440,589	–	–	440,589	397,783	36,552	–	434,335	6,254	42,806
Total	**440,589**	**–**	**–**	**440,589**	**397,783**	**36,552**	**–**	**434,335**	**6,254**	**42,806**

NOTE 5 : DEFERRED TAX ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Provision for gratuity	–	37,492
Difference between tax depreciation and book depreciation	2,310	3,004
TOTAL	**2,310**	**40,496**

NOTE 6 : RECEIVABLES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
(I) Trade receivables		
Considered good - unsecured	547,000	–
TOTAL	**547,000**	**–**

NOTE 7 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Cash on hand	14,800	14,800
Balances with banks		
In current accounts	12,459,931	1,459,695
TOTAL	**12,474,731**	**1,474,495**

NOTE 8 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Bank balance other than (a) above	–	6,000,000
TOTAL	**–**	**6,000,000**

NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Margin Money with MOFSL	1,660,249	
TOTAL	**1,660,249**	**–**

NOTE 10 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Advance Tax and TDS	3,713,709	3,848,769
TOTAL	**3,713,709**	**3,848,769**

NOTE 11 : OTHER CURRENT ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Prepaid expenses	1,863	1,863
Accrued Interest on FDR	–	54,104
Indirect tax credit receivable	404,538	661,951
TOTAL	**406,401**	**717,918**

NOTE 12 : NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	in ₹	Number of shares	in ₹
AUTHORISED				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	5,000,000	50,000,000	5,000,000	50,000,000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	3,000,000	30,000,000	3,000,000	30,000,000
TOTAL	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

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-20		As at 31-Mar-19	
	Number of shares	in ₹	Number of shares	in ₹
Number of shares at the beginning	3,000,000	30,000,000	3,000,000	30,000,000
Add: Shares issued during the year	–	–	–	–
Number of shares at the end	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

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

Name of Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financial Services Limited	**3,000,000**	**100.00**	**3,000,000**	**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-20 in ₹	As at 31-Mar-19 in ₹
a) Retained earnings		
Balance at the beginning of the year	(18,266,723)	(17,683,990)
Add: Transfer from Statement of Profit and Loss	6,385,506	(582,733)
Balance at the end of year	**(11,881,217)**	**(18,266,723)**
b) Other comprehensive income		
Balance at the beginning of the year	134,115	30,148
Add: Transfer from Statement of Profit and Loss	–	103,967
Balance at the end of year	**134,115**	**134,115**

NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Withholding and other taxes payable	440,680	833
Other payables	117,001	37,510
TOTAL	**557,681**	**38,343**

NOTE 15 : PROVISIONS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Gratuity obligation - unamortised amount relating to plan amendment (LT) (Refer Note 32)	–	87,220
Gratuity obligation - unamortised amount relating to plan amendment	–	56,982
Provision for Expenses	77	37,995
TOTAL	**77**	**182,197**

NOTE 16 : TRAINING FEES INCOME

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Training fees income	7,872,000	–
TOTAL	**7,872,000**	**–**

NOTE 17 : COMMISSION & BROKERAGE INCOME

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Commission & Brokerage income	6,170	–
TOTAL	**6,170**	**–**

NOTE 18 : INTEREST INCOME

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Interest on Income tax refund	9,751	52,744
Interest on Fixed Deposit	40,369	306,266
TOTAL	**50,120**	**359,010**

NOTE 19 : FINANCE COST

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Interest on borrowings	–	159,883
TOTAL	**–**	**159,883**

NOTE 20 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Net gain/ (loss) on financial instruments	–	–
(i) On financial instruments designated at fair value through profit or loss	–	–
Fair Value changes:	–	–
Gain on Financial Assets - Unrealised	(1,089,751)	–
TOTAL	**(1,089,751)**	**–**

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Salary, Bonus and Allowances	106,804	571,031
Contribution to Provident and other Fund	900	36,070
Gratuity (refer note 38)	(144,202)	12,431
Staff welfare expenses	(8,500)	27,240
Employee Stock option Scheme	–	(268,683)
TOTAL	**(44,998)**	**378,089**

NOTE 22 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Rates & Taxes	9,423	3,994
Rent	12,000	12,000
Insurance	–	43,256
Auditors Remuneration (refer note 38)	40,000	25,000
Legal & Professional Fees	79,196	243,400
Marketing & brand promotion expenses	52,500	–
Communication Expenses	–	9,912
Business Support Expenses	150,000	–
Training Expenses	80,200	-
Printing and Stationary exp	2,350	-
Miscellaneous Expenses	34,177	39,953
TOTAL	**459,846**	**377,516**

NOTE 23 : TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-20 (in ₹)	For the Year Ended 31-Mar-19 (in ₹)
Note : 23.1 Tax expense	–	–
Current tax expense		
Current tax for the year	–	–
Total current tax expense	–	–
Deferred taxes		
Change in deferred tax liabilities	38,186	(10,296)
Net deferred tax expense	**38,186**	**(10,296)**
TOTAL	**38,186**	**(10,296)**
Note : 23.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**6,423,692**	**(593,030)**
Tax at the rate of 25.17% (for 31 March 2019 - 26%)	1,616,843	(154,188)
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purposes	–	144,058
Change due to deferred tax	(1,655,029)	(167)
Income tax expense	**(38,186)**	**(10,296)**
Note : 23.3 Items of deferred tax asset		
Deferred tax assets on account of:		
Written Down Value of Fixed Assets	2,310	3,004
Gratuity provision	–	37,493
Total deferred tax assets	**2,310**	**40,496**

NOTE 24 : AUDITORS' REMUNERATION

Particulars	31-Mar-20 (in ₹)	31-Mar-19 (in ₹)
As Auditors:		
Audit fees	40,000	25,000
TOTAL	**40,000**	**25,000**

NOTE 25 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-Mar-20 (in ₹)	31-Mar-19 (in ₹)
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	6,385,506	(582,733)
Weighted Average Number of equity shares issued [B] (₹)	3,000,000	3,000,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**2.13**	**(0.19)**

NOTE 26 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2020 COMPRISES OF:

Provisions made for the Year ended 31st March, 2020 comprises of: (in ₹)

Particulars	Opening balance	Provided during the year ended 31st March, 2020	Paid /reversed during the year ended 31st March, 2020	Closing balance as of 31st March, 2020
Ex-gratia	–	131,800	131,800	–
Incentive	–	–	–	–
Gratuity	144,202	–	144,202	–

Provisions made for the Year ended 31st March, 2019 comprises of:

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	513,765	–	513,765	–
Incentive	531,199	531,199	–	
Gratuity	272,267	8,577	136,642	144,202

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 Market 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 Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Market (Singapore) Pte Limited
- Motilal Oswal Home Finance (formerly known as 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
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC 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, 2020 :

Transaction	Name of the related Party	Holding Company		Total	
		2019-20	2018-19	2019-20	2018-19
Training Fees	Motilal Oswal Financial Services Ltd	(5,550,000)		(5,550,000)	
Interest Expense	Motilal Oswal Financial Services Ltd		159,883	–	159,883
Rent Expense	Motilal Oswal Financial Services Ltd	12,000	12,000	12,000	12,000
Business Support Charge	Motilal Oswal Financial Services Ltd	150,000		150,000	
Loans taken (Maximum balance)	Motilal Oswal Financial Services Ltd		11,850,000	–	11,850,000
Outstanding Balances:					
Loans Given / (Taken)	Motilal Oswal Financial Services Ltd	–	–	–	
Rent Deposit Given / (Taken)	Motilal Oswal Financial Services Ltd	–	–	–	
Other (payables) / receivables	Motilal Oswal Financial Services Ltd	544,820	–	544,820	–

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-20 (in ₹)	31-Mar-19 (in ₹)
Employer's contribution to provident fund	–	36,070
Employer's contribution to ESIC	–	–
Employer's contribution to National Pension Scheme	–	–
	–	**36,070**

(B) Defined Benefit Plan

Valuation results at	Gratuity 31-Mar-20	Gratuity 31-Mar-19
I) Changes in present value of obligations (PVO)		
PVO at beginning of period		272,267
Interest cost		18,650
Current Service Cost		145,391
Past Service Cost- (non vested benefits)		–
Past Service Cost - (vested benefits)		–
Benefits Paid		–
Transfer out liability		(151,610)
Contributions by plan participants		–
Business Combinations		–
Curtailments		–
Settlements		–
Actuarial (Gain)/Loss on obligation		(139,725)
PVO at end of period		144,973
II) Interest expense		
Interest cost		18,650
III) Fair value of plan assets		
Fair Value of Plan Assets at the beginning		–
Interest income		–
IV) Net Liability		
PVO at beginning of period		272,267
Fair Value of the Assets at beginning report		–
Net Liability		272,267
V) Net Interest		
Interest Expenses		18,650
Interest Income		–
Net Interest		18,650
VI) Actual return on plan assets		
Less Interest income included above		–
Return on plan assets excluding interest income		–

Valuation results at	Gratuity 31-Mar-20	Gratuity 31-Mar-19
VII) Actuarial (Gain)/loss on obligation		
Due to Demographic Assumption		771
Due to Financial Assumption		960
Due to Experience		(141,456)
Total Actuarial (Gain)/Loss		(139,725)
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		144,973
Fair Value of Plan Assets at end of period		–
Funded Status		(144,973)
Net Asset/(Liability) recognized in the balance sheet		(144,973)
XI) Expense recognised in the statement of profit and loss		
Current service cost		145,391
Net Interest		18,650
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		–
Expense recognized in the statement of profit and loss		164,041
XII) Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period		(139,725)
Asset limit effect		–
Return on Plan Assets excluding net interest		–
Unrecognized Actuarial (Gain)/Loss from previous period		–
Total Actuarial (Gain)/Loss recognized in (OCI)		(139,725)

Valuation results at	Gratuity 31-Mar-20	Gratuity 31-Mar-19
XIII) Movement in liability recognized in balance sheet		
Opening net liability		272,267
Adjustment to opening balance		–
Expenses as above		164,041
Transfer out Liability		(151,610)
Contribution paid		–
Other Comprehensive Income(OCI)		(139,725)
Closing net liability		144,973
XV) Schedule III of The Companies Act 2013		
Current liability		54,534
Non - current liability		90,439
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.
Interest / Discount Rate		7.12%
Rate of increase in compensation		12.00%
Expected rate of return on plan assets (per annum)		–
Employee Attrition Rate (Past Service)		PS: 0 to 37 : 38.97%
Expected average remaining service		1.55

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
XVIII) Sensitivity Analysis				
PVO	6,288,292	6,543,764	147,269	142,747

XIX) Expected Payout	Expected					
Year	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	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	162,055	193,759	272,267	144,973
Plan Assets					
Surplus / (Deficit)	(94,279)	(162,055)	(193,759)	(272,267)	(144,973)
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, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents		12,474,731		7,474,495
Receivables				
(i) Trade receivables		547,000		–
Loans				
Investments				
Other financial assets		1,660,249		
Total financial assets	**–**	**14,681,980**	**–**	**7,474,495**
Financial liabilities				
Trade payables	–			
Other payables		557,681		38,343
Other financial liabilities		77		182,197
Total financial liabilities	**–**	**557,758**	**–**	**220,541**

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 20		As at 31 March 19	
	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.

Ages of Receivables that are past due:

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Upto 3 months	546,000	–
3 - 6 months	1,000	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**547,000**	**–**

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 2020

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	117,001			**117,001**
Total	**117,001**	**–**	**–**	**117,001**

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**

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.

Particulars	As at 31-Mar-20	As at 31-Mar-19
	in ₹	in ₹
Exposure to price risk	12,057	15,728

Sensitivity to price risk

The following table summaries 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 2020	31 March 2019
	in ₹	in ₹
Impact on profit before tax for 1% increase in NAV/price	–	–

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 : 24th April 2020

UDIN: 20040117AAAABZ5424

For and on behalf of the Board of Directors of
Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah
Director
DIN: 07669954

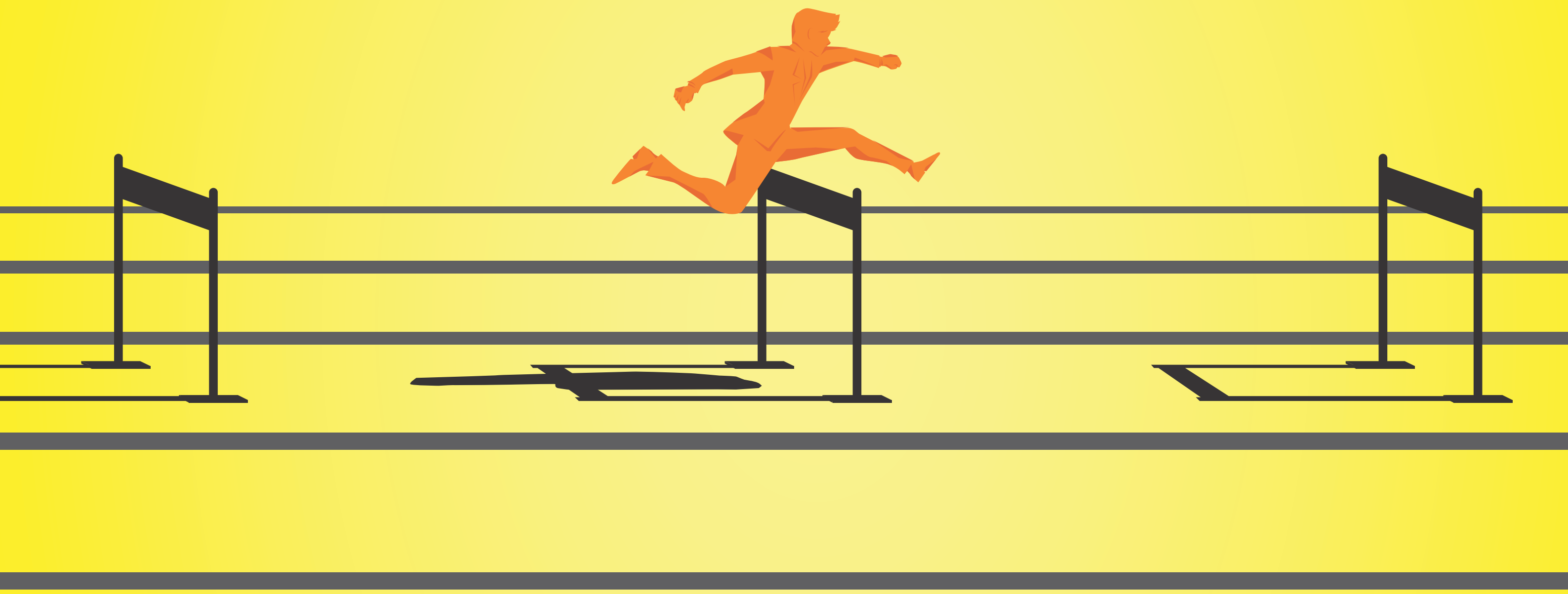
Harsh Joshi
Director
DIN: 02951058

Anupam Agal
Director
DIN: 07608920

Place : Mumbai
Dated : 24th April 2020

Motilal Oswal Securities International Private Limited

Financial Statement 2019-20



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, 2020, 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, 2020, and profit, and its cash flows for the year ended on March 31, 2020.

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 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.

There are no Key Audit Matter for Communication.

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, 2020 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
UDIN : 20111592AAAACV4564

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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 not 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, there is no immovable property held by 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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, 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
UDIN : 20111592AAAACV4564

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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 Securities International Private Limited ('the Company') as of 31 March 2020 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 2020, 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
UDIN : 20111592AAAACV4564

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Notes	As at 31-Mar-20 (In ₹)	As at 31-Mar-19 (In ₹)
I ASSETS			
1. Financial assets			
(a) Cash and Cash Equivalents	1	44,095,189	45,330,862
(b) Trade receivables	2	911,759	179,682
(c) Current tax assets	3	4,297,574	2,217,247
(d) Other financial assets	4	–	–
Sub - total Financial assets		**49,304,522**	**47,727,791**
2. Non-Financial assets			
(a) Other Non-Financials Assets	5	366,744	1,688,107
(b) Deferred Tax Assets (net)	6	405,887	481,899
(c) Property plants and equipments	7	10,794	25,156
Sub - total Non- Financial assets		**783,425**	**2,195,163**
TOTAL ASSETS		**50,087,947**	**49,922,953**
II EQUITY & LIABILITIES			
1. Financial liabilities			
(a) Other financials Liabilities	8	51,268	1,703,095
(b) Provisions	9	522,937	1,992,217
Sub - total Financial liabilities		**574,205**	**3,695,311**
2. Other non-financial liabilities			
(a) Other non-financial liabilities	10	3,401,001	74,600
Sub - total Other non-inancial liabilities		**3,401,001**	**74,600**
3. Equity:			
(a) Equity share capital	11	45,692,000	45,692,000
(b) Other Equity	12	420,741	461,041
Sub - total Equity		**46,112,741**	**46,153,041**
TOTAL LIABILITIES AND EQUITY		**50,087,947**	**49,922,953**

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

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 4th May, 2020

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 4th May, 2020

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	For the Year Ended 31-Mar-20 (In ₹)	For the Year Ended 31-Mar-19 (In ₹)
Revenue from Operations	13	14,673,577	14,389,545
Other Income	14	–	131,218
Total Revenue		**14,673,577**	**14,520,763**
Expenses:			
Employee Benefits	15	5,295,912	4,755,852
Other Expense	16	7,463,720	7,756,796
Depreciation	7	14,364	15,163
Total Expenses		**12,773,997**	**12,527,811**
Profit/(Loss) Before Tax		**1,899,580**	**1,992,952**
Tax Expense:			
Current Tax		392,813	383,444
MAT credit (entitlement)/utilisation		1,382,155	44,939
Deferred Tax		96,353	78,450
Profit/(Loss) for the year		**28,260**	**1,486,119**
Other comprehensive income			
A (i) Items will not be reclassified to profit or loss			
Acturail Gain/ (losses) on post retirement benefit plans		(88,901)	362,072
Income Tax there on		20,341	(94,139)
Total		**(68,560)**	**267,933**
Balance Carried to Balance Sheet		**(40,301)**	**1,754,052**
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.01	0.33

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

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 4th May, 2020

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 4th May, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31-Mar-20 In (₹)		As at 31-Mar-19 In (₹)	
CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT/(LOSS) BEFORE TAX		**1,899,580**		**1,992,952**
Add/(Less):				
1) Depreciation	14,364		15,164	
2) Ind AS (Acturial gain and tax thereon)	(68,560)		267,933	
3) Effect Of Exchange Rate Changes	–			
		(54,196)		283,097
OPERATING PROFIT/(LOSS)		**1,845,384**		**2,276,049**
Adjustment For:				
(Increase)/Decrease In Trade receivables	(732,077)		5,086,279	
(Increase)/Decrease In Current tax Assets	(2,080,327)		829,220	
(Increase)/Decrease In Other financial assets	–		360,000	
Increase/ (Decrease) Provisions	(1,469,281)		(2,112,313)	
Increase/ (Decrease) In Other Non-Financials Assets	1,321,363		(145,547)	
Increase/ (Decrease) In Current tax liabilities	3,326,401		(2,932)	
Increase/ (Decrease) In Other Financials Liabilities	(1,651,827)	(1,285,747)	(1,670,664)	2,344,043
CASH GENERATED FROM OPERATIONS		**559,637**		**4,620,092**
Taxes Paid		(1,795,308)		(334,245)
NET CASH FROM OPERATING ACTIVITIES		**(1,235,671)**		**4,285,848**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		–		–
NET CASH FLOW FROM INVESTING ACTIVITIES		**–**		**–**
CASH FLOW FROM FINANCING ACTIVITIES		**–**		**–**
NET CASH FLOW FOR THE YEAR		**(1,235,671)**		**4,285,848**
Cash & Cash Equivalents As At 01.04.2019	**–**	**45,330,861**	**–**	**41,045,015**
Balances With bank	45,330,861	–	41,045,015	–
Effect Of Exchange Rate Changes				
Cash & Cash Equivalents As At 31.03.2020	**–**	**44,095,189**	**–**	**45,330,861**
Cheques In hand				
Balances With bank	44,095,189	–	45,330,861	–
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

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 4th May, 2020

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 4th May, 2020

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

SHARE CAPITAL

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
As at 31 March 2019	**410,044**	**4,100,440**	**4,100,440**
Changes during the year	–	–	–
As at 31 March 2020	**410,044**	**4,100,440**	**4,100,440**

OTHER EQUITY

Particulars	Reserves and Surplus			Total (In ₹)
	Capital Redemption Reserve	General Reserve	Retained earnings	
Opening balance as at 1 April 2019	**6,000,000**	**200,000**	**79,263,094**	**85,463,094**
Transactions during the year				
Profit for the year	–	–	(421,133)	(421,133)
Closing balance as at 31 March 2020	**6,000,000**	**200,000**	**78,841,961**	**85,041,961**

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

Aneel Lasod
Partner
M.No.: 40117

Place : Mumbai
Date : 5th May, 2020

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Kishore Narne
Director
DIN: 07974034

Place : Mumbai
Date : 5th May, 2020

NOTES TO FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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, MOFSL 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).

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.

(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.

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.

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

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.

