

Motilal Oswal Asset Management Company Ltd.
CIN: U67120MH2008PLC188186
Corp. & Regd. Off.: Motilal Oswal Tower,
10th Floor, Rahimtullah Sayani Road,
Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025
Tel.: +91 81086 22222 / +91 22 40548002
Fax: +91 22 50362365

Motilal Oswal Asset Management Company Limited

Board Report

To the Members,

Your Directors have pleasure in presenting the 12th (Twelfth) Annual Report along with the audited financial statements for the financial year ended March 31, 2020.

Financial Summary and Highlights

The financial performance of the Company for the financial year ended March 31, 2020 is summarised as below:

(Amounts in INR lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Rupees)	(Rupees)
Revenue from Operations	55,060	57,779
Other Income	68	54
Total Revenue	55,128	57,833
Expenses		
(i) Finance Cost	107	12
(ii) Fees and Commission expense	23,402	24,703
(iii) Impairment on financial instruments	-	-
(iv) Employee benefits expense	5,358	4,702
(v) Depreciation and Amortization expense	157	51
(vi) Net loss on fair value change	6,970	-
(vii) Other expenses	5,442	5,032
Total Expenses	41,436	34,500
Profit before Tax	13,692	23,333
Tax Expense	3,581	8,065
Profit after Tax (1)	10,111	15,268
Other Comprehensive Income(2)	11	(12)

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Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Rupees)	(Rupees)
Total comprehensive income for the period (1+2)	10,122	15,256
Balance of profit for earlier years	31,565	24,384
Less: Dividend paid on equity Shares	(12,661)	(6,698)
Less: Dividend Distribution Tax	(2,603)	(1,377)
Balance carried forward	26,423	31,565

For the year ended March 31, 2020, your Company posted a net profit of Rs. 10,111 Lakhs as against Rs. 15,268 Lakhs in the previous year. Appropriations from the net profit have been effected as per the summary given above.

State of Affairs, Principal Activities & Significant Events:

❖ Mutual Fund Activities

Pursuant to Investment Management Agreement dated May 21, 2009 executed between Motilal Oswal Asset Management Company Limited (**MOAMC or Company**) and Motilal Oswal Trustee Company Limited, as amended by Deed of First Variation dated December 7, 2009, Deed of Second Variation dated December 17, 2009 and Deed of Third Variation dated August 21, 2018, the Company acts as an Investment Manager to the Schemes of Motilal Oswal Mutual Fund (**MOMF**) under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. MOMF had 19 Schemes as on March 31, 2020 with the Assets under Management (**AUM**) of Rs. 15,980.67 crores and the total number of investors are 1,038,133.

The Scheme wise details as on March 31, 2020 are as under:

Sr. No.	Name of Scheme	AUM of the Scheme (Rs. In Crores)	No. of Folios
1.	Motilal Oswal Dynamic Fund	1,036.98	39,495
2.	Motilal Oswal Equity Hybrid Fund	278.15	22,096
3.	Motilal Oswal Focused 25 Fund	988.79	59,622
4.	Motilal Oswal Large and Midcap Fund	346.23	32,971
5.	Motilal Oswal Liquid fund	468.26	7,885
6.	Motilal Oswal Long Term Equity Fund	1,264.00	220,782
7.	Motilal Oswal Midcap 30 Fund	1,330.33	57,916
8.	Motilal Oswal Multicap 35 Fund	9,126.48	489,086
9.	Motilal Oswal Nasdaq 100 Fund of Fund	301.64	36,731
10.	Motilal Oswal Nifty 50 Index Fund	29.42	8,357
11.	Motilal Oswal Nifty 500 Fund	28.75	10,819
12.	Motilal Oswal Nifty Bank Index Fund	31.78	10,352
13.	Motilal Oswal Nifty Midcap 150 Index Fund	36.43	5,317
14.	Motilal Oswal Nifty Next 50 Index Fund	22.17	4,929
15.	Motilal Oswal Nifty Smallcap 250 Index Fund	20.91	4,476