NOTE 1 : CASH & CASH EQUIVALENTS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Balance with bank	–	–
Scheduled banks- In current accounts	44,095,189	45,330,862
TOTAL	**44,095,189**	**45,330,862**

NOTE 2 : TRADE RECEIVABLES

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Unsecured, Considered Good	911,759	179,682
TOTAL	**911,759**	**179,682**

NOTE 3: CURRENT TAX ASSETS (NET)

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Taxes Receivable	1,059,141	–
Advance Tax (net of provisions)	3,238,432	2,217,247
TOTAL	**4,297,574**	**2,217,247**

NOTE 4 : OTHER FINANCIAL ASSETS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Rent Deposit	–	–
TOTAL	**–**	**–**

NOTE 5 : OTHER NON-FINANCIALS ASSETS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Prepaid Expense	344,845	328,479
Advance Against Expenses	21,899	30,830
TOTAL	**366,744**	**359,309**

NOTE 6 : DEFERRED TAX (LIABILITIES)/ASSETS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Provision for Gratuity	119,648	49,976
WDV of licence	285,031	431,865
WDV of fixed asset	1,208	58
Mat Credit Entitlement	–	1,328,798
TOTAL	**405,887**	**1,810,698**

NOTE 7 : PROPERTY PLANTS AND EQUIPMENTS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Property plants and equipments	10,794	25,157
TOTAL	**10,794**	**25,157**

NOTE 8 : OTHER FINANCIALS LIABILITIES

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Payable for Expenses	51,268	1,622,408
Taxes payable	–	80,687
TOTAL	**51,268**	**1,703,095**

NOTE 9 : PROVISIONS

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Ex-gratia Payable	–	1,800,000
Provision for Gratuity	522,937	192,217
TOTAL	**522,937**	**1,992,217**

NOTE 10 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Accrued salary and benefits	1,833,876	2,965
Other Provisions	1,567,125	71,635
TOTAL	**3,401,001**	**74,600**

NOTE 11 : EQUITY SHARE CAPITAL

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Authorised:		
1,00,00,000 Equity Shares of ₹ 10/- each	100,000,000	100,000,000
TOTAL	**100,000,000**	**100,000,000**
Issued, Subscribed and Paid Up:	–	–
45,69,200 Equity Shares of ₹ 10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	45,692,000	45,692,000
TOTAL	**45,692,000**	**45,692,000**

1.1 Reconciliation of number of Equity shares outstanding

	As at 31-Mar-20 (₹)	As at 31-Mar-19 (₹)
Number of shares at beginning of the year	4,569,200	4,569,200
Add: Shares issued during this year	–	–
Number of shares at the end of the year	4,569,200	4,569,200

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-20 (₹)	As at 31-Mar-19 (₹)
Profit & Loss Account		
Opening balance	461,041	(1,293,009)
Add: Additions during the year	28,260	1,486,117
Add: Ind AS Impact	(68,560)	267,933
TOTAL	**420,741**	**461,041**

NOTE 13 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Advisory Fees	14,673,577	14,389,545
TOTAL	**14,673,577**	**14,389,545**

NOTE 14 : OTHER INCOME

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Interest on Income tax Refund	–	131,218
TOTAL	**–**	**131,218**

NOTE 15 : EMPLOYEE BENEFITS

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Salaries and Incentives	5,054,093	4,530,584
Gratuity	241,819	225,268
TOTAL	**5,295,912**	**47,55,852**

NOTE 16 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Remuneration to Auditors	1,791,917	1,808,113
Legal & Professional Fees	3,587,750	3,293,750
Examination Fees	79,802	90,141
Rent Expenses	720,000	720,000
Consultancy Charges	–	148,000
Membership and Subscription Fees	474,609	222,417
Communication Expenses	3,728	13,761
Rent Rates & Taxes	48	1,629
Travelling Expenses	33,956	174,671
Back up Charges	14,169	41,542
Bank Charges	102,250	118,785
Business Support Charges	180,000	180,000
Foreign Exchange Fluctuation	95,963	129,647
Insurance Charges	377,568	750,850
Miscellaneous Expenses	1,960	63,490
TOTAL	**7,463,720**	**7,756,796**

NOTE 17 : AUDITORS' REMUNERATION

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Auditor's Remuneration (inclusive of Service Tax):		
As Auditors:		
Audit fees	1,791,917	1,808,113
In any other capacity, in respect of:		
Other Certification	–	–
TOTAL	**1,791,917**	**1,808,113**

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	(40,301)	1,754,051
Weighted Average Number of equity shares issued [B]	4,569,200	4,569,200
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	0.01	0.38

NOTE 19 : DEFERRED TAX ASSETS / (LIABILITY)

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

	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Provision for gratuity	119,648	49,976
WDV of assets	286,239	431,922
Deferred Tax (Liability)/Assets	405,887	481,899

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	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Assumptions as at	31/Mar/20	31/Mar/19
Interest / Discount Rate	4.80%	7.12%p.a.
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2006-08) Ult.
Rate of increase in compensation	18.06%	16.00%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 33.33%	PS: 0 to 37 : 33.33%
Expected average remaining service	1.99	1.99

NOTE 21 : CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
Present value of obligation at beginning of the period	192,217	283,253
Interest cost	13,679	19,403
Current service cost	150,433	251,633
Past service cost - (non vested benefit)	–	376
Past service cost - (vested benefit)	–	–
Benefits paid	–	–
Actuarial (gain) loss on obligation	88,901	–
Present value of obligation at end of the period	**445,230**	**192,217**

NOTE 22 : CHANGES IN FAIR VALUE OF THE PLAN ASSETS

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
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	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
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	**–**	**–**

NOTE 24 : EXPERIENCE HISTORY

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
(Gain)/Loss on obligation due to change in Assumption	46,795	23,891
Experience (Gain)/Loss on obligation	42,106	(385,963)
Actuarial (Gain)/Loss on plan asset	**88,901**	**(362,072)**

NOTE 25 : ACTURIAL GAIN/(LOSS) RECOGNIZED

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Actuarial Gain/(Loss) for the period (obligation)	(88,901)	362,072
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	(88,901)	362,072
Actuarial Gain/(Loss) recognized for the period	(88,901)	362,072
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

NOTE 26 : PAST SERVICE COST RECOGNIZED

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Average remaining future service till vesting benefit	–	–
Recognized Past service cost - non vested benefits	–	376
Recognized Past service cost - vested benefits	–	–
Unrecognized Past service cost - non vested benefits	–	–

NOTE 27 : AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Present value of obligation at end of period	445,230	192,217
Fair value of plan assets at end of period	–	–
Funded status	(445,230)	(192,217)
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
Net Liability/ (Asset) recognised in the Balance Sheet	**(445,230)**	**(192,217)**

NOTE 28 : PROFIT AND LOSS ACCOUNT – EXPENSE

Particulars	For the Year Ended 31-Mar-20 (₹)	For the Year Ended 31-Mar-19 (₹)
Current service cost	150,433	251,633
Interest cost	13,679	19,403
Past service cost - (non vested benefit)	–	376
Past service cost - (vested benefit)	–	–
Unrecognised past service cost - non vested benefits	–	–
Expected return on plan assets	–	–
Net actuarial (gain)/ loss recognised for the period	–	–
Expenses Recognised in the statement of Profit & Loss Account	**164,112**	**271,412**

NOTE 29 : MOVEMENT IN NET LIABILITY RECOGNIZED IN THE BALANCE SHEET

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
Opening net liability	192,217	282,877
Expenses as above	164,112	271,412
Contribution paid	88,901	(362,072)
Closing net Liability	**445,230**	**192,217**

NOTE 30 : OTHER COMPREHENSIVE INCOME (OCI)

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
Actuarial (Gain)/Loss recognized for the period	88,901	(362,072)
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	**88,901**	**(362,072)**

NOTE 31 : SCHEDULE III OF THE COMPANIES ACT 2013

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
Current Liability	115,605	203
Non-Current Liability	329,625	192,014
Heritage Club Benefits		
Current Liability	75,000	–
Non-Current Liability	2,707	–

NOTE 32 : 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.

NOTE 33 : FAIR VALUE MEASUREMENT

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-20		As at 31-Mar-19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Cash and cash equivalents		44,095,189	–	45,330,862
Trade receivables		911,759		179,682
Current tax assets		4,297,574		2,217,247
Total Financial Assets	**–**	**49,304,522**	**–**	**47,727,791**
Financial Liabilities				
Other financial liabilities		51,268		1,703,095
Provisions		522,937		2,063,852
Other non - financial liabilities		3,401,001		2,965
Total Financial Liabilities	**–**	**3,975,206**	**–**	**3,769,912**

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:

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

NOTE 34 : 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	31 March 20			31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	44,095,189	–	44,095,189	45,330,862	–	45,330,862
Trade receivables	911,759	–	911,759	179,682	–	179,682
Current tax assets	–	4,297,574	4,297,574		2,217,247	2,217,247
Non-Financial assets						
Property, plant and equipment	–	10,794	10,794	–	25,157	25,157
Other non-financial assets	366,744	–	366,744		1,688,108	1,688,108
Deferred Tax Assets (net)	405,887	–	405,887	481,899	–	481,899
Total Assets	**45,779,579**	**4,308,367**	**50,087,947**	**45,992,443**	**3,930,513**	**49,922,955**
Liabilities						
Financial Liabilities						
Other financial liabilities	51,268	–	51,268	1,703,095	–	1,703,095
Non Financial Liabilities						
Provisions	2,090,062	–	2,090,062	2,063,852	–	2,063,852
Accrued salary and benefits		1,833,876	1,833,876		2,965	2,965
Total Liabilities	**2,141,330**	**1,833,876**	**3,975,206**	**3,766,947**	**2,965**	**3,769,913**

NOTE 35 : TAX DISCLOSURES

(Amount in ₹)

Particulars		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	**Tax expense**		
	Current tax expense		
	Current tax for the year	392,813	383,444
	Tax adjustment in respect of earlier years	1,382,155	44,939
	Total current tax expense	**1,774,968**	**428,383**
2	**Deferred taxes**		
	Change in deferred tax liabilities	96,353	78,450
	Net deferred tax expense	**96,353**	**78,450**
		1,871,321	**506,833**
	Tax reconciliation (for Profit and Loss)		
	Profit/(loss) before income tax expense	**1,899,580**	**1,992,951**
	Tax at the rate of 22.88% (for 31 March 2019 - 26%)	434,624	518,167
	Others	1,436,697	(11,334)
	Income tax expense	**1,871,321**	**506,833**

(Amount in ₹)

	Particulars	As at 31-Mar-20	As at 31-Mar-19
3	**Deferred tax assets on account of:**		
	Gratuity	119,648	49,976
	WDV of licence	285,031	431,865
	WDV of fixed asset	1,208	57
	Total	**405,887**	**481,899**

NOTE 36 : DEFERRED TAX RELATED TO THE FOLLOWING:

(Amount in ₹)

Particulars	As at 31 March 2020	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2019	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2018
Deferred tax assets on account of:							
Gratuity	119,648	(49,331)	(20,341)	49,976	(59,392)	94,139	84,723
WDV of licence	285,031	146,834	–	431,865	138,418		570,283
WDV of fixed asset	1,208	(1,151)	–	57	(57)		
Total deferred tax assets	**405,887**	**96,352**	**(20,341)**	**481,899**	**78,969**	**94,139**	**655,006**
Total deferred tax Assets/liability (net)	**405,887**	**96,352**	**(20,341)**	**481,899**	**78,969**	**94,139**	**655,006**

NOTE 37 : 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 for the year ended 31 March 2020 :

(Amount in ₹)

Transaction	Name of the related Party	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Rent	Motilal Oswal Financial Services Limited	720,000	720,000
Business Support Service	Motilal Oswal Financial Services Limited	180,000	180,000
Advisory Fees	Motilal Oswal Financial Services Limited	14,673,577	(14389544.91)
Trade Receivables	Motilal Oswal Financial Services Limited	911,759.35	–
Consultancy charges	Rajesh Dharamshi	–	148,000

Note: Income/receipts figures are shown in brackets.

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 (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited

- Motilal Oswal Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limtied
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited

NOTE 38 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 39 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 40 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	**For the Year Ended 31-Mar-20 (₹)**	**For the Year Ended 31-Mar-19 (₹)**
Audit Fees	1,759,417	1,775,614
Back up charges	14,169	41,542
Registration Charges	–	–
Examination Fees	79,802	90,141
Membership Charges	474,609	222,417
Travelling Overseas	–	–
	2,327,997	**2,129,715**

NOTE 41

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 : 4th May, 2020

For Motilal Oswal Securities International Private Limited

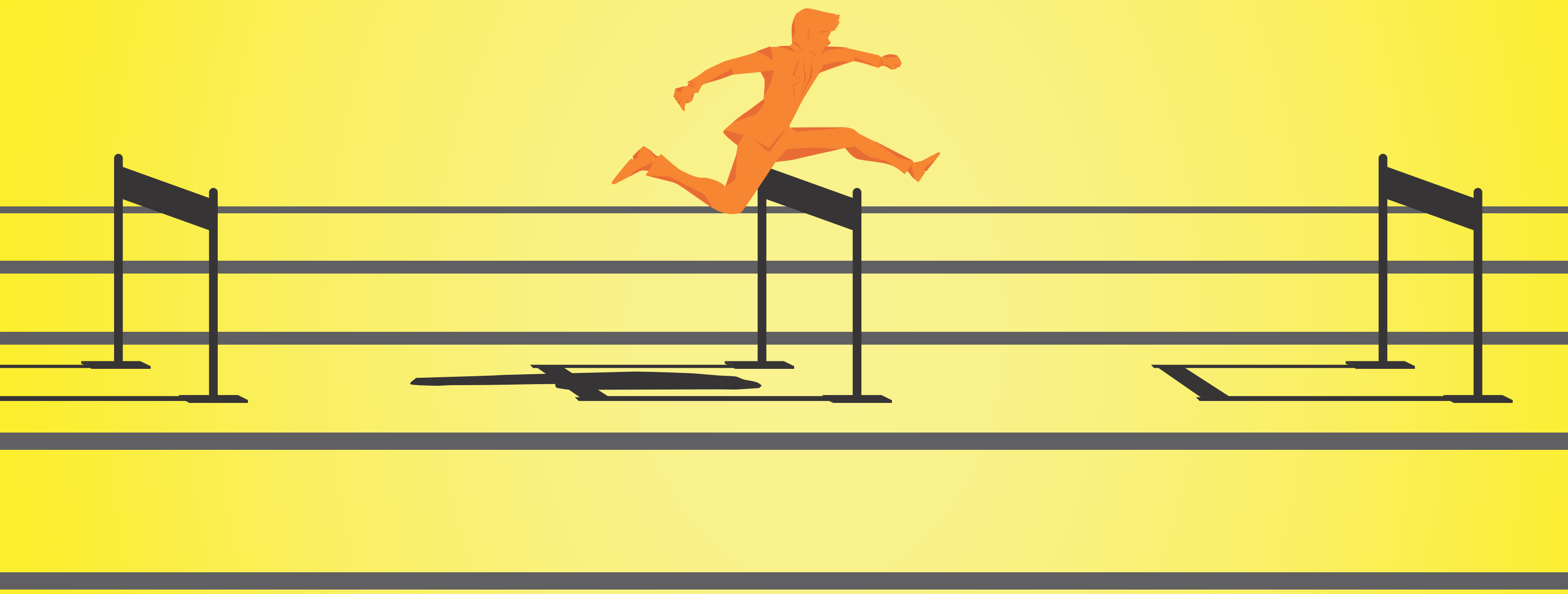
Harsh Joshi
Director
DIN: 02951058

Abhijit Tare
Director
DIN: 07682095

Place : Mumbai
Date : 4th May, 2020

Motilal Oswal Capital Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the Company as at 31 March 2020, and its profit (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 comprises the information included in the Annual 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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 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.

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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit we report that 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, based on our audit we report, to the extent applicable, that:

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

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2020 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there 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 2020; and

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAACE9998

Place : Mumbai
Date : 29 April, 2020

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 2020

ANNEXURE I

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

(i) 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 complied with the provisions of Section 186 in respect of investments. 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 loans, guarantees and security.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became 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 or government during the year. The Company did not have any 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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. 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
UDIN: 20105782AAAACE9998

Place : Mumbai
Date : 29 April, 2020

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 2020

ANNEXURE II

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

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

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 with Reference to Financial Statements

3. 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 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 internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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
UDIN: 20105782AAAACE9998

Place : Mumbai
Date : 29 April, 2020

BALANCE SHEET AS AT 31 MARCH, 2020

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

Particulars	Note No.	As at 31-March-20	As at 31-March-19
I. ASSETS			
1. Non - current assets			
Non - Current tax assets (net)	4	7,342	817
Deferred tax assets (net)	5	–	6,947
Total non - current assets (A)		**7,342**	**7,764**
2. Current assets			
Financial assets			
(i) Investments	6	201,477	252,322
(ii) Trade receivables	7	29,090	2,578
(iii) Cash and cash equivalents	8	53,037	13,948
(iv) Other bank balances	9	507,126	509,349
(v) Other current financial assets	10	220	100
Other current assets	11	14,875	10,659
Total Current assets (B)		**805,825**	**788,956**
TOTAL ASSETS (A+B)		**813,167**	**796,720**
II. EQUITY AND LIABILITIES			
A. Equity:			
(i) Equity share capital	12	800,000	800,000
(ii) Other equity	13	6,629	(17,241)
Total equity (A)		**806,629**	**782,759**
B. Liabilities			
1. Current liabilities			
Financial liabilities			
(i) Trade payables			
– Total outstanding dues of micro enterprise and small enterprise (refer note 25)			
– Total outstanding dues of creditors other than micro enterprise and small enterprise		–	–
(ii) Other payables	14	1,234	12,146
Other current liabilities	15	2,216	1,815
Deferred tax liabilities (net)	5	3,088	–
Total current liability (B)		**6,538**	**13,961**
TOTAL EQUITY AND LIABILITIES (A+B)		**813,167**	**796,720**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 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 : 29 April, 2020

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

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 29 April, 2020

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

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

Particulars	Note No.	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
REVENUE FROM OPERATIONS			
Fees and commission income	16	76,577	37,324
1) Total revenue from operations		**76,577**	**37,324**
2) Other income	17	51,585	13,995
3) Total revenue (1 + 2)		**128,162**	**51,319**
EXPENSES			
(i) Finance cost	18	726	242
(ii) Other expenses	19	92,636	77,496
4) Total expenses		**93,362**	**77,738**
5) Profit/(loss) before tax (3 - 4)		**34,800**	**(26,419)**
Tax expense/(credit):	20		
(i) Current tax		896	–
(ii) Deferred tax expense/(credit)		10,034	(6,869)
6) Total tax expenses		**10,930**	**(6,869)**
7) Profit/(Loss) after tax (5 - 6)		**23,870**	**(19,550)**
8) Other comprehensive income		**–**	**–**
Total comprehensive income/ (loss) for the year (7 + 8)		**23,870**	**(19,550)**
Earnings/(Loss) per equity share	28		
Basic and diluted (in ₹)		0.30	(0.92)
Face value per share (in ₹)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 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 : 29 April, 2020

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

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 29 April, 2020

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

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**8,000,000**	**800,000**
Issued during the year	–	–
As at 31 March 2020	**8,000,000**	**800,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 31 March 2019	**(17,241)**
Profit for the year	23,870
Balance as at 31 March 2020	**6,629**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 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 : 29 April, 2020

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

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 29 April, 2020

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

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

Particulars	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**34,800**	**(26,419)**
Adjustment for :		
Interest expense	726	
Interest income on fixed deposits	(37,028)	(9,349)
Realised (gain)/loss	(2,882)	–
Net (gain)/loss on fair value change	(11,273)	(2,322)
Operating profit/(loss) before working capital changes	**(15,657)**	**(38,090)**
Adjustment for working capital changes :		
1) Increase/(decrease) in current financial liabilities	(10,912)	1,963
2) Increase/(decrease) in other current liabilities	401	(147)
3) (Increase)/decrease in trade receivables	(26,512)	14,207
4) (Increase)/decrease in other current financial assets	(120)	(100)
5) (Increase)/decrease in other current assets	(4,217)	(8,994)
Net changes in working capital	**(41,360)**	**6,929**
Cash generated/ (used in) from operating activities	**(57,017)**	**(31,161)**
Income taxes paid (net of refunds)	(7,420)	(1,883)
Net cash flow (used in)/ generated from operating activities (A)	**(64,437)**	**(33,044)**
B. CASH FLOW FROM INVESTING ACTIVITIES	–	–
Interest received on fixed deposits	39,252	–
Investment in fixed deposits	–	(500,000)
Purchase of investment in mutual fund	–	(250,000)
Sale of investment in mutual fund	65,000	–
Net cash (used in)/ generated from investing activities (B)	**104,252**	**(750,000)**

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

Particulars	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares	–	790,000
Short-term borrowings	62,550	–
Repayment of short-term borrowings	(62,550)	–
Interest paid	(726)	–
Net cash (used in)/ generated from financing activities (C)	**(726)**	**790,000**
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	**39,089**	**6,955**
Cash and cash equivalent at the beginning of the year	**13,948**	**6,993**
Cash and cash equivalents at the end of the year (Refer Note no. 8)	**53,037**	**13,948**
* Composition of cash and cash equivalent		
Balance with scheduled bank - In Current Account	53,037	13,948
	53,037	**13,948**

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 : 29 April, 2020

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

Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 29 April, 2020

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 29 April 2020.

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 principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

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

- Certain financial instruments are measured at fair value.

(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 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 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 balance sheet 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 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. 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.

2.5. 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.

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 23.

2.6. 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.

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost 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 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.

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.

2.7. Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.8. 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.

2.9. 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

2.10. 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.

2.11. Rounding of amounts

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

2.12. 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.

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

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

statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(c) Recognition of deferred tax liabilities - Deferred tax liabilities are recognised on temporary difference created on unreleased loss booked on investments.

NOTE 4 : NON - CURRENT TAX ASSETS (NET)

	As at 31-Mar-20	As at 31-Mar-19
Advance tax and tax deducted at source [(Net of provision for income tax 31 March 2020: ₹ 896; 31 March 2019: ₹ Nil)]	7,342	817
Total	**7,342**	**817**

NOTE 5 : DEFERRED TAX ASSETS/LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
Deferred tax assets arising on account of:		
Others	23	52
Business loss	–	7,499
Total deferred tax assets(A)	**23**	**7,551**
Deferred tax liability arising on account of:		
Net gain on mutual fund investment measured at FVTPL	3,111	604
Total deferred tax liabilities (B)	**3,111**	**604**
Deferred tax assets/(liabilities) (net) (A-B)	**(3,088)**	**6,947**

NOTE 6 : INVESTMENT

Particulars	**Subsidiary / Others**	**As at 31-Mar-20**		**As at 31-Mar-19**	
		Units	**Amount**	**Units**	**Amount**
Investment in Mutual Funds measured at FVTPL (Quoted)					
HDFC liquid fund direct plan (G)	Others	5,157.35	201,477	6,862.49	252,322
Total			**201,477**		**252,322**

NOTE 7 : TRADE RECEIVABLES

	As at 31-Mar-20	As at 31-Mar-19
Considered good - unsecured	29,090	2,578
Total	**29,090**	**2,578**

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

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

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.