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16.	Motilal Oswal Ultra Short Term Fund	63.64	4,827
17.	Motilal Oswal M50 ETF	21.44	3,249
18.	Motilal Oswal Midcap 100 ETF	27.95	6,032
19.	Motilal Oswal Nasdaq 100 ETF	557.31	13,191
	Total	15,980.67	1,038,133

❖ Portfolio Management Services

The company is registered as a Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993 and acts as a Portfolio Manager to the Strategies of Portfolio Management Services (PMS) of the Company. The Company provided PMS to 41,944 clients and managed assets of Rs. 10,850.22 crores and Advisory Services to 11 Corporate Clients for assets of Rs. 624.10 crores as on March 31, 2020.

❖ Alternative Investment Fund

The Company acts as an Investment Manager to the Schemes of Motilal Oswal Alternative Investment Trust (MOAIT) and is registered under SEBI (Alternative Investment Funds) Regulations, 2012 as Category III AIF. MOAIT had 8 Schemes with AUM of Rs. 1,891.36 crores and the total numbers of investors were 1,962 as on March 31, 2020.

The Scheme wise details as on March 31, 2020 are as under:

Sr. No.	Name of Scheme	AUM of the Scheme (Rs. In Crores)	No. of Investors
1.	Motilal Oswal Focused Growth Opportunities Fund	228.86	199
2.	Motilal Oswal Focused Multicap Opportunities Fund	346.96	456
3.	Motilal Oswal Focused Business Advantage Fund	460.75	274
4.	Motilal Oswal Focused Emergence Fund	321.35	475
5.	Motilal Oswal Select Opportunities Fund	283.47	154
6.	Motilal Oswal Rising India Fund	138.85	118
7.	Motilal Oswal Equity Opportunities Fund	71.95	174
8.	Motilal Oswal Select Opportunities Fund - Series II	39.17	112
	Total	1891.36	1,883

Dividend & Reserves

Your Directors had declared and paid an interim dividend during the financial year ended March 31, 2020 of Re. 0.80/- per Equity Share (80%) of face value of Re. 1/- each in the month of July 2019 involving a total outflow of Rs.5,345.31 Lakhs.

Further, an interim dividend of Rs. 1.08/- per Equity Share (108%) of face value of Re.1/- each in the month of January 2020 was also declared and paid, involving a total outflow of Rs. 7,315.79 Lakhs.

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Cumulatively, the board of directors of your Company have declared a Total Dividend of Rs.188/- per Equity Share (188%) for the year under review involving a total outflow of Rs. 15,264 Lakhs (including the Dividend Distribution Tax of Rs. 2,603 Lakhs)

The Company hereby state that there is no unclaimed/unpaid dividend amount lying with the Company and no final dividend is recommended for the year under review.

The Board of Directors of your company, have decided not to transfer any amount to the General Reserves for the financial year 2019-20

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this Report.

Changes in Capital Structure

During the year under review, the Authorised Share Capital of the Company was increased from 67,60,00,000 equity shares of Rs. 67,60,00,000/- to 70,60,00,000 equity shares of Rs. 70,60,00,000/- in order to meet the long term financial requirements and allotment of ESOP's to the employees of the Company. The Shareholders of the Company in the Annual General Meeting held on September 27, 2019 have approved the aforesaid change of capital.

The paid up, issued and subscribed Share Capital of the Company as on March 31, 2020 was Rs. 67,73,87,883/-.

During the year under review, the Company allotted 1,15,24,259 equity shares of Re. 1 at premium under employee stock option scheme (ESOP) of the Company on May 13, 2019, and December 6, 2019. Accordingly, the paid up share capital of the Company has increased from Rs. 66,58,63,624/- to Rs. 67,73,87,883/- as on March 31, 2020.

The Company has converted all its equity shares into dematerialised form and thus the fresh allotment of the Company has been made in dematerialised mode only.

Details of Employee Stock Options

The disclosures in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are as below. The Employee Stock Option Scheme is administered by the ESOP Committee.

Particulars	Scheme I	Scheme II
options granted;	31,000,000	34,500,000
options vested;	-	

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options exercised;	21,00,000	94,24,259
The total number of shares arising as a result of exercise of option;	21,00,000	94,24,259
options lapsed;	-	-
the exercise price;	13.397	1.846 and 13.397
variation of terms of options;	NA	NA
money realized by exercise of options;	Rs.28,133,700	Rs.19,707,382
total number of options in force;	13,50,000	8,25,741
Employee wise details of options granted to		
(i) key managerial personnel;		Mr. Aashish P Somaiyaa is the Chief Executive Officer of the Company and he was granted options of 92,24,259
(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	-	-
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	1.Manish Sonthalia 2.Siddharth Bothra 3.Akhil Chaturvedi 4.Praveen Ladia 5.Chandrakant Soni	

Holding Company

The Company is a subsidiary of Motilal Oswal Financial Services Ltd (MOFSL) as on March 31, 2020.

Details of Subsidiary, Joint Venture or Associate Companies

As on March 31, 2020, the Company has the following Subsidiary Companies:

1. Motilal Oswal Asset Management (Mauritius) Private Limited

The Company had incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius.

2. Motilal Oswal Capital Limited

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The Company has incorporated a wholly owned subsidiary in India which currently undertakes Investment Advisory Services to offshore clients.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statement of subsidiary companies in Form AOC-1 is enclosed as 'Annexure A' to this Report.

The Company does not have any joint ventures or associate companies as on March 31, 2020.

Directors and Key Managerial Personnel

a) Key Managerial Personnel

As per Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company as on March 31, 2020:

- a) Mr. Aashish P Somaiyaa Chief Executive Officer and Managing Director
- b) Ms. Aparna Karmase, Head – Compliance, Legal & Secretarial
- c) Mr. Yatin Dolia, Head – Chief Financial Officer

b) Retire by Rotation

Mr. Raamdeo Agarawal (DIN: 00024533), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Directors recommend him for re-appointment.

c) Appointment of Additional Director

Mr. Himanshu Vyapak was appointed as Additional Director in the category of Independent Director on the Board of the Company w.e.f October 17, 2019 who holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director of the Company. We seek your confirmation for appointment of Mr. Himanshu Vyapak as an Independent Director for a term of five consecutive years.

d) Resignation

Mr. Aashish P Somaiyaa has tendered his resignation as a Managing Director and Chief Executive Officer w.e.f. July 30, 2020 due to his personal considerations and to proceed on a different path. The Board placed on record its sincere appreciation of the valuable services rendered by Mr. Aashish Somaiyaa and his contribution to the Company during his tenure.

e) Appointment of Managing Director and Chief Executive Officer

The Board of Directors of your company at their meeting held on July 30, 2020 appointed Mr. Navin Agarwal as an Additional Director and also designated him as a Managing Director and Chief Executive Officer of the Company for a period of 3 years, subject to the approval of

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members in ensuing Annual General Meeting. It is proposed to appoint Mr. Navin Agarwal as Managing Director and Chief Executive Officer of the Company for a period of 3 years w.e.f. July 31, 2020.

f) Re-appointment

The Shareholders in their Extraordinary General meeting held on June 28, 2019, have re-appointed Mr. Ashok Jain (DIN: 00025125)) as an Independent Director of the Company for a second term commencing from July 14, 2019 till August 2, 2022.

Thus as on March 31, 2020, the Company has 6 (Six) Directors comprising of 1 (One) Chairman, 1 (One) Managing Director, 1(one) Non-executive Director and 3 (Three) Independent Directors.