NOTE 8 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20	As at 31-Mar-19
Balance with banks		
In current accounts	53,037	13,948
Total	**53,037**	**13,948**

NOTE 9 : OTHER BANK BALANCES

	As at 31-Mar-20	As at 31-Mar-19
Fixed Deposit with bank having maturity within twelve months	507,126	509,349
Total	**507,126**	**509,349**

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-20	As at 31-Mar-19
Other deposit	100	100
Security deposits	120	–
Total	**220**	**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-20	As at 31-Mar-19
Prepaid expenses	–	17
Indirect tax credit receivable	14,875	10,642
Total	**14,875**	**10,659**

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

NOTE 12 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	8,000,000	800,000	8,000,000	800,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	8,000,000	800,000	8,000,000	800,000
Total	**8,000,000**	**800,000**	**8,000,000**	**800,000**

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

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of the year	8,000,000	800,000	100,000	10,000
Add: Shares issued during the year	–	–	7,900,000	790,000
Balance at the end of the year	**8,000,000**	**800,000**	**8,000,000**	**800,000**

12.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	7,999,994	99.99%	7,999,994	99.99%
Balance at the end of the year	**7,999,994**	**99.99%**	**7,999,994**	**99.99%**

12.3 Shares held by holding company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	7,999,994	99.99%	7,999,994	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 2020.

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

NOTE 13 : OTHER EQUITY

	As at 31-Mar-20	As at 31-Mar-19
a) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(17,241)	2,309
Add: Transfer from Statement of Profit and Loss	23,870	(19,550)
Balance at the end of year	**6,629**	**(17,241)**

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.

NOTE 14 : OTHER PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
Other payables	1,234	12,146
Total	**1,234**	**12,146**

NOTE 15 : OTHER CURRENT LIABILITIES

	As at 31-Mar-20	As at 31-Mar-19
Outstanding Expenses	1,300	–
Withholding and other taxes payable	916	1,815
Total	**2,216**	**1,815**

NOTE 16 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Investment advisory fees	76,577	37,324
Total	**76,577**	**37,324**

NOTE 17 : OTHER INCOME

		For the year ended 31-Mar-20	For the year ended 31-Mar-19
i)	Interest income on financial assets measured atamortised cost		
	Interest on fixed deposit	37,028	9,349
ii)	Net gain on foreign currency transaction and translation	402	2,324
iii)	Realised gain (non - current investment)	2,882	–
iv)	Net gain on mutual fund investment measured at FVTPL	11,273	2,322
Total		**51,585**	**13,995**

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

NOTE 18 : FINANCE COST

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest on borrowing measured at amortised cost	726	242
Total	**726**	**242**

NOTE 19 : OTHER EXPENSES

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Advisory expense	36,379	21,236
Legal and professional charges	45,602	23,260
Set up expenses	6,723	9,697
Membership and Subscription Charges	–	1,303
Auditors fees (Refer note no 26)	280	273
Registration and filing charges	1,450	20,638
Communication expenses	1,485	896
Depository charges	225	–
Marketing & brand promotion expenses	320	–
Rent	–	120
Miscellaneous expense	172	73
Total	**92,636**	**77,496**

NOTE 20.1 : TAX EXPENSE

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

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current tax expense		
Current tax for the year	896	–
Tax adjustment in respect of earlier years	–	
Total current tax expense	**896**	**–**

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

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Deferred taxes		
Change in deferred tax liabilities	10,034	(6,869)
Net deferred tax expense/ (credit)	**10,034**	**(6,869)**
Total tax expense/ (credit)	**10,930**	**(6,869)**

NOTE 20.2

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 2020 and 31 March 2019.

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Profit/(loss) before income tax expense	**34,800**	**(26,419)**
Tax at the rate of 22.88% (for 31 March 2019 - 26%)	7,962	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
MAT adjustment of previous year		
Preliminary expenses allowance	(23)	–
Income not subject to tax	(2,579)	–
Brought forward loss	(4,464)	–
Deferred tax on account of:		
Business loss	7,499	(7,499)
Others	29	26
Net gain on mutual fund investment measured at FVTPL	2,506	604
Income tax expense	**10,930**	**(6,869)**

NOTE 20.3 : NET DEFERRED TAX

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Deferred tax assets on account of:		
Business loss	–	7,499
Others	23	52
Total deferred tax assets (A)	**23**	**7,551**
Deferred tax liability on account of :		
Net gain on mutual fund investment measured at FVTPL	3,111	604
Total deferred tax liabilities (B)	**3,111**	**604**
Net deferred tax assets/(liability) (A-B)	**(3,088)**	**6,947**

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

NOTE 20.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019	Recognised through profit and loss	As at 31 March 2018
Deferred tax assets on account of:					
Business loss	–	(7,499)	7,499	7,499	–
Others	23	(29)	52	(26)	78
Total deferred tax assets	**23**	**(7,528)**	**7,551**	**7,473**	**78**
Deferred tax liabilities on account of:					
Net gain on mutual fund investment measured at FVTPL	3,111	2,507	604	604	–
Total deferred tax liabilities	**3,111**	**2,507**	**604**	**604**	**–**
Total deferred tax Assets/liability (net)	**(3,088)**	**(10,035)**	**6,947**	**6,869**	**78**

NOTE 21 : 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 22 : 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.

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 and provides PMS services for which invoice is raised to MOAMC ie domestic revenue. The company earns advisory fees from offshore 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 Investment advisory services - Offshore
Total Revenue from contracts with customers	**76,577**
Geographical Markets	
India	29,246
Outside India	47,331
Total Revenue from contracts with customers	**76,577**

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

Particulars	Type of service Investment advisory services - Offshore
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	76,577
Total Revenue from contracts with customers	**76,577**

b) Contract balances (note 7)

Trade receivable are non-interest bearing balances. The outstanding balance as on 31 March 2020 is ₹ 29,090 hundreds, 31 March 2019 is ₹ 2,578 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 23 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2020		As at 31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets - current				
Cash and cash equivalents	–	53,037	–	13,948
Bank balance other than above	–	507,126	–	509,349
Trade receivables	–	29,090	–	2,578
Investments	201,477		252,322	–
Other current financial assets	–	220	–	100
Total Financial Assets	**201,477**	**589,473**	**252,322**	**525,975**
Financial Liabilities - current				
Other payables	–	1,234	–	12,146
Other current liabilities	–	2,216	–	1,815
Total Financial Liabilities	**–**	**3,450**	**–**	**13,961**

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.

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

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 24 : 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.

Age of receivables that are past due:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Upto 3 months	29,090	2,578
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**29,090**	**2,578**

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.

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

(i) Maturities of non-derivative financial liabilities

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	1,234	–	–	**1,234**
Total	**1,234**	**–**	**–**	**1,234**

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**

(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.

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 2020	31 March 2019
Impact on profit before tax for 10% increase in NAV/price	20,148	25,232

NOTE 25 : 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 2020	31 March 2019
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	–	–

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

NOTE 26 : AUDITORS' FEES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	260	260
Out of pocket expenses	20	13
	280	**273**

NOTE 27 : 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 28 : EARNINGS / (LOSS) PER SHARE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(Loss) attributable to equity shareholders (₹)	2,386,994	(1,954,995)
Weighted average number of equity shares outstanding during the year	8,000,000	2,134,521
Nominal value per share (₹)	10	10
Earnings/(Loss) per share (Basic and diluted) (₹)	**0.30**	**(0.92)**

NOTE 29 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Advisory income	47,331	37,324
	47,331	**37,324**

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional fees	44,744	17,636
	44,744	**17,636**

NOTE 30 : 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	As at 31 March 2020	As at 31 March 2019
Trade receivables	USD	241	37
	INR	17,999	2,578

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

NOTE 31 : 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 (Previously known as Motilal Oswal Securities 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 Broker Private Limited)

Motilal Oswal Commodities Broker Private Limited

Motilal Oswal Investment Advisors Limited

MOPE Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors II Private Limited

India Business Excellence Management Company

Motilal Oswal Wealth Management Limited

Motilal Oswal Capital Markets (Hong Kong) Private Limited

Motilal Oswal Capital Markets Singapore Pte Limited

Motilal Oswal Securities International Private Limited

Aspire Home Finance Corporation Limited

Motilal Oswal Trustee Company Limited

Motilal Oswal Asset Management (Mauritius) Private Limited

Glide Tech Investment Advisores Private Limited

Motilal Oswal Finsec IFSC 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

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

b. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended March 31, 2020	Year ended March 31, 2019
Advisory income	Motilal Oswal Asset Management (Mauritius) Private Limited	47,331	37,324
Advisory income	Motilal Oswal Asset Management Company Limited	29,246	–
Advisory expense	Motilal Oswal Asset Management Company Limited	36,379	21,236
Interest expense	Motilal Oswal Finvest Limited	726	242
Rent expense	Motilal Oswal Financial Services Limited	–	120
Issue of equity shares	Motilal Oswal Asset Management Company Limited	–	790,000

Outstanding balances	Name of the related party	Holding company/Fellow subsidiary	
		Year ended March 31, 2020	Year ended March 31, 2019
Other payables	Motilal Oswal Asset Management Company Limited	–	828
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	17,999	2,578
Trade receivable	Motilal Oswal Asset Management Company Limited	11,090	–

NOTE 32 : ISSUE OF SHARE CAPITAL

There are no equity shares has been issued during the year.

NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

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

NOTE 34 :

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

NOTE 35 : COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. Numerous governments and companies including Motilal Oswal Capital Limited have introduced a variety of measures to contain the spread of the virus. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxation.

Company has not faced business stoppage/interruption on account of lockdown, Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The outcome has enabled most of our employees to work remotely and securely.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results.

However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

As per our report of even date attached

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 29 April, 2020

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

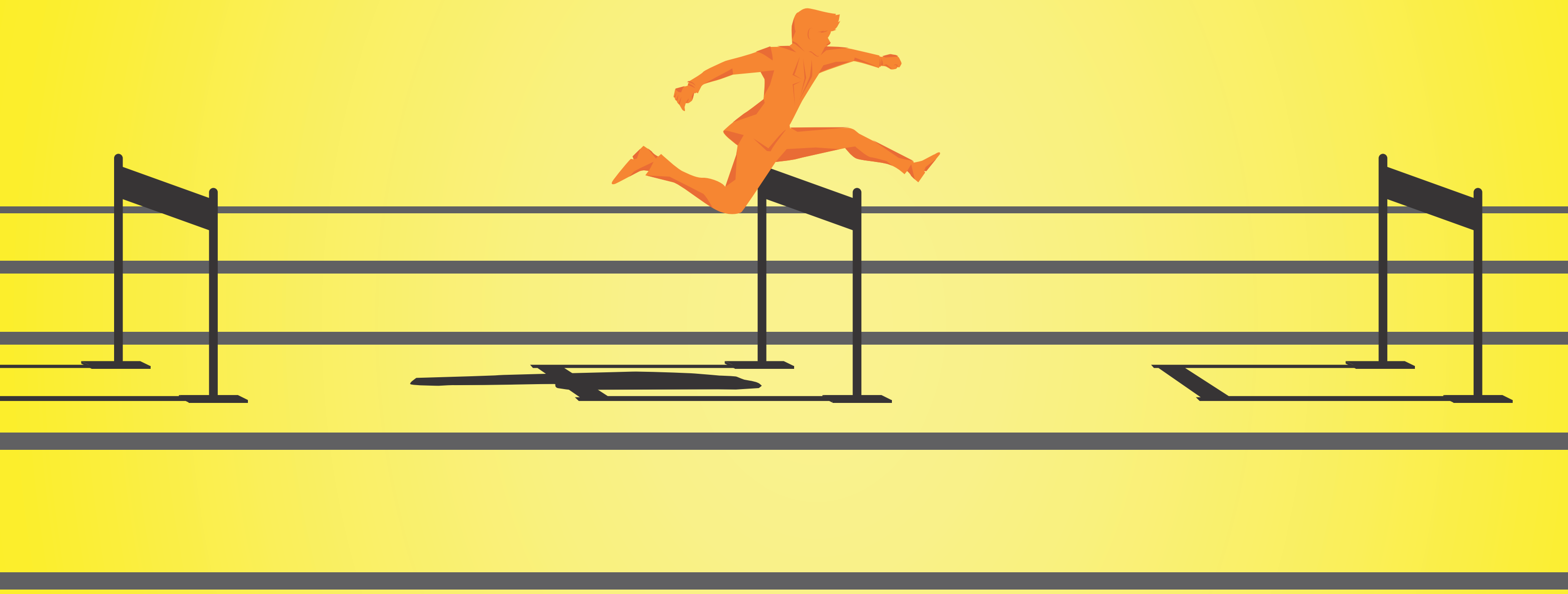
Motilal Oswal
Director
DIN : 00024503

Aashish Somaiyaa
Director
DIN : 06705119

Place : Mumbai
Date : 29 April, 2020

Motilal Oswal Commodities Broker Private Limited

Financial Statement 2019-20



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, 2020, 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, 2020, and profit/loss, and its cash flows for the year ended on March 31, 2020.

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 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. 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.

Key audit matter	How our audit addressed the key audit matter
	– 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 year 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. Based on our audit we report that 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.
2. 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.
3. 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
   - (f) With respect to the adequacy of the Internal Financial 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: 5th May, 2020

UDIN:- 20040117AAAACF5447

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 2020 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: 5th May, 2020

UDIN:- 20040117AAAACF5447

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 2020 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 2020, 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: 5th May, 2020

UDIN:- 20040117AAAACF5447

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at 31-March-20 (In ₹)	As at 31-March-19 (In ₹)
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	5,645,638	6,922,816
(b) Bank balance other than (a) above	4	575,266	588,194
(c) Receivables	5	2,540,265,175	2,596,045,792
(d) Loans	6	416,501	462,364
(e) Other Financial Asset	7	20,935,627	19,335,964
Total financial assets		**2,567,838,207**	**2,623,355,129**
(2) Non - Financial assets			
(a) Current tax assets	8	7,335,803	12,160,424
(b) Deferred tax assets (net)	9	2,917,051	3,013,068
(c) Property, plant and equipment			
(i) Tangible Assets	10	514,251	918,496
(ii) Intangible Assets		1,245	1,245
(e) Other non financial assets	11	65,137,863	67,612,002
Total non - financial assets		**75,906,213**	**83,705,235**
Total assets		**2,643,744,420**	**2,707,060,364**
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	12	30,925,681	92,190,633
(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		2,457,552,461	2,457,552,773
(c) Other Financial liabilities	13	65,744,632	66,808,294
		2,554,222,774	**2,616,551,700**
2. Non - financial liabilities			
(a) Provision	14	365,683	931,568
(b) Other non financial liabilities	15	13,562	13,562
Total non - financial liabilities		**379,245**	**945,130**
3. Equity		–	–
(a) Share Capital	16	4,100,440	4,100,440
(b) Reserve and Surplus	17	85,041,961	85,463,094
Total equity		**89,142,401**	**89,563,534**
Total Liabilities and equity		**2,643,744,420**	**2,707,060,364**

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 : 5th May, 2020

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 5th May, 2020

Kishore Narne
Director
DIN: 07974034

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

	Note No.	For the Year ended 31-Mar-2020 (In ₹)	For the Year ended 31-Mar-2019 (In ₹)
INCOME			
Income from Operations	18	61,322	61,390,116
Other income	19	1,410,683	7,606,621
Total Revenue		**1,472,005**	**68,996,737**
EXPENDITURE			
Employee Benefits	20	727,243	2,750,155
Finance costs	21	–	188,956
Depreciation and amortization expenses		404,244	488,547
Operating expense	22	5,000	72,456
Other Expenses	23	852,347	85,420,988
TOTAL EXPENSES		**1,988,834**	**88,921,102**
Profit before Tax and exceptional item		**(516,829)**	**(19,924,365)**
Profit before taxation		(516,829)	(19,924,365)
Less: Provision for Taxation			
i) Current tax		–	–
ii) Deferred tax		96,017	512,678
iii) Previous Years Short /(Excess)		(191,713)	3,209,479
Profit/(Loss) After Tax		**(421,133)**	**(23,646,522)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		–	1,062,660
Income Tax there on		–	(276,292)
Other comprehensive income/ (loss)		–	786,368
Total comprehensive income for the period		**(421,133)**	**(22,860,153)**

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 : 5th May, 2020

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 5th May, 2020

Kishore Narne
Director
DIN: 07974034

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

SHARE CAPITAL

Particulars	Equity share capital		Total
	Number of shares	Amount	
As at 1 April 2019	**410,044**	**4,100,440**	**4,100,440**
Changes during the year	–	–	–
As at 31 March 2020	**410,044**	**4,100,440**	**4,100,440**

OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	General Reserves	Surplus	
Opening balance as at 1 April 2019	**6,000,000**	**200,000**	**79,263,094**	**85,463,094**
Transactions during the year				
Profit for the year	–	–	(421,133)	(421,133)
Closing balance as at 31 March 2020	**6,000,000**	**200,000**	**78,841,961**	**85,041,961**

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 : 5th May, 2020

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

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 5th May, 2020

Kishore Narne
Director
DIN: 07974034

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

Particulars	For the Year ended 31-Mar-2020 (In ₹)	For the Year ended 31-Mar-2019 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(516,829)**	**(19,924,365)**
Adjustment for		
Interest expense	–	272,394
Depreciation	404,244	488,547
Bad Debts written off	–	(33)
Adjustment for working capital changes		
(Increase)/Decrease in receivables	55,780,616	(15,257,736)
(Increase)/Decrease in loans	45,863	107,660
(Increase)/Decrease in other financial assets	(1,599,663)	16,527,732
(Increase)/Decrease in current tax assets	4,824,621	6,060,862
(Increase)/Decrease in other non financial assets	2,474,139	2,009,101
Increase/(Decrease) in payables	(61,265,264)	(722,857,485)
Increase/(Decrease) in other financial liabilities	(1,063,662)	(42,205,821)
Increase/(Decrease) in provisions	(565,885)	(13,848,361)
Increase/(Decrease) in other non financial liabilities	–	–
CASH GENERATED FROM OPERATIONS	**(1,481,820)**	**(788,627,505)**
Taxes Paid (Net of Refunds)	191,713	(3,209,479)
NET CASH FROM OPERATING ACTIVITIES	**(1,290,107)**	**(791,836,984)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of invesment		127,284,119
Purchase of fixed assets	–	(272,782)
NET CASH FLOW FROM INVESTING ACTIVITIES	**–**	**127,011,337**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan from holding company	–	(157,200,000)
Dividend Paid		(180,832,940)
Interest paid	–	(272,394)
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**(338,305,334)**
NET CASH FLOW FOR THE YAER ENDED	**(1,290,106)**	**(1,003,130,981)**
Cash & Cash Equivalents comprise of		
Cash on hand	99,000	104,000
Scheduled Bank - In Current Account	2,723,816	96,409,841
Fixed Deposit with Banks	4,688,194	914,128,150
Total Cash & Cash Equivalents as at beginning of year	**7,511,010**	**1,010,641,991**
Cash & Cash Equivalents as at end of year :		
Cash on hand	18,030	99,000
Scheduled Bank - In Current Account	2,377,608	2,723,816
Fixed Deposit with Banks	3,825,266	4,688,194
Total Cash & Cash Equivalents as at end of year	**6,220,904**	**7,511,010**

As per our attached 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 : 5th May, 2020

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 5th May, 2020

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 2020 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.

(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 2A : 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

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Cash & Cash Equivalents:		
Cash on hand	18,030	99,000
Balance with banks:		
Balance in current account	2,377,608	2,723,816
Fixed deposit with banks (Maturity within 3 months)	3,250,000	4,100,000
TOTAL	**5,645,638**	**6,922,816**

NOTE 4: BANK BALANCE OTHER THAN (3) ABOVE

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Fixed deposits (Maturity more than 3 months)	100,000	–
Accrued interest but not due on Fixed Deposits	475,266	588,194
TOTAL	**575,266**	**588,194**

NOTE 5: RECEIVABLES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Trade receivables		
a) Outstanding for a period excedding six months from the date they are due for payment:	2,545,320,653	2,592,592,253
b) Outstanding for a period less than six months from the date they are due for payment:	256,688	8,765,705
Less Doubtful Debts	(5,312,166)	(5,312,166)
TOTAL	**2,540,265,175**	**2,596,045,792**

NOTE 6: LOANS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Loans to related parties	–	45,863
Loans and Advances to employees	416,501	416,501
TOTAL	**416,501**	**462,364**

NOTE 7: OTHER FINANCIAL ASSET

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Rent deposits	69,645	69,645
VAT Deposit	2,064,263	–
Deposits with Exchange	18,757,379	19,221,980
Accrued interest but not due on Fixed Deposits	–	–
Interest accrued and due on loan	224	223
Stock in Trade - Commodities:		
Equity Shares	44,116	44,116
TOTAL	**20,935,627**	**19,335,964**

NOTE 8 : CURRENT TAX ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Advance Tax (net of provision for tax)	5,577,012	11,672,454
Taxes Receivable	1,758,791	487,970
TOTAL	**7,335,803**	**12,160,424**

NOTE 9 : DEFERRED TAX ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Deferred Tax Asset:		
Difference in Net Block of Fixed Assets	82,025	84,323
Provision for Doubtful Debts	1,336,966	1,381,163
Gratuity Provision	91,788	94,822
Loss on sale of Office premises	1,406,272	1,452,760
TOTAL	**2,917,051**	**3,013,068**

NOTE 10 : PROPERTY PLANT AND EQUIPMENTS

Current year

Particulars	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2019	Balance as at 31 March 2020
Property, plant and equipment										
Buildings	7,371,988	–	–	7,371,988	7,367,431	–	–	7,367,431	4,557	4,557
Plant and machinery	258,847	–	–	258,847	236,770	1,487	–	238,257	22,077	20,590
Furniture and fixtures	114,852	–	–	114,852	110,825	–	–	110,825	4,027	4,027
Vehicles	81,885	–	–	81,885	17,116	7,619	–	24,735	64,769	57,150
Office equipments	357,666	–	–	357,666	318,221	8,962	–	327,183	39,445	30,483
Computers	5,682,747	–	–	5,682,747	4,899,126	386,177	–	5,285,303	783,621	397,444
Total (A)	**13,867,985**	**–**	**–**	**13,867,985**	**12,949,489**	**404,244**	**–**	**13,353,732**	**918,496**	**514,251**
Intangible assets										
Computer software	4,982,061	–	–	4,982,061	4,980,816	–	–	4,980,816	1,245	1,245
Total (B)	**4,982,061**	**–**	**–**	**4,982,061**	**4,980,816**	**–**	**–**	**4,980,816**	**1,245**	**1,245**
Total (A) + (B)	**18,850,046**	**–**	**–**	**18,850,046**	**17,930,304**	**404,244**	**–**	**18,334,548**	**919,742**	**515,496**

Previous year

Particulars	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2018	Balance as at 31 March 2019
Property, plant and equipment										
Buildings	7,371,988	–	–	7,371,988	7,367,431	–	–	7,367,431	4,557	4,557
Plant and machinery	258,847	–	–	258,847	234,735	2,034	–	236,770	24,112	22,077
Furniture and fixtures	114,852	–	–	114,852	110,825	–	–	110,825	4,027	4,027
Vehicles	81,885	–	–	81,885	8,841	8,275	–	17,116	73,044	64,769
Office equipments	357,666	–	–	357,666	307,328	10,893	–	318,221	50,338	39,445
Computers	5,409,965	272,782	–	5,682,747	4,431,921	467,205	–	4,899,126	978,044	783,621
Total (A)	**13,595,203**	**272,782**	**–**	**13,867,985**	**12,461,081**	**488,408**	**–**	**12,949,489**	**1,134,122**	**918,496**
Intangible assets										
Computer software	4,982,061	–	–	4,982,061	4,980,677	139	–	4,980,816	1,384	1,245
Total (B)	**4,982,061**	**–**	**–**	**4,982,061**	**4,980,677**	**139**	**–**	**4,980,816**	**1,384**	**1,245**
Total (A) + (B)	**18,577,264**	**272,782**	**–**	**18,850,046**	**17,441,758**	**488,547**	**–**	**17,930,304**	**1,135,505**	**919,742**

NOTE 11: OTHER NON FINANCIAL ASSETS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Prepaid expense	9,042	14,964
Others	4,138,347	4,138,347
For supply of services	210,046	210,046
Balance with Government Authorities	–	158,360
VAT/Tax credit receivables	60,755,128	63,064,985
Capital Advances	25,300	25,300
TOTAL	**65,137,863**	**67,612,002**

NOTE 12 : PAYABLES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Creditors	30,925,681	92,190,633
Other trade payables	2,457,552,461	2,457,552,773
TOTAL	**2,488,478,143**	**2,549,743,406**

NOTE 13 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Interest accrued and due on borrowings	–	25,402
Book overdraft	3,034,708	–
For other Liabilities		
- for expenses	–	318
- Margin Money	203,701	276,495
- Other Payables	62,506,223	66,506,080
TOTAL	**65,744,632**	**66,808,295**

NOTE 14 : PROVISIONS

Particulars	**As at 31-Mar-20 in ₹**	**As at 31-Mar-19 in ₹**
Provison for gratuity	364,700	364,700
Provision for Employee Benefits (Ex-gratia)	–	347,693
Other provisions (includes provision for expenses)	983	219,175
TOTAL	**365,683**	**931,568**

NOTE 15 : OTHER NON FINANCIAL LIABILITIES

Particulars	**As at 31-Mar-20 in ₹**	**As at 31-Mar-19 in ₹**
Accrued salaries & benefits	13,562	13,562
TOTAL	**13,562**	**13,562**

NOTE 16 : SHARE CAPITAL

Particulars	**As at 31-Mar-20 in ₹**	**As at 31-Mar-19 in ₹**
AUTHORISED		
500,000 Equity Shares of ₹ 10/- each	5,000,000	5,000,000
600,000 Preference Shares of ₹ 10/- each	6,000,000	6,000,000
TOTAL	**11,000,000**	**11,000,000**
ISSUED, SUBSCRIBED & PAID UP		
410,044 Equity Shares of ₹ 10-/ each	4,100,440	4,100,440
TOTAL	**4,100,440**	**4,100,440**

Rights, preferences and restrictions attached to shares

Equity Shares :

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

In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all prefrential amounts. However no such prefrential 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

Particulars	**As at 31-Mar-20 in ₹**	**As at 31-Mar-19 in ₹**
Number of shares at the beginning	4,100,440	4,100,440
Number of Share at the end of the year	4,100,440	4,100,440

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

Particulars	**As at 31-Mar-20 in ₹**	**As at 31-Mar-19 in ₹**
Motilal Oswal Financial Services Ltd., the Holding Company	410,044	410,044

NOTE 17: RESERVE AND SURPLUS

Particulars	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Capital Redemption Reserve		
Balance b/f	6,000,000	6,000,000
Addition during the year		
Balance as at end of the year	**6,000,000**	**6,000,000**
General Reserve		
Balance b/f	200,000	200,000
Addition during the year		
Balance as at end of the year	**200,000**	**200,000**
Retained Earnings	79,263,094	282,956,188
Add: Net profit after tax transferred from Statement of Profit and Loss	(421,133)	(23,646,522)
Amount available for appropriation	78,841,961	259,309,666
Less: Dividend paid	–	(150,000,000)
Less DDT Paid	–	(30,832,940)
Add: Ind AS Impact	–	786,368
Balance in profit and loss account	**78,841,961**	**79,263,094**
TOTAL	**85,041,961**	**85,463,094**

NOTE 18: INCOME FROM OPERATIONS

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Brokerage and Comission Income	–	84,601
Realised Gain	–	67,818,801
Other Operating Revenue	61,322	(6,513,286)
TOTAL	**61,322**	**61,390,116**

NOTE 19: OTHER INCOME

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Interest	1,410,683	644,842
Referral Fees	–	6,961,779
TOTAL	**1,410,683**	**7,606,621**

NOTE 20: EMPLOYEE BENEFIT EXPENSES

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Salary, Bonus and Allowances	902,329	2,726,554
Contribution to Provident and other funds	900	(46,002)
Employee Stock Option-Expenses	–	897,698
Gratuity	–	(1,018,492)
Staff Welfare Expenses	(175,986)	190,397
TOTAL	**727,243**	**2,750,155**

NOTE 21: FINANCE COST

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Interest Expense	–	272,394
Other borrowing cost	–	(83,438)
TOTAL	**–**	**188,956**

NOTE 22: OPERATING EXPENSE

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Brokerage Sharing with Intermediaries	5,000	72,456
TOTAL	**5,000**	**72,456**

NOTE 23: OTHER EXPENSES

Particulars	For The Year Ended 31st March 2020 in ₹	For The Year Ended 31st March 2019 in ₹
Net loss on fair value changes	–	77,284,119
Insurance	21,837	230,557
Legal & Professional Charges	432,458	4,852,444
Marketing & Brand Promotion	–	66,732
Remuneration to Auditors	180,000	272,500
Data Processing Charges	–	68,064
Entertainment Expenses	(40,650)	100,650
Rates & Taxes	13,423	22,766
Rent	–	26,250
Printing and stationery	1,500	–
Communication Expenses	(10,064)	1,337,556
Bad Debts	–	(33)
Travelling & conveyance Expenses	–	522,584
Miscellaneous Expenses	253,843	608,299
Repairs - Building	–	28,500
TOTAL	**852,347**	**85,420,988**

NOTE 24 : AUDITORS REMUNERATION :

Particulars	**31-03-2020 in ₹**	**31-03-2019 in ₹**
Audit fees	180,000	180,000
Tax Audit fees	–	–
In any other capacity, in respect of:		
Other Services	–	92,500
Total	**180,000**	**272,500**

NOTE 25 : BASIC & DILUTED EARNINGS PER SHARE:

Particulars	**31-03-2020 in ₹**	**31-03-2019 in ₹**
Net Profit /(Loss) attributable to equity shareholders [A] (₹)	(421,134)	(22,860,153)
Number of equity shares issued [B]	410,044	410,044
Basic & Diluted Earnings/(Loss) per share [A/B] (₹)	**(1.03)**	**(55.75)**

NOTE 26 : THE FOLLOWING TABLE SET OUT THE GRATUITY PLAN AS REQUIRED UNDER AS 15.

Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation.

The 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, 2020	**March 31, 2019**
I	**Assumptions as at**		
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	0.00%	7.12%
	Rate of increase in compensation	0.00%	10.00%
	Rate of return (expected) on plan assets	–	
	Employee Attrition Rate(Past Service (PS))	0.00%	PS: 0 to 37 : 24.94%
	Expected average remaining service	0.00	2.99
II	**Changes in present value of obligations (PVO)**		
	PVO at beginning of year	–	2,445,852
	Interest cost	–	167,541
	Current Service Cost	–	992,507
	Transfer out liability	–	2,178,540
	Past Service Cost- (non vested benefits)	–	–
	Past Service Cost -(vested benefits)	–	–
	Benefits Paid	–	–
	Actuarial (Gain)/Loss on obligation	–	1,062,660
	PVO at end of year	–	364,700

	March 31, 2020	March 31, 2019
(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)	–	(364,700)
Excess of actual over estimated return on Plan Assets	–	–
(V) Experience History		
(Gain)/Loss on obligation due to change in Assumption		
Experience (Gain)/ Loss on obligation	–	–
Actuarial Gain/(Loss) on plan assets	–	–
(VI) Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	–	1,062,660
Actuarial Gain/(Loss) for the year (Plan Assets)	–	–
Total Gain/(Loss) for the year	–	1,062,660
Actuarial Gain/(Loss) recognized for the year	–	1,062,660
Unrecognized Actuarial Gain/(Loss) at end of year	–	–
(VII) Past Service Cost Recognised		
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost- non vested benefits	–	–
Recognised Past service Cost- vested benefits	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
(VIII) Amounts to be recognized in the balance sheet and statement of profit and loss		
PVO at end of period		364,700
Fair Value of Plan Assets at end of year		–
Funded Status		(364,700)
Unrecognized Actuarial Gain/(Loss)		–
Unrecognised Past Service Cost- non vested benefits		–
Net Asset/(Liability) recognized in the balance sheet		(364,700)

	March 31, 2020	March 31, 2019
(IX) Expense recognized in the statement of profit and loss		
Current Service Cost	–	992,507
Interest cost	–	167,451
Past Service Cost- (non vested benefits)	–	–
past Service Cost - (vested benefits)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	–	–
Expense recognized in the statement of profit and loss	–	1,160,048
(X) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	–	2,445,852
Expenses as above	–	1,160,048
Contribution paid	–	(3,241,200.00)
Closing Net Liability	–	364,700
(XI) Revised schedule VI		
Current liability	–	81,478
Non-current liability	–	283,222

(XII) Sensitivity analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	–	–	–	–

(XIII)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	–	–	–	–	–	–

(XIV)Asset Liability Comparison

Year	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020
PVO at the end of the year	1,622,448	2,305,532	2,445,852	364,700	–
Plan Assets					
Surplus/(Deficit)	(1,622,448)	(2,305,532)	(2,445,852)	(364,700)	–
Experience adjustments on plan assets					

NOTE 27 : 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 28 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2020 COMPRISES OF:

(in ₹)

Particulars	Opening balance	Provided during the year ended 31.03.20	Provision Paid / reversed during the year ended 31.03.20	Closing balance as of 31.03.20
Ex-gratia	347,693	–	347,693	–
Gratuity	364,700	–	–	364,700

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	9,640,106	–	9,292,413	347,693
Gratuity	2,445,852	283,257	2,364,409	364,700

NOTE 29 : CONTINGENT LIABILITIES & CAPITAL COMMITMENTS:

Contingent liabilities:

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

Pending against Forum	As at 31st March 2020		As at 31st March 2019	
	No. of Cases	Amount	No. of Cases	Amount
Arbitration Cases	–	–	–	–

b) Demand in respect of Income Tax matters for which appeal is pending is ₹ 1,46,74,909 (Previous Year ₹ 1,46,74,909/-) . 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 : ₹ Nil)

NOTE 30

Trade receivables in case of the company includes ₹ 24,994 Lakhs (Previous year ₹ 24,994 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,575 Lakhs (Previous year ₹24,575 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹ Nil (Previous year : ₹ 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 32

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

NOTE 33 : 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 (formerly known as Motilal Oswal Investment Advisors Private 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 Broker 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
17) Motilal Oswal Finsec IFSC Limited
18) Glide Tech Investment Advisory Private 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.

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Interest Expense	Motilal Oswal Financial Services Limited	–	194,454	–	–	–	194,454
Rent Expense	Motilal Oswal Financial Services Limited	–	26,250	–	–	–	26,250
Loan Taken	Motilal Oswal Financial Services Limited	–	(870,632,052)	–	–	–	(870,632,052)
	Motilal Oswal Finvest Limited	–	(3,520,987)	–	–	–	–
Loan Repaid	Motilal Oswal Financial Services Limited	–	870,632,052	–	–	–	870,632,052
	Motilal Oswal Finvest Limited	–	3,566,850	–	–	–	–
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	–	(737,200,000)	–	–	–	(737,200,000)
	Motilal Oswal Finvest Limited	–	(2,412,713)				
Referral Fees	Motilal Oswal Financial Services Limited	–	(6,961,779)	–	–	–	(6,961,779)
Outstanding Balances:							
Other liabilities	Motilal Oswal Financial Services Limited	–	–	–	–	–	–
Unsecured Loan	Motilal Oswal Financial Services Limited	–	–	–	–	–	–
Other Receivables	Motilal Oswal Financial Services Limited	224	224	–	–	224	224
Rent Deposit Receivable	Motilal Oswal Financial Services Limited	–	–	–	–	–	–

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

NOTE 34 : TAX DISCLOSURES

(Amount in rupees)

Particulars		**Year ended 31 March 2020**	**Year ended 31 March 2019**
1	**Tax expense**		
	Current tax for the year	–	–
	Tax adjustment in respect of earlier years	(191,713)	3,209,479
	Total current tax expense	**(191,713)**	**3,209,479**
	Deferred taxes		
	Change in deferred tax	96,018	512,678
	Net deferred tax expense	96,018	512,678
		(95,695)	**3,722,157**

(Amount in rupees)

2	**Particulars**	**31-Mar-20**	**31-Mar-19**
	Deferred tax assets on account of:		
	Provision for gratuity	91,788	94,822
	Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	82,024	84,323
	Provision for VAT	1,336,966	1,381,163
	Loss on sale of Office premises	1,406,272	1,452,760
	Total deferred tax assets (A)	**2,917,050**	**3,013,068**
	Net deferred tax assets	**2,917,050**	**3,013,068**

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 2020	Recognised through profit and loss	As at 31 March 2019	Recognised through profit and loss	As at 31 March 2018
Deferred tax assets on account of:					
Provision for gratuity	91,788	(3,034)	94,822	(579,071)	673,893
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	82,024	(2,298)	84,323	(40,680)	125,003
Provision for VAT	1,336,966	(44,197)	1,381,163	(82,471)	1,463,635
Loss on sale of Office premises	1,406,272	(46,488)	1,452,760	(86,747)	1,539,507
Total deferred tax assets					
Total deferred tax Assets/liability (net)	**2,917,050**	**(96,018)**	**3,013,068**	**(788,969)**	**3,802,038**

NOTE 34 : 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 20			31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	5,645,638	–	5,645,638	99,000	6,823,816	6,922,816
Bank balance other than cash and cash equivalents above	575,266		575,266	588,194	–	588,194
Trade receivables	2,540,265,175	–	2,540,265,175	2,596,045,792		2,596,045,792
Loans	416,501	–	416,501	462,364		462,364
Other financial assets	–	20,935,627	20,935,627	–	19,335,964	19,335,964
Non-Financial assets						
Property, plant and equipment	–	514,251	514,251	–	918,496	918,496
Intangible assets	–	1,245	1,245	–	1,245	1,245
Current tax assets	7,335,803	–	7,335,803	12,160,424	–	12,160,424
Defered tax assets	2,917,050	–	2,917,050	3,013,068	–	3,013,068
Other non-financial assets	219,088	64,918,775	65,137,863	225,010	67,386,992	67,612,002
Total Assets	**2,557,374,521**	**86,369,899**	**2,643,744,420**	**2,612,593,851**	**94,466,513**	**2,707,060,364**
Liabilities						
Financial Liabilities						
Trade payables	2,488,478,143	–	2,488,478,143	2,549,743,406	–	2,549,743,406
Borrowings	–	–	–	–	–	–
Other financial liabilities	65,744,632	–	65,744,632	66,808,294	–	66,808,294
Non Financial Liabilities						
Current tax liabilities (net)	–	–				
Provisions	365,683	–	365,683	931,568	–	931,568
Other non financial liabilities	13,562	–	13,562	13,562	–	13,562
Total Liabilities	**2,554,602,020**	**–**	**2,554,602,020**	**2,617,496,830**	**–**	**2,617,496,830**

NOTE 35 : FAIR VALUE MEASUREMENT

Financial instruments by category:

(Amount in rupees)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents		5,645,638		6,922,817
Bank balance other than cash and cash equivalents above		575,266		588,194
Trade receivables		2,540,265,175		2,596,045,792
Loans		416,501		462,364
Other financial assets		20,935,627		19,335,964
Total Financial Assets	**–**	**2,567,838,207**	**–**	**2,623,355,130**
Financial Liabilities				
Trade payables		2,488,478,143		2,549,743,406
Other financial liabilities		65,744,632		66,808,294
	–	**2,554,222,775**	**–**	**2,616,551,700**

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

NOTE 36

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

As per our attached 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

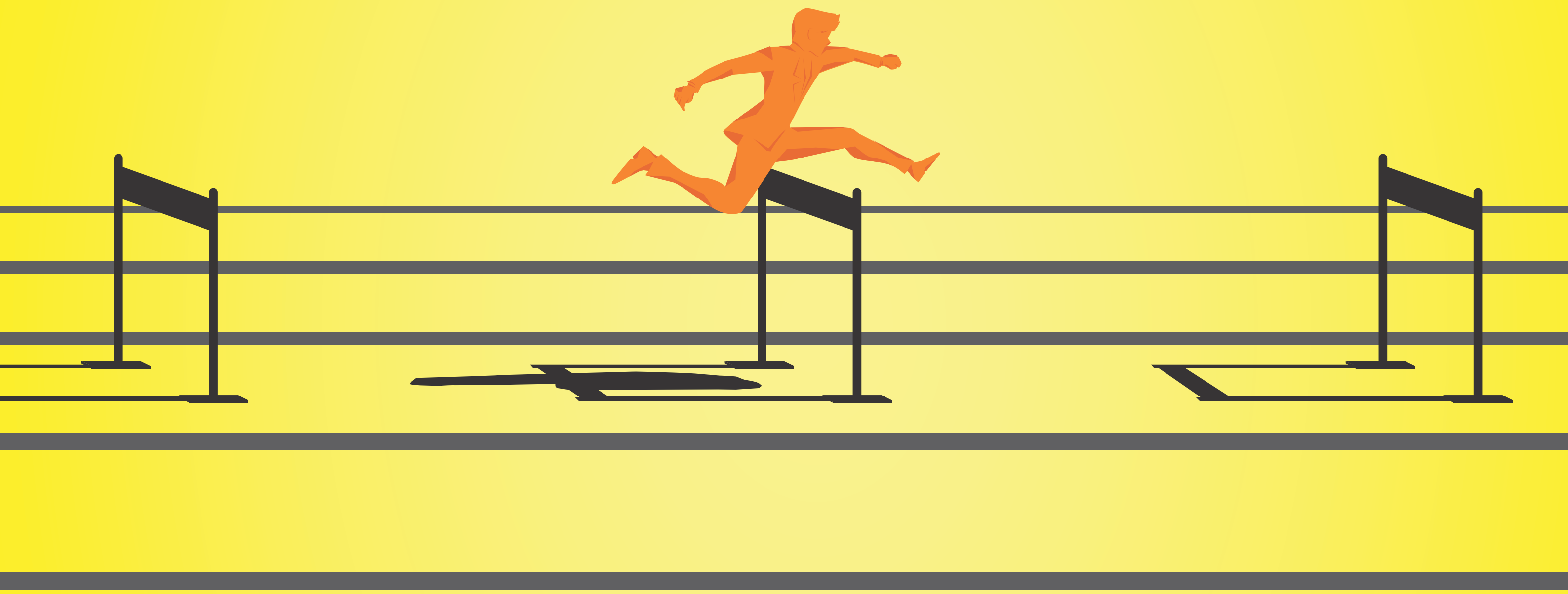
Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Date : 5th May, 2020

Harsh Joshi
Director
DIN: 2951058
Place : Mumbai
Date : 5th May, 2020

Kishore Narne
Director
DIN: 07974034

Glide Tech Investment Advisory Private Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To,

The Members Glide Tech Investment Advisory Private Limited,

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Glide Tech Investment Advisory Private Limited** which comprises the Balance Sheet as at March 31, 2020, 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, 2020, and profit/loss, and its cash flows for the year ended on March 31, 2020.

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 year 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 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.
2. 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.
3. 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the Internal Financial 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
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 4 May, 2020

ANNEXURE A

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 are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

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, 2020 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:

The company has paid remuneration to its directors during the audit period in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.

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
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 4 May, 2020

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 2020 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 2020, 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
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 4 May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

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

Particulars	Note No.	As at 31-Mar-2020
I. ASSETS		
A. Non-current assets		
a) Property, plant and equipment	4	6,891
b) Deferred tax assets (net)	5	13,910
Total non - current assets (A)		**20,801**
B. Current assets		
a) Financial assets		
(i) Cash and cash equivalents	6	23,020
Other current assets	7	17,333
Total Current assets (B)		**40,353**
TOTAL ASSETS (A+B)		**61,154**
II. EQUITY AND LIABILITIES		
A. Equity:		
Equity share capital	8	100,000
Other equity	9	(60,908)
Total equity (A)		**39,092**
B. Liabilities		
1. Current liabilities		
a) Financial liabilities		
Other payables	10	10,540
Provisions	11	10,921
b) Other current liabilities	12	601
Total current liabilities (B)		**22,062**
TOTAL EQUITY AND LIABILITIES (A+B)		**61,154**

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 Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Dated : 4 May 2020

UDIN: 20040117AAAACE3788

Pratik Motilal Oswal
Director
DIN : 06704419

Place : Mumbai
Dated : 4 May 2020

Ashish Pradip Somaiya
Director
DIN : 06705119

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020

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

Particulars	Note No.	Period ended 31-Mar-2020
Income		
Revenue from operations		–
1) Total Income		**–**
Expenses		
(i) Employee benefit expense	13	53,156
(ii) Other expenses	14	22,933
(iii) Depreciation	4	813
2) Total expenses		**76,902**
3) Profit/(loss) before tax (1 - 2)		**(76,902)**
Tax expense/(credit):	15	
(i) Current tax		–
(ii) Deferred tax expense/(credit)		(14,420)
4) Total tax expense		**(14,420)**
5) Profit/(Loss) after tax (3-4)		**(62,482)**
Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
(a) Actuarial gain/(loss)on post retirement benefit plans		2,084
(b) Deferred tax impact on the above		(510)
6) Other comprehensive income		**1,574**
Total comprehensive income for the period (5-6)		**(60,908)**
Earnings/(Loss) per equity share	22	
Basic and diluted		(6.25)

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 Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Dated : 4 May 2020

UDIN: 20040117AAAACE3788

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Ashish Pradip Somaiya
Director
DIN : 06705119

Place : Mumbai
Dated : 4 May 2020

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

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	–	–
Issued during the year	1,000,000	100,000
As at 31 March 2020	**1,000,000**	**100,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	31 March 2020
Balance at the beginning of the reporting period	–
Profit during the year	(60,908)
Balance at the end of the reporting period	**(60,908)**

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Dated : 4 May 2020

UDIN: 20040117AAAACE3788

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Ashish Pradip Somaiya
Director
DIN : 06705119

Place : Mumbai
Dated : 4 May 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Glide Tech Investment Advisors Private Limited ("GTIAPL" or the "Company") was incorporated on 29 November 2019. 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 Advisor and provide, investment advisory and administrative services to the various scheme of mutual funds.

The Company has made an application to 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 to get register itself. However, the approval for the same is pending as on 31 March 2020.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 4 April 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

This is the first year of the company and prepares financial statements for the first time. The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

Accounting policies have been applied consistently over all the periods presented in these financial statements.

(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

(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 II 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 16.

(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. 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.

2.3. 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.

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.

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

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

Financial assets are written off/fully provided for when there is no reasonable of recovering 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.

2.5. 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.

2.6. 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.

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.

2.7. 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.

2.8. 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.

2.9. 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 GTIAPL’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.

2.10. 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.

2.11. Rounding of amounts

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

2.12. 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.

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 considere d possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(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.

(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 April 2019	Additions	Deductions	As at 31 March 2020	As at 01 April 2019	Additions	Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer	–	7,704	–	7,704	–	813	–	813	6,891	–
Total	**–**	**7,704**	**–**	**7,704**	**–**	**813**	**–**	**813**	**6,891**	**–**

NOTE 5 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31-Mar-20
Deferred tax asset arising on account of:	
On preliminary expenses	14,076
Total deferred tax assets (A)	**14,076**
Deferred tax liability arising on account of:	
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(166)
Total deferred tax liability (B)	**(166)**
DEFERRED TAX ASSETS/ (LIABILITY) (NET)) (A-B)	**13,910**

NOTE 6 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20
Balance with banks	
In current accounts	23,020
TOTAL	**23,020**

NOTE 7 : OTHER CURRENT ASSETS

Particulars	As at 31-Mar-20
Balance with govt. authority	17,333
TOTAL	**17,333**

NOTE 8 : SHARE CAPITAL

Particulars	31 March 2020	
	Number of shares	Amount
Authorised		
Equity shares of ₹ 10 each (Previous year NIL)	1,000,000	100,000
Issued, Subscribed and Paid up		
Equity shares of ₹ 10 each fully paid up (Previous year NIL)	1,000,000	100,000
	1,000,000	**100,000**

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

8.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	31 March , 2020	
	Number of shares	Amount
At beginning of the year	–	–
Issued during the year	1,000,000	100,000
At the end of the year	**1,000,000**	**100,000**

8.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	31 March, 2020	
	Number of shares	% of holding
Motilal Oswal Financial Services Ltd.	**990,000**	**99%**

8.3 Shares held by holding company

Name of shareholder	As at 31 March, 2020	
	Number of shares	% of holding
Motilal Oswal Financial services Limited	**990,000**	**99%**

NOTE 9 : OTHER EQUITY

Particulars	As at 31-Mar-20
a) Statement of Profit and Loss	
Balance at the beginning of the year	–
Add: Transfer from Statement of Profit and Loss	(60,908)
BALANCE AT THE END OF YEAR	**(60,908)**

Nature and Purpose of Reserves

Retained earnings

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

NOTE 10 : OTHER PAYABLES

Particulars	As at 31-Mar-20
Creditors for expenses	10,375
Salaries and others	165
TOTAL	**10,540**

NOTE 11 : PROVISIONS

Particulars	As at 31-Mar-20
Provision for employee benefits	
ExGratia payable	10,000
Gratuity	921
TOTAL	**10,921**

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

NOTE 12 : OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-20
Withholding and other taxes payable	601
TOTAL	**601**

NOTE 13 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Period ended 31-Mar-20
Salary, bonus and allowances	47,928
Staff welfare expenses	1,809
Contribution to provident & other funds	414
Gratuity (Refer note 23)	921
Actuarial gain/(loss)	2,084
TOTAL	**53,156**

NOTE 14 : OTHER EXPENSES

Particulars	For the Period ended 31-Mar-20
Legal and professional charges	4,319
Business support Charges	2,800
Remuneration to auditors (Refer Note no. 20)	600
Registration and filing charges	100
Miscellaneous expenses	5,352
Rent	2,800
Communication expenses	15
Printing and stationery Charges	1,601
Power and fuel	138
Marketing & brand promotion expenses	4,411
Travelling & Conveyance Expenses	734
Computer maintenance	63
TOTAL	**22,933**

NOTE 15.1 : 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 Period ended 31-Mar-20
Current tax expense	
Current tax for the year	–
Total current tax expense	**–**
Deferred taxes	
Change in deferred tax liabilities	(14,420)
Net deferred tax expense	(14,420)
TOTAL	**(14,420)**

NOTE 15.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the Period ended 31-Mar-20
Profit/(loss) before income tax expense	**(76,902)**
Tax at the rate of 22.88% (for 31 March 2019 - NIL%)	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income	
Expenses not deductible for tax purposes	(14,076)
Temporary tax difference	166
Tax on acturial gain/loss	(510)
Income tax expense	**(14,420)**

NOTE : 15.3

Particulars	For the Period ended 31-Mar-20
Deferred tax assets on account of:	
Preliminary Expenses	14,076
Total deferred tax assets (A)	**14,076**
Deferred tax liability on account of :	
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	166
Total deferred tax liabilities (B)	**166**
Net deferred tax (liability)/ Assets (A-B)	**13,910**

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

NOTE 15.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-20	Recognised through profit and loss	As at 31-Mar-19
Deferred tax assets on account of:			
Preliminary Expenses	14,076	14,076	–
Total deferred tax assets	**14,076**	**14,076**	**–**
Deferred tax liabilities on account of:			
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	166	166	–
Total deferred tax liabilities	**166**	**166**	**–**
TOTAL DEFERRED TAX ASSETS/LIABILITY (NET)	**13,910**	**13,910**	**–**

NOTE 16 : 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	31 March 20		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	23,020	–	23,020
Other financial assets	17,333	–	17,333
Non-financial assets			
Property, plant and equipment	–	6,891	6,891
Deferred tax assets	–	13,910	13,910
Total Assets	**40,353**	**20,801**	**61,154**
Liabilities			
Financial liabilities			
Other payables	10,540	–	10,540
Provisions	10,921	–	10,921
Other current liabilities	601	–	601
Total Liabilities	**22,062**	**–**	**22,062**

NOTE 17 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2020	
	FVTPL	Amortised cost
Financial assets		
Cash and cash equivalents	–	23,020
Other financial assets	–	17,333
Total Financial Assets	**–**	**40,353**
Financial Liabilities		
Other payables	–	10,540
Provisions	–	10,921
Other financial liabilities	–	601
	–	**22,062**

(All amounts are in INR Hundred, 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 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 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.

Mutual fund investment have been categorised into level 2 of fair value hierarchy. Loans have been categorised into level 2 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 18 : 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 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.

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

Age of receivables that are past due:

Particulars	As at 31-Mar-20
Upto 3 months	–
3 - 6 months	–
6 - 12 months	–
More than 12 months	–
TOTAL	**–**
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 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other current financial liabilities	21,141	–	–	21,141
Total	**21,141**	–	–	**21,141**

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 fund, 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 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	**31 March 2020**
Impact on profit before tax for 10% increase in NAV/price	–
Impact on profit before tax for 10% decrease in NAV/Price	–

NOTE 19 : 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 2020**
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 20 : AUDITORS' FEES

Particulars	**For the Period ended 31 March 2020**
Statutory audit fees	600
Out of pocket expenses	0
TOTAL	**600**

NOTE 21 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 01 April 2019	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2020
Ex-gratia	–	10,000	–	10,000
Gratuity	–	921	–	921
TOTAL	**–**	**10,921**	**–**	**10,921**

NOTE 22 : EARNINGS PER EQUITY SHARE

Particulars	**For the Period ended 31 March 2020**
Profit attributable to equity shareholders (in ₹)	(62,482)
Weighted average number of equity shares outstanding during the year	1,000,000
Nominal value per share (in ₹)	10
Earnings per share (Basic and diluted) (in ₹)	**(6.25)**

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

NOTE 23 : 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 Period ended 31 March 2020
Employers' contribution to provident fund	414
	414

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) Period ended 31 March 2020
I)	**Acturial assumptions**	
	Mortality	IALM (2012-14) Ultimate
	Discount rate (per annum)	4.80%
	Rate of escalation in salary (per annum)	12.95%
	Expected rate of return on plan assets (per annum)	
	Employee attrition rate (past service)	PS: 0 to 40 : 20.74%
	Expected average remaining service	3.75
I)	**Changes in present value of obligations (PVO)**	
	PVO at beginning of period	–
	Interest cost	12
	Current service cost	2,170
	Transfer in liabilities	823
	Transfer out liabilities	–
	Past service cost - (non vested benefits)	–
	Past service cost - (vested benefits)	–
	Benefits paid	–
	Contributions by plan participants	–
	Business combinations	–
	Curtailments	–
	Settlements	–
	Actuarial (gain)/loss on obligation	(2,084)
	PVO at end of period	921
II)	**Interest expense**	
	Interest cost	12
III)	**Fair value of plan assets**	–
	Fair value of plan assets at the beginning	–
	Interest income	–

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

Particulars	Gratuity (unfunded) Period ended 31 March 2020
IV) Net liability	
PVO at beginning of period	–
Fair value of the assets at beginning report	–
Net Liability	–
V) Net Interest	
Interest expenses	12
Interest income	–
Net interest	12
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	(0)
Due to financial assumption	59
Due to experience	(2,143)
Total actuarial (gain)/loss	(2,084)
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	921
Fair value of plan assets at end of period	
Funded Status	(921)
Net asset/(liability) recognized in the balance sheet	(921)
XI) Expense recognised in the statement of profit and loss	
Current service cost	2,169
Net interest	12
Past service cost - (non vested benefits)	–
Past service cost - (vested benefits)	–

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

Particulars	Gratuity (unfunded) Period ended 31 March 2020
Transfer in liabilities	823
Curtailment effect	–
Settlement effect	–
Unrecognised past service cost - non vested benefits	–
Actuarial (gain)/loss recognized for the period	–
Expense recognized in the statement of profit and loss	3,005
XII) Other comprehensive income (OCI)	
Actuarial (gain)/loss recognized for the period	(2,084)
Asset limit effect	–
Return on plan assets excluding net interest	–
Unrecognized actuarial (gain)/loss from previous period	–
Total actuarial (gain)/loss recognized in (OCI)	(2,084)
XIII) Movement in liability recognized in balance sheet	
Opening net liability	–
Adjustment to opening balance	–
Expenses as above	3,005
Contribution paid	–
Other comprenehsive income(OCI)	(2,084)
Closing net liability	921
XIV) Schedule III of The Companies Act 2013	
Current liability	2
Non - current liability	919
XV) Projected service cost 31 March 2020	2,500

XVI) Sensitivity analysis

	DR: Discount Rate	ER : Salary escalation rate:	
	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	1,005	994	854

XVII) Expected payout

Year	Expected Outgo Second	Expected Third	Expected Outgo Outgo fourth	Expected Outgo Outgo Fifth	Expected Outgo Outgo Six to Ten
Payouts	2	2	2	175	630

XVIII) Asset liability comparisons

Year	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-03-2020
PVO at end of period	–	–	–	867	921
Plan assets	–	–	–		
Surplus / (deficit)	–	–	–	(867)	(921)
Experience adjustments on plan assets	–	–	–		

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

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) Holding company:

- Motilal Oswal Financial Services Limited (Formerly known as Motilal Oswal Securities Limited)

(ii) Ultimate holding company:

- Passionate Investment Management Private Limited

(iii) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- 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
- Motilal Oswal Finsec IFSC Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Trustee Company Limited

(iv) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

- Mr. Pratik Oswal

(b) Executive directors

- Mr. Pratik Oswal

(c) Non - executive directors

- Mr. Aashish P Somaiyaa
- Mr. Raamdeo Agarawal

(v) Relative of KMP

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

(vi) Enterprises in which key managerial personnel have control

- Motilal Oswal Foundation

(vii) Enterprises in which KMP have control

- OSAG Enterprises LLP

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

b. Transactions with related parties

Nature of transaction	Name of the related party	KMP
		Year ended 31 March 2020
Managerial remunaration	Mr. Pratik Oswal	28,000

c. Outstanding balances of / with related parties :

There are no outstanding balances with related parties at the end of the year.

NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS

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

NOTE 26 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2020

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

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Dated : 4 May 2020

UDIN: 20040117AAAACE3788

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

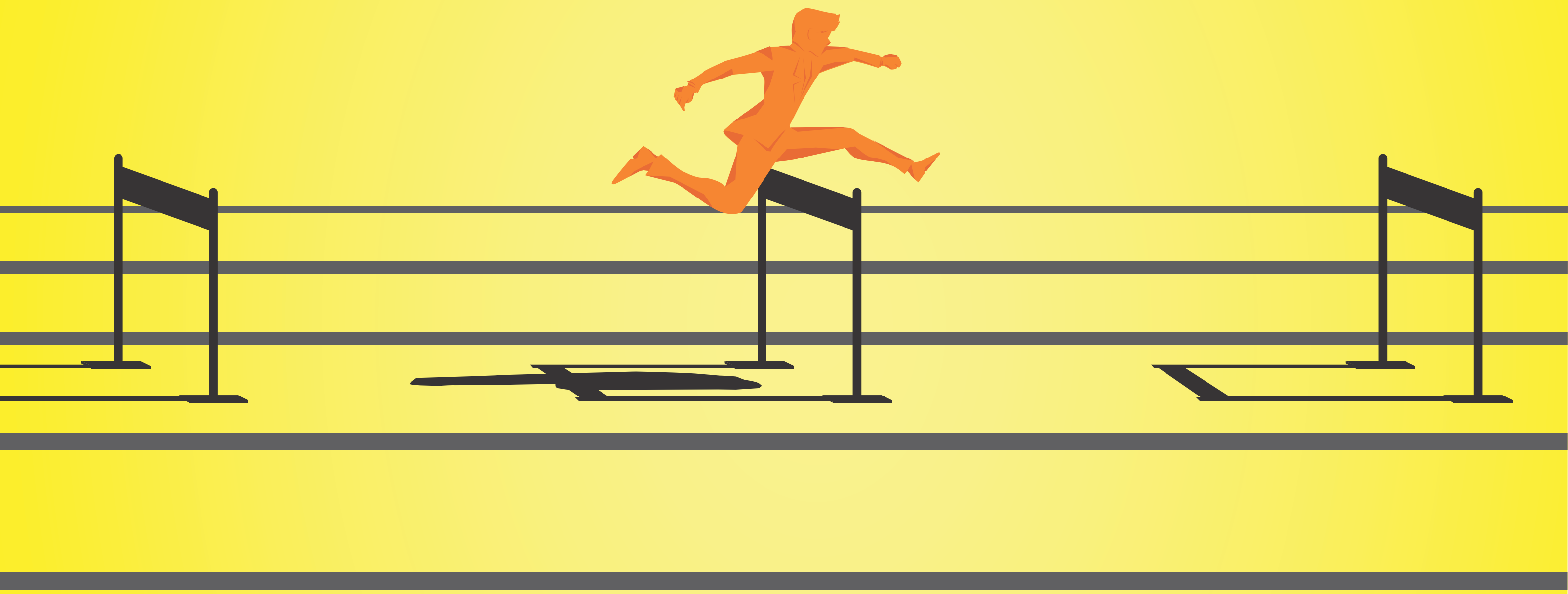
Pratik Motilal Oswal
Director
DIN : 06704419

Ashish Pradip Somaiya
Director
DIN : 06705119

Place : Mumbai
Dated : 4 May 2020

Motilal Oswal Finsec IFSC Limited

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To,

The Members
Members Motilal Oswal Finsec IFSC Limited

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Finsec IFSC Limited** which comprises the Balance Sheet as at March 31, 2020, 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, 2020, and profit for the year ended on March 31, 2020.

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 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.

There are no key audit matters to communicate.

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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the Internal Financial 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

UDIN : 20111592AAAACW6515

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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 does not have any fixed assets in the Books of Accounts and hence point 1(b) & (c) of Companies (Auditor's Report) Order,2016 will not be applicable.
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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, 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, 2020 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

UDIN : 20111592AAAACW6515

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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 Finsec IFSC Limited ('the Company') as of 31 March 2020 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 2020, 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

UDIN : 20111592AAAACW6515

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No.	As at 31-Mar-20 in ₹
I ASSETS		
1. Financial assets		
(a) Cash and Cash Equivalents	1	24,818,239
(b) Other financial assets	2	10,657
Sub - total Financial assets		**24,828,896**
2. Non-Financial assets		
(a) Other Non-Financials Assets	3	15,199
Sub - total Non- Financial assets		**15,199**
TOTAL ASSETS		**24,844,095**
II EQUITY & LIABILITIES		
1. Financial liabilities		
(a) Other financials Liabilities	4	40,243
Sub - total Financial liabilities		**40,243**
2. Equity:		
(a) Equity share capital	5	24,000,000
(b) Other Equity	6	803,852
Sub - total Equity		**24,803,852**
TOTAL LIABILITIES AND EQUITY		**24,844,095**

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

Premal Gandhi
Partner
M.No.: 111592

Place : Mumbai
Dated : 4 May, 2020

UDIN : 20111592AAAACW6515

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
(DIN - 07682114)

Harsh Joshi
Director
(DIN - 07682095)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	For the Year Ended 31-Mar-20 in ₹
Income		
Revenue from Operations	7	–
Other Income	8	1,076,810
Total Revenue		**1,076,810**
Expenses:		
Other Expense	9	272,957
Total Expenses		**272,958**
Profit/(Loss) Before Tax		**803,852**
Tax Expense:		
Current Tax		–
Deferred Tax		–
Profit/(Loss) for the year		**803,852**
Other comprehensive income		
A (i) Items that will not be reclassified to profit or loss		
Acturail Gain/(losses) on post retirement benefit plans		–
Income Tax there on		–
Total		**–**
Balance Carried to Balance Sheet		**803,852**
Earnings Per Share (₹)		
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.33

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

Premal Gandhi
Partner
M.No.: 111592

Place : Mumbai
Dated : 4 May, 2020

UDIN : 20111592AAAACW6515

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
(DIN - 07682114)

Harsh Joshi
Director
(DIN - 07682095)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at March 31, 2020 in ₹	
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX		**803,852**
Adjustment For:		
Depreciation		–
OPERATING PROFIT/(LOSS)		**803,852**
Adjustment For:		
(Increase)/Decrease In Other financial assets	(10,657)	
(Increase)/ Decrease In Other Non-Financials Assets	(15,199)	
Increase/ (Decrease) In Other financials Liabilities	40,243	14,387
CASH GENERATED FROM OPERATIONS		**818,239**
Taxes Paid		
NET CASH FROM OPERATING ACTIVITIES		**818,239**
CASH FLOW FROM INVESTING ACTIVITIES		
NET CASH FLOW FROM INVESTING ACTIVITIES		–
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share	24,000,000	24,000,000
		24,000,000
NET CASH FLOW FOR THE YEAR		**24,818,239**
Cash & Cash Equivalents As At 01.04.2019	–	–
Balances With bank	–	–
Effect Of Exchange Rate Changes		
Cash & Cash Equivalents As At 31.03.2020	–	24,818,239
Cheques In hand		
Balances With bank	24,818,239	–
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

Premal Gandhi
Partner
M.No.: 111592

Place : Mumbai
Dated : 4 May, 2020

UDIN : 20111592AAAACW6515

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
(DIN - 07682114)

Harsh Joshi
Director
(DIN - 07682095)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1 : CORPORATE INFORMATION

1. Motilal Oswal Finsec IFSC Limited carry on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to act as intermediary as per such guidelines in IFSC, Investment Consultants, stock brokers, Trading cum clearing member, underwriters, and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert, or otherwise deal in any shares, stocks, debentures, debentures stock, bonds, depository receipts, hedge instruments, warrants, certificates, options futures, money market securities, marketable or non-marketable securities, derivatives and other instruments or securities issued or guaranteed given by any Government, semi-government, or any other authority or to deal in other permissible securities as prescribed in such guidelines or as may be amended from time to time.
2. Motilal Oswal Finsec IFSC Limited carry on business as investment advisor or Portfolio management consultant in IFSC for providing services to clients as permitted under such guidelines or as amended from time to time.
3. Motilal Oswal Finsec IFSC Limited carry on financial services activities, as permitted under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India.

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.

(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.

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.

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.

2.9. 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

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.

(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.

NOTE 1: CASH & CASH EQUIVALENTS

	As at 31-Mar-20 in ₹
Balance with bank	
Scheduled banks- In current accounts	24,818,239
Total	**9,881,409**

NOTE 2: OTHER FINANCIAL ASSETS

	As at 31-Mar-20 in ₹
Rent Deposit	10,657
TOTAL	**10,657**

NOTE 3: OTHER NON-FINANCIALS ASSETS

	As at 31-Mar-20 in ₹
Advance Against Expenses	15,199
TOTAL	**15,199**

NOTE 4: OTHER FINANCIALS LIABILITIES

	As at 31-Mar-20 in ₹
Payable for Expenses	22,500
Taxes payable	17,743
TOTAL	**40,243**

NOTE 5: EQUITY SHARE CAPITAL

	As at 31-Mar-20 in ₹
Authorised:	
1,20,00,000 Equity Shares of ₹ 10/- each	120,000,000
	120,000,000
Issued, Subscribed and Paid Up:	
24,00,000 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)	24,000,000
TOTAL	**24,000,000**

1.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-20 in ₹
Number of shares at beginning of the year	–
Add: Shares issued during this year	2,400,000
Number of shares at the end of the year	**2,400,000**

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

Motilal Oswal Financial Services Ltd. (Holding Company)

NOTE 6 : OTHER EQUITY

	As at 31-Mar-20 in ₹
Profit & Loss Account	
Opening balance	–
Add: Additions during the year	803,852
TOTAL	**803,852**

NOTE 7 : REVENUE FROM OPERATIONS

	For the Period ended 31-Mar-20 in ₹
Revenue	–
TOTAL	**–**

NOTE 8 : OTHER INCOME

	For the Period ended 31-Mar-20 in ₹
Other Income	–
Foreign Exchange Fluctuation	1,076,810
TOTAL	**1,076,810**

NOTE 9 : OTHER EXPENSES

	For the Period ended 31-Mar-20 in ₹
Remuneration to Auditors	25,000
Legal & Professional Fees	7,500
Electricity Charges	1,276
Rent Expenses	157,888
Membership and Subscription Fees	50,000
Rent Rates & Taxes	24,000
Bank Charges	1,830
Miscellaneous Expenses	5,463
TOTAL	**272,957**

NOTE 10 : AUDITORS' REMUNERATION:

Auditor's Remuneration (inclusive of Service Tax):

	For the Year ended 31-Mar-20 in ₹
As Auditors:	
Audit fees	25,000
In any other capacity, in respect of:	
Other Certification	–
TOTAL	**25,000**

NOTE 11 : BASIC & DILUTED EARNINGS PER SHARE:

	For the Year ended 31-Mar-20
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	803,852
Weighted Average Number of equity shares issued [B]	2,400,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	0.33

NOTE 12 : 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: 31-03-2020

Particulars	Name of the related Party	For The Year Ended 31-Mar-20 in ₹
Share Capital	Motilal Oswal Financial Services Limited	24,000,000

Note: Income/receipts figures are shown in brackets.

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 (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited

- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Securities International Private Limited
- Glide Tech Investment Advisory Private Limited

NOTE 13 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 14 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 15 : 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.

NOTE 16 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities

Particulars	As at March 2020	
	FVTPL	Amortised cost
Financial assets		
Cash and cash equivalents	–	24,818,239
Other financial assets	–	10,657
Other Non-Financials Assets	–	15,199
Total Financial Assets	–	**24,844,095**
Financial Liabilities		
Other financial liabilities	–	40,243
	–	**40,243**

NOTE 17 : 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	**As at 31-Mar-20**		
	Within 12 months	**After 12 months**	**Total**
Financial assets			
Cash and cash equivalents	24,818,239	–	24,818,239
Other financial assets	10,657	–	10,657
Non-Financial assets			
Other non-financial assets	15,199	–	15,199
Total Assets	**24,844,095**	**–**	**24,844,095**
Liabilities			
Financial Liabilities			
Other financial liabilities	40,243	–	40,243
Total Liabilities	**40,243**	**–**	40,243

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
M.No.: 111592

Place : Mumbai
Dated : 4 May, 2020

UDIN : 20111592AAAACW6515

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
(DIN - 07682114)

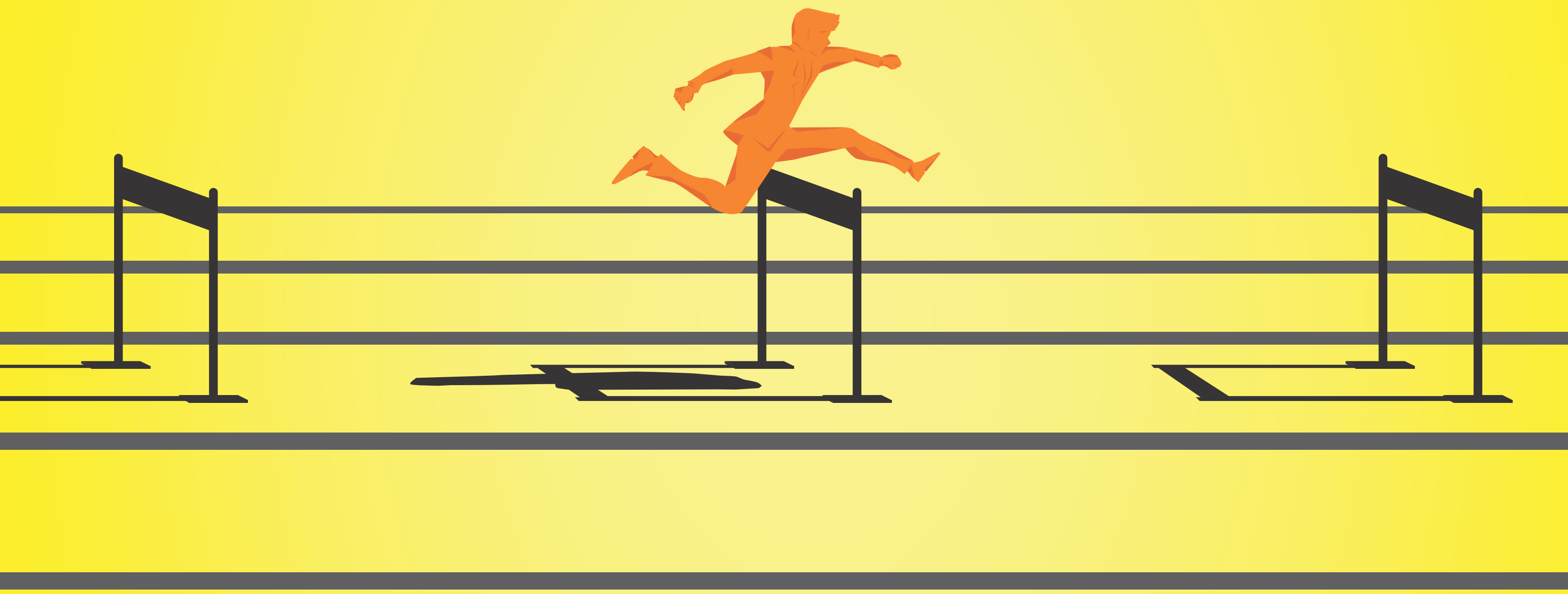
Harsh Joshi
Director
(DIN - 07682095)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

Motilal Oswal Asset Management (Mauritius) Private Limited

Financial Statement 2019-20



ACCOUNTANTS CERTIFICATE

To,

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, 2020 and the related Statement of Profit and Loss for the year ended 31st March 2020 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
UDIN : 20111592AAAACX9793

Premal Gandhi
Partner
Membership No.: 111592

Place : Mumbai
Date : 4 May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

		Note No.	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
I	**ASSETS**			
	1 Financial assets			
	(a) Cash and cash equivalents	3	15,326,241	6,909,302
	(b) Receivables			
	(I) Trade receivables	4	3,390,390	702,403
	(c) Investments	5	7,481	6,945
	Sub - total financial assets		**18,724,112**	**7,618,650**
	2 Non-financial assets			
	(a) Other non - financial assets	6	16,142,632	570,259
	Sub - total non - financial assets		**16,142,632**	**570,259**
	TOTAL ASSETS		**34,866,744**	**8,188,909**
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	7	1,866,308	256,331
	(b) Other financial liabilities	8	4,006,721	607,653
	Sub - total financial liabilities		**5,873,029**	**863,984**
	2 Equity			
	(a) Equity share capital	9	47,941,476	26,881,155
	(b) Other equity	10	(18,947,761)	(19,556,230)
	Sub - total equity		**28,993,715**	**7,324,925**
	TOTAL LIABILITIES AND EQUITY		**34,866,744**	**8,188,909**

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 and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
M.No. : 111592

Director *Director*

Place : Mumbai
Date : 4 May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	Year Ended 31-Mar-20 (in ₹)	Year Ended 31-Mar-19 (in ₹)
1) Income			
a) Revenue from operations			
i) Fees and commission income	11	25,112,758	10,063,813
Total Income		**25,112,758**	**10,063,813**
2) Expenses :			
a) Other Expenses	12	26,028,158	25,069,166
Total expenses		**26,028,158**	**25,069,166**
Profit/(Loss) before taxation		**(915,400)**	**(15,005,353)**
Tax expenses			
Current Tax		–	–
Profit/(Loss) after taxation		**(915,400)**	**(15,005,353)**

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

Premal H. Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 4 May, 2020

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31-Mar-20 (in ₹)	Year Ended 31-Mar-19 (in ₹)
A. Cash flow from operating activities		
Profit / (Loss) before taxation	**(915,400)**	(15,005,353)
Adjustment for FCTR	1,523,869	919,592
Operating profit	**608,469**	**(14,085,761)**
Adjustment for working capital changes		
1) Increase/(decrease) in financial liabilities	3,399,069	62,089
2) Increase/(decrease) in trade payables	1,609,977	(1,406,337)
3) (Increase)/decrease in trade receivables	(2,687,987)	498,105
4) (Increase)/decrease in other non - financial assets	(15,572,373)	126,053
Cash generated from operations	**(12,642,845)**	(14,805,852)
Taxes Paid (Net of Refunds)	–	–
Net cash generated from operating activities	**(12,642,845)**	**(14,805,852)**
B. Cash flow from investing activities		
Investment in mutual fund	(537)	(450)
Net cash used in investing activities	**(537)**	**(450)**
C. Cash flow from financing activities		
Increase in share capital	21,060,321	10,348,500
Net cash used in financing activities	**21,060,321**	10,348,500
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**8,416,939**	**(4,457,801)**
Cash & cash equivalents as at beginning of the year	**6,909,302**	11,367,104
Cash & cash equivalents as at end of the year	**15,326,241**	**6,909,302**
Components of cash & cash equivalents (also refer note 3)		
Balances with banks		
in current accounts	15,326,241	6,909,302
	15,326,241	6,909,302

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
M.No. : 111592

Place : Mumbai
Date : 4 May, 2020

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

STATEMENT OF CHANGES IN EQUITY

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

Share Capital

(Amount in ₹)

Particulars	Equity Share Capital		Total
	Number of shares	Amount	
As at 1 April 2018	**255,000**	**16,532,655**	**16,532,655**
Issue of Equity shares	–	–	–
As at 31 March 2019	**255,000**	**16,532,655**	**16,532,655**
Issue of Equity shares	77,599	31,408,821	31,408,821
As at 31 March 2020	**332,599**	**47,941,476**	**47,941,476**

Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2020		31 March 2019		31 March 2020	31 March 2019
	Foreign currency translation reserve	Profit and loss	Fpreign currency translation reserve	Profit and loss		
Balance at the beginning of the reporting period	1,134,110	(20,690,340)	214,518	(5,684,987)	**(19,556,230)**	**(5,470,469)**
Profit/(loss) during the year	1,523,869	(915,400)	919,592	(15,005,353)	**608,470**	**(14,085,761)**
Balance at the end of the reporting period	**2,657,279**	**(21,605,740)**	**1,134,110**	**(20,690,340)**	**(18,947,761)**	**(19,556,230)**

As per our report of attached even date

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

Premal H. Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 4 May, 2020

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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.

(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 14.

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 upto 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 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Balance with bank	15,326,241	6,909,302
TOTAL	**15,326,241**	**6,909,302**

NOTE 4 : RECEIVABLES

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
(I) Trade receivables		
Considered good - unsecured	3,390,390	702,403
TOTAL	**3,390,390**	**702,403**

NOTE 5 : INVESTMENTS

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Motilal Oswal India Fund	7,481	6,945
TOTAL	**7,481**	**6,945**

NOTE 6: OTHER NON - FINANCIAL ASSETS

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Prepaid Expenses	16,142,632	570,259
TOTAL	**16,142,632**	**570,259**

NOTE 7 : TRADE PAYABLE

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Others	1,866,308	256,331
TOTAL	**1,866,308**	**256,331**

NOTE 8 : OTHER FINANCIAL LIABILITY

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Creditors for Expenses	4,006,721	607,653
TOTAL	**4,006,721**	**607,653**

NOTE 9 : SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of Shares	in ₹	Number of Shares	in ₹
Authorised :				
Equity Shares of USD 1 each	332,599	47,941,476	255,000	16,532,655
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	332,599	47,941,476	255,000	16,532,655
Equity share application	–	–	30,000	10,348,500
TOTAL	**332,599**	**47,941,476**	**285,000**	**26,881,155**

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

NOTE 10 : OTHER EQUITY

Particulars	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
a) Foreign Currency Translation Reserves		
Balance at beginning of the year	1,134,110	214,518
Add:- Gain/(loss) on translation during the period	1,523,869	919,592
Balance at the end of year	**2,657,979**	**1,134,110**
b) Profit/(loss) in the statement of profit and loss		
Balance at beginning of the year	(20,690,340)	(5,684,987)
Add: Transfer from Statement of Profit and Loss	(915,400)	(15,005,353)
Balance at the end of year	**(21,605,740)**	**(20,690,340)**
TOTAL	**(18,947,761)**	**(19,556,230)**

Nature and Purpose of Reserves

Profit and loss

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

REVENUE FROM OPERATIONS

NOTE 11 : FEES AND COMMISSION INCOME

Particulars	Year ended 31-Mar-20 (in ₹)	Year ended 31-Mar-19 (in ₹)
Incentive Fee Income	9,884,909	436,149
Management fee	15,227,849	9,627,664
TOTAL	**25,112,758**	**10,063,813**

NOTE 12 : OTHER EXPENSES

Particulars	Year ended 31-Mar-20 (in ₹)	Year ended 31-Mar-19 (in ₹)
Advisory Fee Expense	4,733,243	3,822,121
Accounting fees	187,779	164,129
Admin Fees	315,327	1,033,661
Bank charges	350,536	415,934
Corporate secretary fees	99,204	97,779
Directors fees	181,579	174,605
FSC fees - GBL and CIS	315,327	261,907
MLRO fees	88,575	87,302
Professional fees	1,629,782	–
Registered office fees	35,430	34,921
ROC Fees	23,917	23,573
Insurance Charges	242,519	231,631
Taxation fees	35,430	34,921
TRC fees	49,602	48,889
Audit fees	672,795	387,274
Other Expenses	367,224	615,774
MOIF Expenses	5,081,410	4,911,418
Disbursements/Distribution Fee	11,618,478	12,723,327
TOTAL	**26,028,158**	**25,069,166**

NOTE 13 : 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 14 : 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 ₹)

Particulars	31 March 20			31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	15,326,241	–	15,326,241	6,909,302	–	6,909,302
Trade receivables	3,390,390	–	3,390,390	702,403	–	702,403
Investments	–	7,481	7,481	–	6,945	6,945
Non-Financial assets						
Other non-financial assets	16,142,632	–	16,142,632	570,259	–	570,259
Total Assets	**34,859,263**	**7,481**	**34,866,744**	**8,181,964**	**6,945**	**8,188,909**

Particulars	31 March 20			31 March 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	1,866,308	–	1,866,308	256,331	–	256,331
Other financial liabilities	4,006,721	–	4,006,721	607,653	–	607,653
Total Liabilities	**5,873,029**	**–**	**5,873,029**	**863,984**	**–**	**863,984**

NOTE 15 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 20		31 March 19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Assets				
Financial assets				
Cash and cash equivalents	–	15,326,241	–	6,909,302
Trade receivables	–	3,390,390	–	702,403
Investments	7,481	–	6,945	–
Total Financial Assets	**7,481**	**18,716,631**	**6,945**	**7,611,706**
Liabilities				
Financial Liabilities				
Trade payables	–	1,866,308	–	256,331
Other financial liabilities	–	4,006,721	–	607,653
Total Financial Liabilities	**–**	**5,873,029**	**–**	**863,984**

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 16 : 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-20 (in ₹)**	**As at 31-Mar-19 (in ₹)**
Upto 3 months	3,390,390	702,403
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
TOTAL	**3,390,390**	**702,403**
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 2020

(in ₹)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	1,866,308			1,866,308
Other current financial liabilities	4,006,721	-	-	4,006,721
Total	**5,873,029**			**5,873,029**

As at 31 March 2019

(in ₹)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	256,331			256,331
Other current financial liabilities	607,653	-	-	607,653
Total	**863,984**			**863,984**

(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 17 : TAXATION

No provision for the current tax has been made in view of taxable loss for the period.

NOTE 18 : 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-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
Loss attributable to equity shareholders (Rupees)	(915,400)	(15,005,353)
Weighted average number of equity shares outstanding during the year	294,717	255,000
Nominal value per share (Rupees)	74.81	64.83
Earnings / (Loss) per share (Basic and diluted) (Rupees)	(3.11)	(58.84)

NOTE 19 :

During the year, The Company has issued 77,599 equity shares of USD 1 each fully paid up. All the shares have been subscribed by its Holding Company Motilal Asset Management Company Limited.

NOTE 20 : TRANSLATION DIFFERENCES

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

NOTE 21 : RELATED PARTIES TRANSACTIONS

(i) Relationships during the period

A) Enterprises where control exists

Holding Company

- Motilal Oswal Asset Management Company Limited

Holding Company of Motilal Oswal Asset Management Company Limited

- Motilal Oswal Financial Services Limited (formerly known as Motilal Oswal Securities 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
- Glide Tech Investment Avisors Private Limited
- Motilal Oswal Finsec IFSC Limited

C) Enterprises in which key management personnel exercise significant Influence

Nil

(ii) Transactions with related parties for the period ended March 31, 2020

Transaction	Name of the related Party	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Advisory Expense	Motilal Oswal Capital Limited	4,733,243	3,822,121
Payable/ Receivable	Motilal Oswal Capital Limited	1,866,308	(256,331)

Transaction	Name of the related Party	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Share Capital Subscribed	Motilal Oswal Asset Management Company Limited	21,060,321	–
Share Application Money pending Allotment	Motilal Oswal Asset Management Company Limited	–	10,348,500
Total		**27,659,872**	**13,914,289**

Note: Income/receipts figures are shown in brackets.

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

Premal H. Gandhi
Partner
M.No. : 111592

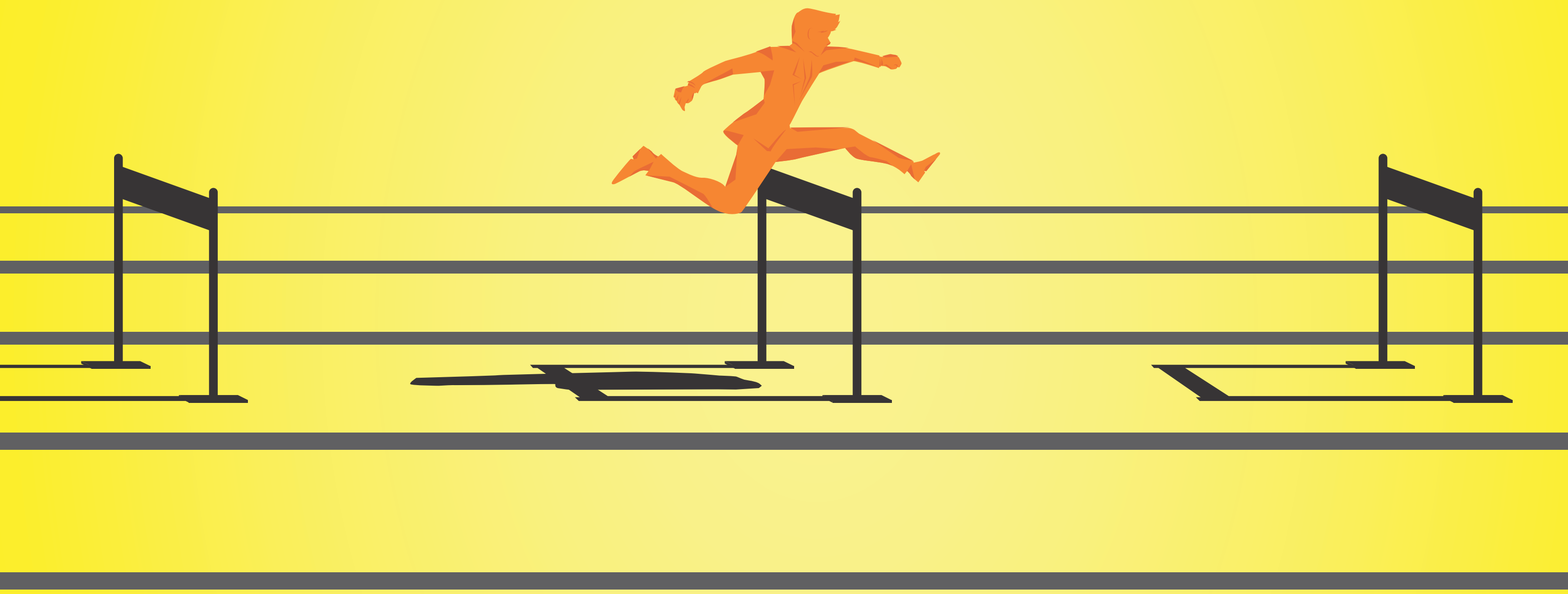
Place : Mumbai
Date : 4 May, 2020

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

India Business Excellence Management Co.

Financial Statement 2019-20



ACCOUNTANTS CERTIFICATE

To,

The Board of Directors,

India Business Excellence Management Company

We have verified the conversion and GAAP adjustments from IFRS to IndAS of the accompanying balance sheet of **India Business Excellence Management Company** as on March 31, 2020 and the related Statement of Profit and Loss for the year ended 31st March 2020 which has been audited and signed dated 4th May 2020 by Ernst & Young and prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in US 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
UDIN : 20111592AAAADA5334

Premal Gandhi
Partner
Membership No.: 111592

Place : Mumbai
Date : 4 May, 2020

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at 31-March-20 (In ₹)	As at 31-March-19 (In ₹)
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalence	3	11,047,700	49,213,950
(b) Receivables			
(I) Trade receivables	4	6,522,557	37,268,890
(c) Investments	5	91,399	84,863
Sub - total financial assets		**17,661,656**	**86,567,703**
2. Non - financial assets			
(a) Other non - financial assets	6	27,188,974	143,756,692
(b) Deferred tax assets (net)	7	53,149,778	–
Sub - total non financial assets		**80,338,752**	**143,756,692**
TOTAL ASSETS		**98,000,408**	**230,324,395**
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	–	37,132,846
(b) Other financial liabilities	9	353,642	832,171
Sub - total financial liabilities		**353,642**	**37,965,017**
2. Non - Financial liabilities			
(a) Current tax liabilities (net)	10	319,817	607,791
(b) Other non financial liabilities	11	–	520,845
Sub - total financial liabilities		**319,817**	**1,128,636**
3. Equity:			
(a) Equity share capital	12	1,832,005	1,832,005
(b) Other equity	13	95,494,945	189,398,737
Sub - total equity		**97,326,950**	**191,230,742**
TOTAL LIABILITIES AND EQUITY		**98,000,408**	**230,324,395**

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.: 001076N/N500013

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4 May, 2020

For India Business Excellence Management Co.

Director

Director

Place : Mauritius
Date : 4 May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	For the Year ended 31-Mar-20 (In ₹)	For the Year ended 31-Mar-19 (In ₹)
REVENUE FROM OPERATIONS:			
(i) Fees & commission income	14	154,531,394	192,458,714
Total (A)		**154,531,394**	**192,458,714**
EXPENSES :			
(i) Other Expenses	15	92,688,354	109,903,214
Total (B)		**92,688,354**	**109,903,214**
Profit before tax (C) = (A) - (B)		**61,843,040**	**82,555,500**
Tax Expenses :			
Provision for Tax (D)		1,802,468	1,933,014
Profit for the Year/Period (E) = (C) - (D)		**60,040,572**	**80,622,486**
Earnings Per Share (₹)			
Equity share of par value USD 1/- each			
Basic and Diluted		1,501.01	2,015.56

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.: 001076N/N500013

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4 May, 2020

For India Business Excellence Management Co.

Director *Director*

Place : Mauritius
Date : 4 May, 2020

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

(A) SHARE CAPITAL

(Amount in rupees)

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2018	**40,000**	**1,832,005**
Changes during the year	–	–
As at 31 March 2019	**40,000**	**1,832,005**
Changes during the year	–	–
As at 31 March 2020	**40,000**	**1,832,005**

(B) OTHER EQUITY

(Amount in rupees)

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2020		31 March 2019		31 March 2020	31 March 2019
	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	13,472,671	175,908,638	6,735,916	95,303,629	189,381,309	102,039,545
Profit during the year		60,040,572	–	80,605,009	60,040,572	80,605,009
Addition during the year	18,120,706	–	6,736,755	–	18,120,706	6,736,755
Less: Dividend paid	–	(172,065,070)	–	–	(172,065,070)	–
Balance at the end of the reporting period	31,593,377	63,884,140	13,472,671	175,908,638	95,477,517	189,381,309

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

For PGS & Associates
Chartered Accountants
Firm Registration No.: 001076N/N500013

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4 May, 2020

For India Business Excellence Management Co.

Director *Director*

Place : Mauritius
Date : 4 May, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Particulars	For the Year ended 31-Mar-2020 (In ₹)	For the Year ended 31-Mar-2019 (In ₹)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before taxation	61,843,040	82,555,500
	Adjustment for FCTR	18,120,706	6,736,706
	Operating profit	**79,963,746**	**89,292,206**
	Adjustment for working capital changes		
	1) Increase/(decrease) in trade payables	(37,132,846)	(33,332,348)
	2) Increase/(decrease) in other financial liabilities	(478,530)	(276,026)
	3) Increase/(decrease) in other non financial liabilities	(520,845)	(4,951,479)
	5) (Increase)/decrease in trade receivables	30,746,334	36,258,651
	6) Increase/(decrease) in Other non - financial assets	63,417,940	(69,527,488)
	Cash generated from operations	**135,995,799**	**17,463,517**
	Taxes Paid (Net of Refunds)	(2,090,443)	(3,267,947)
	Net cash generated from operating activities	**133,905,356**	**14,195,570**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Current investments	(6,536)	(71,864)
	Net cash used in investing activities	**(6,536)**	**(71,864)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend paid	(172,065,070)	–
	Net cash used in financing activities	**(172,065,070)**	**–**
	Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(38,166,250)**	**14,123,706**
	Cash & cash equivalents as at beginning of the year	**49,213,950**	**35,090,244**
	Cash & cash equivalents as at end of the year	**11,047,700**	**49,213,950**
	Components of Cash & cash equivalents (also refer note 3)		
	Balance with bank		
	in current account	11,047,700	49,213,950
		11,047,700	**49,213,950**

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.: 001076N/N500013

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4 May, 2020

For India Business Excellence Management Co.

Director *Director*

Place : Mauritius
Date : 4 May, 2020

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 2020.

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.

(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 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.

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.

NOTE 3 : CASH AND BANK BALANCES

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Cash and cash equivalents		
Balances with bank	11,047,700	49,213,950
Total	**11,047,700**	**49,213,950**

NOTE 4 : TRADE RECEIVABLES

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Unsecured, considered good		
Trade Receivables (Outstanding for less than six months)	6,522,557	37,268,890
Total	**6,522,557**	**37,268,890**

NOTE 5 : CURRENT INVESTMENT

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
India Business Excellence Fund-I (200 Units of USD 0.01 each)	91,399	84,863
Total	**91,399**	**84,863**

NOTE 6 : OTHER NON FINANCIAL ASSET

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Prepaid Expenses	27,188,974	52,542,357
Advance paid to MOPE against Sub advisory	–	91,214,335
Total	**27,188,974**	**143,756,692**

NOTE 7 : DEFERRED TAX ASSETS

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Deferred Asset	53,149,778	–
Total	**53,149,778**	**–**

NOTE 8 : TRADE PAYABLE

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Advisory Fees Payable	–	37,132,846
Total	**–**	**37,132,846**

NOTE 9 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Others	–	422,996
Creditors for Expenses	353,642	409,176
Total	**353,642**	**832,171**

NOTE 10 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Provision for Taxation	319,817	607,791
Total	**319,817**	**607,791**

NOTE 11 : OTHER NON FINANCIAL LIABILITIES

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Management fees received in Advance	–	520,845
Total	**–**	**520,845**

NOTE 12 : SHARE CAPITAL

	As at 31-Mar-20		As at 31-Mar-19	
	Number of Shares	in ₹	Number of Shares	in ₹
Authorised :				
Equity Shares of USD 1 each	40,000	1,832,005	40,000	1,832,005
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	40,000	1,832,005	40,000	1,832,005
Total	**40,000**	**1,832,005**	**40,000**	**1,832,005**

NOTE 13 : OTHER EQUITY

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
a) Foreign exchange translation reserve		
Balance at the beginning of the year	13,472,622	6,735,916
Add: Transferred during the year	18,120,706	6,736,706
Balance at the end of year	**31,593,328**	**13,472,622**
b) Statement of Profit and Loss		
Balance at the beginning of the year	175,926,115	95,303,629
Add: Transfer from Statement of Profit and Loss	60,040,572	80,622,486
Less : Dividend paid	(172,065,070)	–
Balance at the end of year	**63,901,617**	**175,926,115**
Total	**95,494,945**	**189,398,737**

NOTE 14 : FEES & COMMISSION INCOME FOR THE YEAR ENDED

	For the year ended 31-Mar-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
Management and advisory fees	152,633,718	151,721,261
Other Income	1,897,676	40,737,453
Total	**154,531,394**	**192,458,714**

NOTE 15 : OTHER EXPENSES

	For the year ended 31-Mar-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
Audit fees	671,045	855,563
Communication expenses	–	83,252
Insurance	490,795	549,656
Legal and professional fees	2,887,382	2,763,225
Rates and taxes	992,354	880,637
Referral fees	–	804,229
Advisory and sub-advisory fees	86,560,076	98,017,799
Miscellaneous Expenses	1,086,702	5,948,854
Total	**92,688,354**	**109,903,214**

	For the year ended 31-Mar-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
NOTE : 16.1 TAX EXPENSE		
Current tax expense		
Current tax for the year	1,802,468	1,933,014
Tax adjustment in respect of earlier years	–	–
Total current tax expense	1,802,468	1,933,014
Total	**1,802,468**	**1,933,014**
NOTE 16.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)		
Profit/(loss) before income tax expense	61,843,040	82,555,500
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt income	17,687	(36,234,397)
Items outside scope of taxation	(1,879,989)	(4,503,057)
Non allowable expenses	110,498	1,270,564
Unauthorised deductions	–	21,338,198
Profit adjusted for tax purposes	**60,091,236**	**64,426,809**
Tax calculated at the rate of 15%	9,013,685	9,664,021
Deemed tax credit at 80%	(7,210,948)	(7,731,217)
Under provision for the previous year	(269)	210
Tax charge for the year	**1,802,468**	**1,933,014**
Income tax expense	**1,802,468**	**1,933,014**

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-Mar-20 (in ₹)	31-Mar-19 (in ₹)
Cash and cash equivalents	11,047,700	49,213,950
Total Cash and cash equivalents	**11,047,700**	**49,213,950**
Equity	1,832,005	1,832,005
Retained earnings	95,494,945	189,398,737
Total Capital	**97,326,950**	**191,230,742**

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.

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	11,047,700	–	11,047,700	49,213,950	–	49,213,950
Trade receivables	6,522,557	–	6,522,557	37,268,890	–	37,268,890
Investments	–	91,399	91,399	–	84,863	84,863
Non-Financial assets						
Other non-financial assets	–	27,188,974	27,188,974	–	143,756,692	143,756,692
Total Assets	**17,570,256**	**27,280,374**	**44,850,630**	**86,482,840**	**143,841,555**	**230,324,395**
LIABILITIES						
Financial Liabilities						
Trade payables	–	–	–	37,132,846	–	37,132,846
Other financial liabilities	353,642	–	353,642	832,171	–	832,171
Non Financial Liabilities						
Current tax liabilities (net)	319,817	–	319,817	607,791	–	607,791
Other non - financial liabilities	–	–	–	520,845	–	520,845
Total Liabilities	**673,458**	**–**	**673,458**	**39,093,653**	**–**	**39,093,653**

NOTE 19 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

(Amount in rupees)

Particulars	31 March 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	11,047,700	–	49,213,950
Trade receivables	–	6,522,557	–	37,268,890
Investments	91,399	–	84,863	–
Other financial assets				
Total Financial Assets	**91,399**	**17,570,256**	**84,863**	**86,482,840**
Financial Liabilities				
Trade payables	–	–	–	37,132,846
Other financial liabilities	–	353,642	–	832,171
Total financial liabilities	**–**	**353,642**	**–**	**37,965,017**

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 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 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:

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Upto 3 months	6,522,557	37,268,890
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**6,522,557**	**37,268,890**
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 2020

Particulars	Upto 1 year (in ₹)	Between 1 and 5 years (in ₹)	Beyond 5 years (in ₹)	Total (in ₹)
Financial Liabilities				
Trade payables	–	–	–	–
Other financial liabilities	353,642			**353,642**
Total	**353,642**	**–**	**–**	**353,642**

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	37,132,846			**37,132,846**
Other financial liabilities	832,171			**832,171**
Total	**37,965,017**	**–**	**–**	**37,965,017**

(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 fund, 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 the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

	As at 31-Mar-20 (in ₹)	As at 31-Mar-19 (in ₹)
Impact on profit before tax for 10% increase in NAV/price	9,140	8,486
Impact on profit before tax for 10% decrease in NAV/Price	(9,140)	(8,486)

NOTE 21 : TAXATION

Provision for the current tax has been made for ₹ 1,802,468/- Previous year ₹ 1,933,014/-

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:

	For the year ended 31-Mar-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
Net Profit attributable to equity shareholders [A] (₹)	60,040,572	80,622,486
Weighted Average of equity shares issued [B] (face value of ₹ 1 each)	40,000	40,000
Basic and Diluted Earnings per share [A/B] (₹)	**1,501.01**	**2,015.56**

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
- Glide Tech Investment Advisors Private Limited

ii) Transactions with related parties for the period ended March 31, 2020

Transaction	Name of the related Party	For the year ended 31-Mar-20 (in ₹)	For the year ended 31-Mar-19 (in ₹)
Dividend paid	MOPE Investment Advisors Private Limited	172,065,070	–
Advisory Fee	MOPE Investment Advisors Private Limited	80,058,308	92,655,128
Trade Payables	MOPE Investment Advisors Private Limited	–	(19,076,886)
Prepaid Advisory Fee	MOPE Investment Advisors Private Limited	26,967,684	91,214,335

Note: Income/receipts figures are shown in brackets.

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 001076N/N500013

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 4 May, 2020

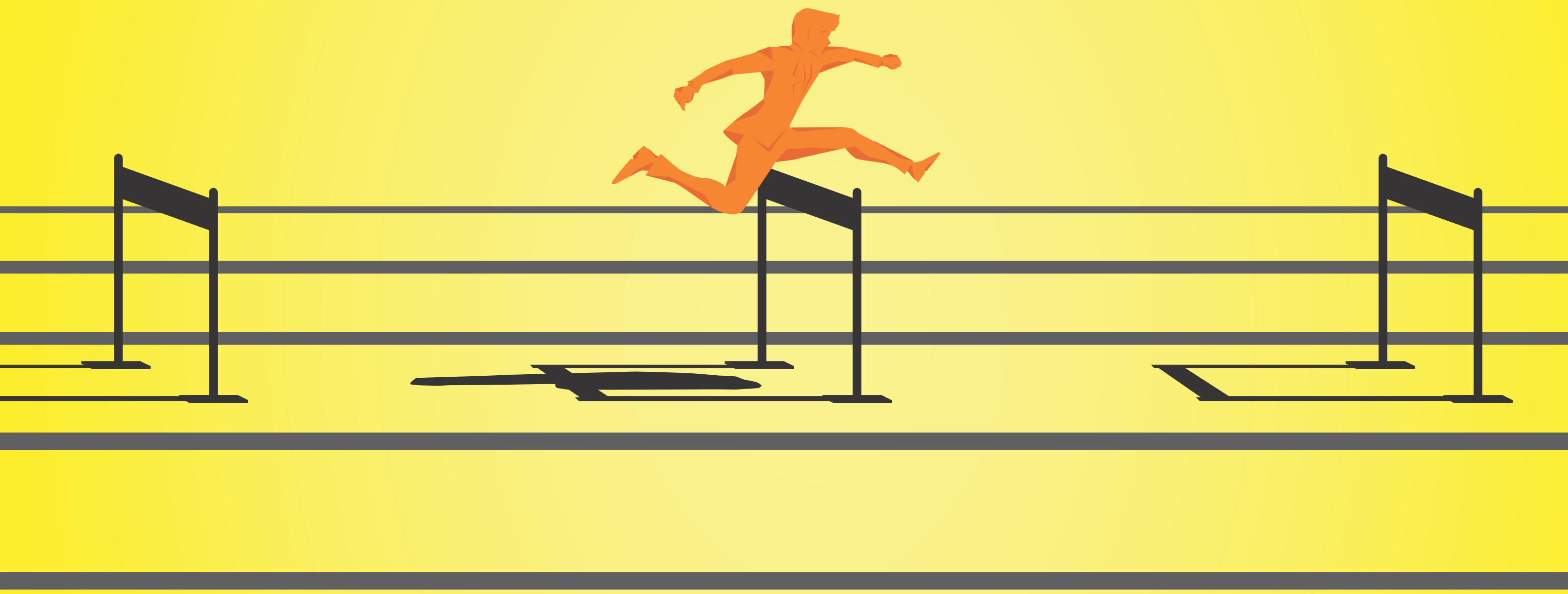
For India Business Excellence Management Co.

Director *Director*

Place : Mauritius
Date : 4 May, 2020

Motilal Oswal Capital Markets (Hongkong) Private Limited

Financial Statement 2019-20



ACCOUNTANTS CERTIFICATE

To,

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, 2020 and the related Statement of Profit and Loss for the period ended March 31, 2020 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

UDIN : 20111592AAAACY6000

Premal Gandhi
Partner
Membership No.: 111592

Place: Mumbai
Date: 4th May 2020

BALANCE SHEET AS AT MARCH 31, 2020

Particulars		Note No.	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
I. ASSETS				
1. Financial assets				
a	Cash and Cash Equivalents	1	9,881,409	9,268,416
b	Loans and Advances	2	5,720,096	5,220,900
Total Assets			**15,601,505**	**14,489,316**
II. LIABILITIES AND EQUITY				
2. Financial liabilities				
a	Trade Payables	3	–	–
b	Other Financial Liabilities	4	10,157	16,212
3. Non - financial liabilities				
a	Short Term Provisions	5	1,042,597	26,540
4. Equity				
a	Share Capital	6	41,202,000	41,202,000
b	Reserve and Surplus	7	(26,653,249)	(26,755,436)
Total Liabilities and Equity			**15,601,505**	**14,489,316**

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

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 4th May 2020

Place : Mumbai
Date : 4th May 2020

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	For the Year Ended 31-Mar-20 in ₹	For the Year Ended 31-Mar-19 in ₹
INCOME :			
Income From Operation	8	8,658,821	15,631,028
Other Income	9	96	65
TOTAL REVENUE		**8,658,917**	**15,631,093**
EXPENSES:			
Employee Benefits	10	5,276,457	5,183,409
Operating Expense	11	–	3,293,703
Other Expenses	12	4,518,241	4,430,707
TOTAL EXPENSES		**9,794,699**	**12,907,819**
Profit/(Loss) Before Tax		(1,135,781)	2,723,274
Tax expense:			
Current tax:		–	–
Deferred tax		–	–
Profit/(Loss) for the Year		**(1,135,781)**	**2,723,274**
Earnings per equity share:			
Basic and Diluted		(0.19)	0.45
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 : 4th May 2020

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 4th May 2020

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at March 31, 2020 in ₹	As at March 31, 2019 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	**(1,135,781)**	**2,723,274**
Add :		
Adjustments for:		
Interest Income	96	65
Translation Differences on Foreign Currency Taken to Reserves	1,237,968	740,926
Adjustment for working capital changes		
Increase/(Decrease) in Trade payables	–	(5,517,442)
Increase/(Decrease) in Other Current Liabilities	(6,055)	(866,393)
Increase/(Decrease) in Short Term Provision	1,016,057	(127,368)
Increase/(Decrease) in Long Term Loans and Advances	(499,196)	(4,790,276)
CASH GENERATED FROM OPERATIONS	**613,089**	**(7,837,214)**
Taxes Paid	–	–
NET CASH FROM OPERATING ACTIVITIES	**613,089**	**(7,837,214)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	(96)	(65)
NET CASH FROM INVESTING ACTIVITIES	**(96)**	**(65)**
CASH FLOW FROM FINANCING ACTIVITIES	**–**	
NET CASH FROM FINANCING ACTIVITIES	**–**	**–**
NET CASH FLOW FOR THE YEAR	**612,993**	**(7,837,279)**
Balance with Bank in Current Account as at the beginning of the year	9,268,416	17,105,696
Balance with Bank in Current Account as at the end of the year	9,881,409	9,268,416

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

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 4th May 2020

Place : Mumbai
Date : 4th May 2020

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

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 1 April 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 1 : CASH AND BANK BALANCES

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Balance with Banks in Current Accounts	9,881,409	9,268,416
Total	**9,881,409**	**9,268,416**

NOTE 2 : LOANS AND ADVANCES

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Rent Deposit	338,956	302,793
Advance for Expenses	5,292,710	4,849,686
Prepaid Expenses	83,607	63,998
Other Deposits	4,825	4,423
Total	**5,720,096**	**5,220,900**

NOTE 3 : TRADE PAYABLES

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Advisory Fees Payable	–	–
Total	**–**	**–**

NOTE 4 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Creditors for Expenses	10,157	16,212
Total	**10,157**	**16,212**

NOTE 5 : SHORT TERM PROVISIONS

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Provision for Expenses	1,042,598	26,540
Total	**1,042,598**	**26,540**

NOTE 6 : SHARE CAPITAL

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Authorised :		
Equity Shares of HK$ 1 Each	70,000,000	70,000,000
Issued, Subscribed and Paid Up :		
Equity Shares of HK $ 1 each fully paid up	41,202,000	41,202,000
(All of the above 6,000,000 equity shares are held by Motilal Oswal Financial Services Limited, the Holding Company)		
Total	**41,202,000**	**41,202,000**

NOTE 7 : RESERVES AND SURPLUS

	As at 31-Mar-20 in ₹	As at 31-Mar-19 in ₹
Deficit in the Statement of Profit and Loss		
Opening Balance	(33,901,254)	(36,624,528)
Net loss for the Year	(1,135,781)	2,723,274
Opening Balance	7,145,818	6,404,893
Add : For the Current Year	1,237,968	740,926
Closing Balance	8,383,787	7,145,818
Closing Balance	**(26,653,249)**	**(26,755,436)**

NOTE 8 : INCOME FROM OPERATION

	For the Period Ended 31-Mar-20 in ₹	For the Period Ended 31-Mar-19 in ₹
Research & Advisory Fees	8,658,821	15,631,028
Total	**8,658,821**	**15,631,028**

NOTE 9 : OTHER INCOME

	For the Period Ended 31-Mar-20 in ₹	For the Period Ended 31-Mar-19 in ₹
Interest Income	96	65
Total	**96**	**65**

NOTE 10 : EMPLOYEE BENEFITS

	For the Period Ended 31-Mar-20 in ₹	For the Period Ended 31-Mar-19 in ₹
Employee Benefits		
Salaries and Incentives	5,113,268	5,023,098
Contribution to Provident Fund	163,189	160,311
Insurance	–	–
Total	**5,276,457**	**5,183,409**

NOTE 11 : OPERATING EXPENSE

	For the Period Ended 31-Mar-20 in ₹	For the Period Ended 31-Mar-19 in ₹
Advisory and other fees	–	3,293,703
Total	**–**	**3,293,703**

NOTE 12 : OTHER EXPENSES

	For the Period Ended 31-Mar-20 in ₹	For the Period Ended 31-Mar-19 in ₹
Rent Rates and Taxes	1,243,032	1,195,016
Foreign Exchange Gain / (Loss)	36,569	43,849
Courier Charges	9,193	2,369
Legal and Professional Fees	2,643,929	2,561,817
Auditor's Remuneration	512,234	503,206
Printing Charges	16,073	13,329
Communication expenses	10,256	-
Bank Charges	40,154	80,400
Miscellaneous Expenses	6,800	30,721
Total	**4,518,241**	**4,430,707**

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, 2020 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 obectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the inndividual exposure.

a. Market risk

(i) Foreign exchange risk

The Company has no siginificant 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 diffirent banks in order to fund any emergency liquidity requirements.

Summary quantitative data

At 31 March 2020 (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	1,052,755	–	–	–	1,052,755
Total	**1,052,755**	**–**	**–**	**–**	**1,052,755**

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
Amount due immediate holding company	–	–	–	–	–
Total	**42,752**	**–**	**–**	**–**	**42,752**

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 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 Rupees 12,43,032 (Previous year Rupees 11,95,016) being lease rentals for the current year are recognized in the statement of profit and loss under the head " rent ".

As at March 31, 2020 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Particulars	For the Year Ended 31-Mar-20 in ₹	For the Year Ended 31-Mar-19 in ₹
Payable within 1 year	1,243,032	1,195,016
Payable after 1 year but not later than 5 years		
Total	**1,243,032**	**1,195,016**

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-20 in ₹	For the Year Ended 31-Mar-19 in ₹
Profit/(Loss) attributable to equity shareholders (Rupees)	(1,135,781)	2,723,274
Weighted average number of equity shares outstanding during the year	6,000,000	6,000,000
Nominal value per share (Rupees)	6.87	6.87
Earnings per share (Basic and diluted) (Rupees)	(0.19)	0.45

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-20 in ₹	For the Year Ended 31-Mar-19 in ₹
Serevices fee paid to immediate holding company	–	3,293,703

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 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 (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limtied
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limted

C) Key management personnel

- Abhijeet Tare - Director
- Martin Brendon Marnick - Director

ii) Transactions with related parties for the period ended March 31, 2020

Transactions	Name of the related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Director's Remuneration	Martin Brendon Marnick	5,113,268	5,023,098
Advisory Fees	Motilal Oswal Financial Services Limited	–	3,293,703
Total		**5,113,268**	**8,316,801**

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.

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 : 4th May 2020

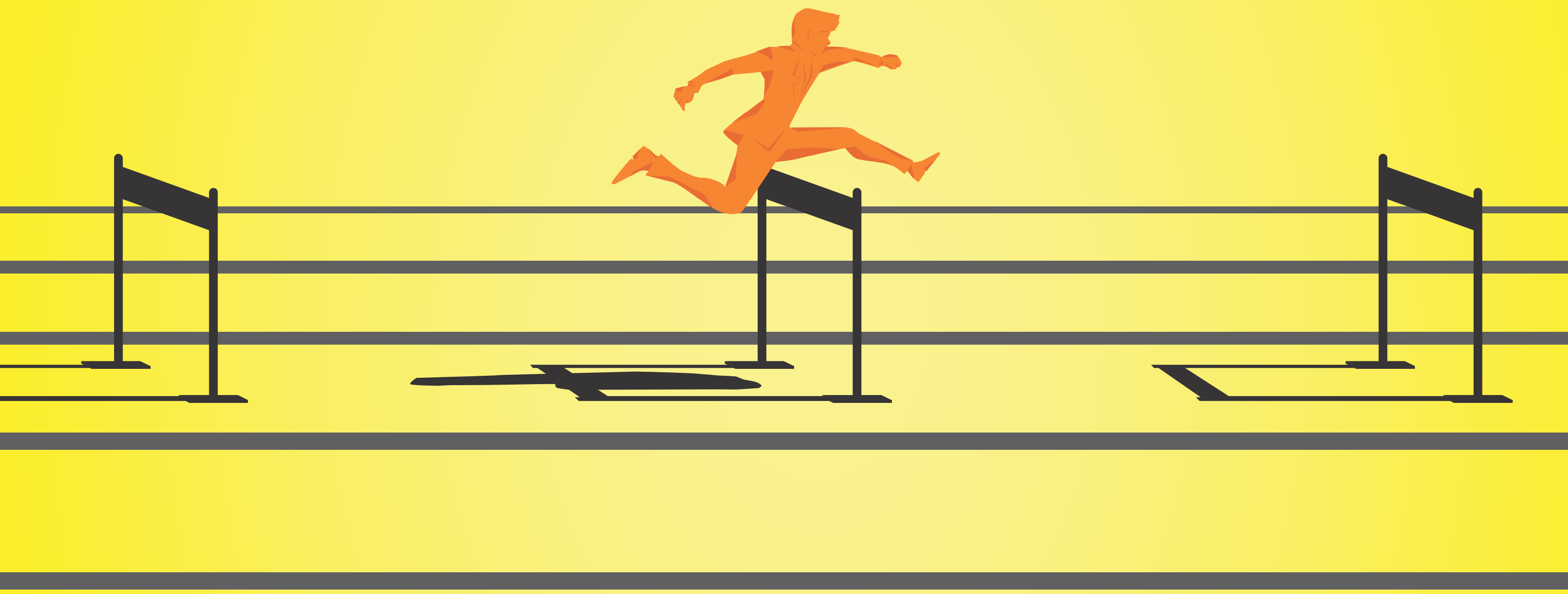
Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 4th May 2020

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To,

The Members

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Capital Markets (Singapore) Pte. Ltd.** which comprises the Balance Sheet as at March 31, 2020, 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, 2020, and profit, and its cash flows for the year ended on March 31, 2020.

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 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.

There are no Key Audit Matter for communication.

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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 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.: 0122384W
UDIN : 20111592AAAADC4545

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

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. (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, 2020 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.: 0122384W
UDIN : 20111592AAAADC4545

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 4th May, 2020

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
I. ASSETS					
1. Financial Assets					
(a) Cash and Cash Equivalent	1	2,310,748	121,406,148	2,224,417	113,951,522
(b) Trade Receivables	2	317,441	16,678,239	233,696	11,971,663
(c) Loan and Advances	3	112,060	5,887,629	124,364	6,370,852
(d) Other Financials Assets	4	33,176	1,743,053	–	–
2. Non - financial assets					
(a) Property, Plant & Equipment	5	59	3,080	582	29,830
Total Assets		**2,773,484**	**145,718,149**	**2,583,059**	**132,323,867**
II. LIABILITIES AND EQUITY					
1. Financial Liabilities					
(a) Other Financials Liabilities	6	216,821	11,391,719	129,586	6,638,373
(b) Short Term Provisions	7	24,198	1,270,247	5,062	259,308
2. Equity					
(a) Share Capital	8	2,250,000	104,087,500	2,250,000	104,087,500
(b) Reserve and Surplus	9	282,465	28,968,683	198,411	21,338,686
Total Liabilities and Equity		**2,773,484**	**145,718,149**	**2,583,059**	**132,323,867**

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: 4th May, 2020

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date: 4th May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

Particulars	Note	For the Period Ended March 31, 2020		For the Period Ended March 31, 2019	
		SGD	(₹)	SGD	(₹)
INCOME :					
Income from Operations	10	590,674	30,515,132	524,813	26,984,377
Other Income	11	11,047	570,682	–	–
TOTAL REVENUE		**601,721**	**31,085,814**	**524,813**	**26,984,377**
EXPENSES :					
Employee Benefits	12	407,979	21,076,808	327,968	16,863,164
Depreciation	13	16,225	838,195	843	43,368
Other Expenses	14	89,950	4,646,947	127,548	6,558,144
TOTAL EXPENSES		**514,154**	**26,561,950**	**456,359**	**23,464,676**
Profit Before Tax		87,567	4,523,864	68,454	3,519,701
Tax Expense:					
Current Tax		3,513	181,506	1,655	85,111
Prior Year					
Profit for the year /period		**84,054**	**4,342,358**	**66,799**	**3,434,590**
Earnings per Equity Share:					
Basic		0.06	3.19	0.05	2.52
Diluted					

As per our attached 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: 4th May, 2020

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date: 4th May, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at March 31, 2020 in ₹	As at March 31, 2019 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	**4,523,864**	**3,519,701**
Add :		
Change in Translation Differences on Foreign Currency Taken to Reserves	3,287,639	4,070,096
Interest Expense	109,567	–
Depreciation	838,195	43,368
Adjustment for working capital changes :		
Increase/ (Decrease) in Current Liabilities	4,753,346	2,374,215
Increase/ (Decrease) in Short Term Provisions	1,010,939	(3,018,019)
(Increase) / Decrease in Short Term Loans and Advances	483,223	(398,739)
(Increase) / Decrease in Trade Receivables	(4,706,576)	13,485,637
(Increase) / Decrease in Other Financials Assets	(1,743,053)	–
(Increase) / Decrease Long Term Loan and Advances	–	–
CASH GENERATED FROM OPERATIONS	**8,557,143**	**20,076,259**
Change in Tax Balance	(181,506)	(85,111)
NET CASH FROM OPERATING ACTIVITIES	**8,375,637**	**19,991,148**
CASH FLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES	–	–
NET CASH FLOW FROM INVESTING ACTIVITIES	**–**	**–**
CASH FROM FINANCING ACTIVITIES		
Cash Payment of lease liability and interest	(921,012)	–
Issue of Shares	–	–
Proceed/ (Repayment) of Unsecured Loans	–	–
Interest Paid	–	–
NET CASH FROM FINANCING ACTIVITIES	**(921,012)**	**–**
NET CASH FLOW FOR THE YEAR	**7,454,625**	**19,991,148**
Balance with Bank in Current Account as at the Opening of the Year	113,662,605	93,681,132
Cash On Hand	288,917	279,242
	113,951,522	**93,960,374**
Balance with Bank In Current Account as at the End of the Year	121,206,370	113,662,605
Cash on Hand	199,778	288,917
	121,406,148	**113,951,522**

As per our Attached Report of Even Date

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

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date: 4th May, 2020

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date: 4th May, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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.

Its immediate and ultimate holding company are Motilal Oswal Financial Services Limited and Passionate Investment Management Private Limited, respectively. These companies are incorporated in India.

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 2019, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are 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 116 – Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of

Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective approach with the date of initial application of 1 April 2019, without restatement of comparative figures for 2019 reporting period as permitted under the specific transition in the standard.

Before adoption of FRS 116, the Company classified lease contract for its leasehold property (as lessee) at the inception date as an operating lease.

On adoption of FRS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of FRS 17 Leases.

The lease liability as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

Operating lease commitments disclosed as at 31 March 2019	₹ 6,19,938
Less: short-term lease	₹ 6,19,938
Lease liability as at 1 April 2019	₹ -

The Company applied the following practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17:

- recognised the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments as at 1 April 2019;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(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 2020 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.

(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

(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:

a) 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.

b) 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)".

c) 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 proceeds 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.

(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

Accounting policy for leases from 1 April 2019

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on their remaining balance of the liability for each period.

Asset and liabilities arising from a lease are initially measure on a present value basis. Lease liabilities include the net present value of fixed lease payments. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liabilities.

The right-of-use asset is subject to testing for impairment if there is an indicator of impairment. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The useful life of the leasehold property is over the lease term of 24 months.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases where the total lease term is less than 12 months and lease contracts for which the underlying asset has a low value. The payments for such leases are recognised in the profit or loss on a straight-line basis over the lease term.

Accounting policy for leases prior to 1 April 2019

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 1 : CASH AND BANK BALANCES

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Cash on Hand	3,802	199,778	5,640	288,917
Balance with Banks				
In Current Accounts	2,306,946	121,206,370	2,218,777	113,662,605
Total	**2,310,748**	**121,406,148**	**2,224,417**	**113,951,522**

NOTE 2 : TRADE RECEIVABLES

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Unsecured,Considered Good,Outstanding for a Period Less than Six Months	317,441	16,678,239	233,696	11,971,663
Total	**317,441**	**16,678,239**	**233,696**	**11,971,663**

NOTE 3 : LOAN AND ADVANCES

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Advance Rent	–	–	3,000	153,685
Prepaid Expenses	6,064	318,620	11,368	582,331
Deposits	105,996	5,569,009	109,996	5,634,836
Total	**112,060**	**5,887,629**	**124,364**	**6,370,852**

NOTE 4 : OTHER FINANCIALS ASSETS

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Right To Usage (Lease)	33,176	1,743,053	–	–
Total	**33,176**	**1,743,053**	**–**	**–**

NOTE 5 : PROPERTY, PLANT & EQUIPMENT

Particulars	GROSS BLOCK				DEPRICIATION				NET BLOCK (MSG)		NET BLOCK (₹)	
	As on April 01, 2019	Additions 2019-20	Deductions 2019-20	As on March 31, 2020	As on April 01, 2019	For the Year 2019-20	Deductions 2019-20	As on March 31, 2020	As on March 31, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019
TANGIBLE ASSETS												
Computer	2,664	–	–	2,664	2,081	523	–	2,604	59	582	3,080	29,830
Total	**2,664**	**–**	**–**	**2,664**	**2,081**	**523**	**–**	**2,604**	**59**	**582**	**3,080**	**29,830**

NOTE 6 : OTHER FINANCIALS LIABILITIES

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
(a) Income received in advance				
Other Payables				
Creditors for Expenses	178,995	9,404,345	127,980	6,556,107
Outstanding Expenses	3,790	199,103	1,606	82,266
Lease Liability	34,036	1,788,271	–	–
Total	**216,821**	**11,391,719**	**129,586**	**6,638,373**

NOTE 7 : SHORT TERM PROVISION

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Provision for Taxes	(10,122)	(532,939)	(4,122)	(211,177)
Provision for Ex Gratia	34,320	1,803,184	9,184	470,483
Total	**24,198**	**1,270,245**	**5,062**	**259,306**

NOTE 8 : SHARE CAPITAL

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Authorized :				
10,00,00,000 Equity Shares of SGD 1 Each		**3,700,000,000**		**3,700,000,000**
Issued, Subscribed and Paid Up:				
Equity shares of SGD 1 each fully paid up (All of the above 2,50,000 shares are held by Motilal Oswal Securities Limited, the Holding company)	250,000	9,887,500	250,000	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)	2,000,000	94,200,000	2,000,000	94,200,000
Total	**2,250,000**	**104,087,500**	**2,250,000**	**104,087,500**

NOTE 9 : RESERVES AND SURPLUS

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Deficit in the statement of profit and loss				
Opening Balance	198,411	10,171,359	131,610	6,736,769
Net Profit for the year	84,054	4,342,358	66,801	3,434,590
		14,513,717		**10,171,359**

Particulars	As at March 31, 2020 SGD	As at March 31, 2020 (₹)	As at March 31, 2019 SGD	As at April 1, 2019 (₹)
Foreign Currency Translation Reserve				
Opening Balance		11,167,327		7,094,625
Add : For the Current Year		3,287,639		4,072,702
Closing Balance		14,454,966		11,167,327
Closing Balance	**282,465**	**28,968,682**	**198,411**	**21,338,686**

NOTE 10 : INCOME FROM OPERATIONS

Particulars	For the Period ended March 31, 2020 SGD	For the Period ended March 31, 2020 (₹)	For the Period ended March 31, 2019 SGD	For the Period ended April 1, 2019 (₹)
Advisory Fees	590,674	30,515,132	524,813	26,984,377
Total	**590,674**	**30,515,132**	**524,813**	**26,984,377**

NOTE 11 : OTHER INCOME

Particulars	For the Period ended March 31, 2020 SGD	For the Period ended March 31, 2020 (₹)	For the Period ended March 31, 2019 SGD	For the Period ended April 1, 2019 (₹)
Other Income	11,047	570,682	–	–
Total	**11,047**	**570,682**	**–**	**–**

NOTE 12 : EMPLOYEE BENEFITS

Particulars	For the Period ended March 31, 2020 SGD	For the Period ended March 31, 2020 (₹)	For the Period ended March 31, 2019 SGD	For the Period ended April 1, 2019 (₹)
Salaries and Incentives	335,296	17,321,920	272,462	14,009,203
Contribution to Provident Fund	19,020	982,602	14,744	758,103
ESOP Expense	50,623	2,615,256	39,809	2,046,843
Staff Welfare	3,040	157,030	953	49,016
Total	**407,979**	**21,076,808**	**327,968**	**16,863,165**

NOTE 13 : DEPRECIATION

Particulars	For the Period ended March 31, 2020 SGD	For the Period ended March 31, 2020 (₹)	For the Period ended March 31, 2019 SGD	For the Period ended April 1, 2019 (₹)
Depreciation on Tangible Assets	16,225	838,195	843	43,368
Total	**16,225**	**838,195**	**843**	**43,368**

NOTE 14 : OTHER EXPENSES

Particulars	For the Period ended March 31, 2020 SGD	For the Period ended March 31, 2020 (₹)	For the Period ended March 31, 2019 SGD	For the Period ended April 1, 2019 (₹)
Rent	37,946	1,960,345	59,048	3,036,070
Legal and Professional Fees	19,843	1,025,103	34,725	1,785,441
Travelling	606	31,325	200	10,283
Auditor's Remuneration	11,000	568,275	18,500	951,215
Repairs and Maintenance	7,083	365,893	4,709	242,122
Insurance	348	17,964	9	455
Communication Charges	4,895	252,903	6,694	344,182
Printing and Stationery	1,197	61,862	956	49,178
Client Entertainment Expenses	2,753	142,247	691	35,509
Foreign exchange (Gain)/Loss	–	–	0	14
Membership and Subscription Charges	428	22,111	678	34,843
Bank Charges	1,730	89,352	1,339	68,832
Interest Expense_Indas	2,121	109,567	–	–
Miscellaneous Expenses	–	–	–	–
Total	**89,950**	**4,646,947**	**127,548**	**6,558,144**

NOTE 15 : TAXATION

Provision for the current tax has been made for ₹ 181,506 , Previous year ₹ 85,111

NOTE 16 : OPERATING LEASES

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

During the year ₹ 196,0345/- (Previous year ₹ 30,36,070/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head " Rent ".

As at March 31, 2020 he total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Operating Lease Commitments

Particulars	For the Period ended March 31, 2020 (₹)	For the Period ended April 1, 2019 (₹)
Payable within 1 year	1,960,345	3,036,070
Payable after 1 year but not later than 5 years		
Total	**1,960,345**	**3,036,070**

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 17 : EARNINGS PER SHARE

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

Particulars	For the Period ended March 31, 2020 (₹)	For the Period ended April 1, 2019 (₹)
Profit attributable to equity shareholders (Rupees)	4,342,358	3,434,590
Weighted average number of equity shares outstanding during the year	1,361,111	1,361,111
Nominal value per share (Rupees)	76.47	76.47
Earnings per share (Basic and diluted) (Rupees)	3.19	2.52

NOTE 18 : TRANSLATION DIFFERENCES

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

NOTE 19 : 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 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 (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Private Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Honkong) Pvt Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited

C) Key management personnel

- Abhijit Tare – Director
- Kadambari Balachandaran – Director

ii) Transactions with related parties for the year ended March 31, 2020

Transactions	Name of the related Party	For the Period ended March 31, 2020 (₹)	For the Period ended April 1, 2019 (₹)
Advisory Fees (charged) / paid	Motilal Oswal Financial Services Limited	(30,515,132)	(26,984,377)
Director's remuneration	Kadambari Balachandaran	3,179,043	3,164,006
Director's remuneration	Sanghavi Ankit Kumarpal	–	5,057,201
Advisory fees outstanding at the year end	Motilal Oswal Financial Services Limited	16,678,239	11,971,663

Note: Income/receipts figures are shown in brackets.

NOTE 20 : AUDITOR'S REMUNERATION

Particulars	For the Period ended March 31, 2020 (₹)	For the Period ended April 1, 2019 (₹)
As Auditors:		
Audit fees	568,275	951,215
In any other capacity, in respect of:		
Other Certification	–	–
TOTAL	**568,275**	**951,215**

NOTE 21

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

Signatures to Notes forming part of the financial statements

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

Premal H Gandhi
Partner
M.No.: 111592

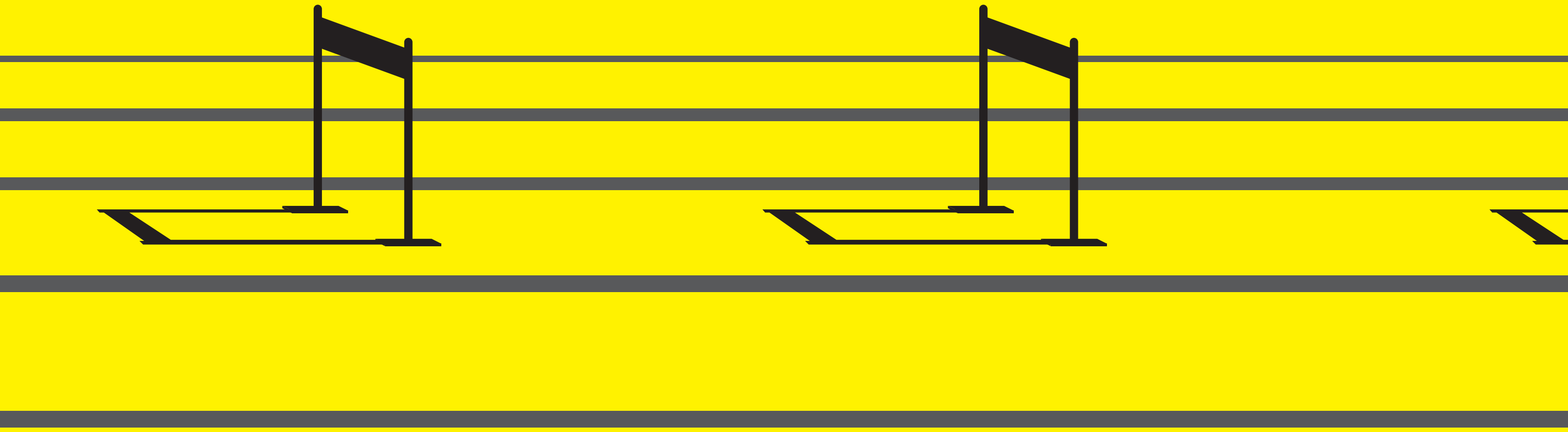
Place : Mumbai
Date : 4th May, 2020

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Abhijit Tare
Director
DIN No. 07682095

Kadambari Balachandran
Director

Place : Mumbai
Date : 4th May, 2020



EQUITY EXPERTS FOR OVER 30 YEARS

MOTILAL OSWAL

SUBSIDIARY COMPANIES
FINANCIAL STATEMENT 2019-20

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