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

The Company has received the statement of declaration under section 149(7) of the Companies Act, 2013 from Mr. Himanshu Vyapak, Mr. Ashok Jain and Mr. Abhaya P Hota, Independent Directors of the Company for the period under review.

Number of Board Meetings

The Board of Directors met Five times in the financial year 2019-2020.

The details of the meetings are as below:

Number of Meeting	Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
51 st	April 25, 2019	5	5
52 nd	June 6, 2019	5	4
53 rd	July 23, 2019	5	4
54 th	October 17, 2019	5	5
55 th	January 18, 2020	6*	5

The Attendance of the Directors at the Board meeting is as below:

Name	No. of Board meetings entitled to attend during the year	No. of meetings attended
Mr. Raamdeo Agarawal	5	5
Mr. Aashish P Somaiyaa	5	5
Mr. Ashok Jain	5	4
Mr. Abhaya P Hota	5	4
Ms. Rekha Shah	5	4
Mr. Himanshu Vyapak*	1	1

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Notes:

1. Mr. Himanshu Vyapak has been appointed as a Director of the Company w.e.f October 17, 2019.

Extraordinary General Meeting

During the year under review, 1(one) Extraordinary General Meeting was held on June 28, 2019.

Committees of the Board

i. Audit Committee

The Audit Committee presently comprises of Mr. Ashok Jain, Mr. Raamdeo Agrawal, Mr. Abhaya P Hota and Ms. Rekha Shah, Directors of the Company.

The Company has established a vigil mechanism and the committee overseas, the genuine concerns expressed by the employees and the Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who reports their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

During the year under review, 4 meetings of Audit Committee were held.

Number of Meeting	Dates on which the Meetings were held	Total Strength of the Committee	No. of Members Present
41 st	April 25, 2019	4	4
42 nd	July 23, 2019	4	3
43 rd	October 17, 2019	4	4
44 th	January 18, 2020	4	4

ii. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors presently comprises of Mr. Raamdeo Agrawal, Mr. Abhaya P. Hota and Mr. Ashok Jain, Directors of the Company.

During the year under review, two meetings of Nomination and Remuneration Committee were held:

Number of Meeting	Dates on which the Meetings were held	Total Strength of the Committee	No. of Members Present
18 th	June 6, 2019	3	3

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19 th	October 17, 2019	3	3
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iii. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors presently comprises of Mr. Raamdeo Agrawal, Mr. Aashish Somaiyaa and Mr. Ashok Jain, Directors of the Company.

During the year under review, two meetings of Corporate Social Responsibility Committee were held:

Number of Meeting	Dates on which the Meetings were held	Total Strength of the Committee	No. of Members Present
6 th	April 25, 2019	3	3
7 th	July 23, 2019	3	3

iv. Employee Stock Option Plan (ESOP) Committee

The ESOP Committee of the Board of Directors presently comprises of Mr. Raamdeo Agarawal, Mr. Aashish P Somaiyaa, Mr. Ashok Jain and Mr. Abhaya P. Hota, Directors of the Company.

During the year under review, two meetings of ESOP Committee were held:

Dates on which the Meetings were held	Total Strength of the Committee	No. of Members Present
May 13, 2019	4	4
December 6, 2019	4	4

Directors' Responsibility Statement

Pursuant to section 134(3) (c) and 134(5) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the Profit of the Company for the year ended on that date;

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- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (v) the annual accounts have been prepared on a going concern basis and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Performance Evaluation

In accordance with the provisions of section 134(3)(p) of the Companies Act, 2013, the formal annual performance evaluation was conducted of the Board as well as of its Committees and the Directors individually. A structured questionnaire was prepared and circulated to the Directors to get their views/inputs on various aspects such as providing of strategic directions, process, performance, governance & compliance and overall performance etc. of the Board and various aspects with respect to the terms of the Committees. The performance evaluation of the Independent Directors and chairman was also carried out by the entire Board.

The Nomination and Remuneration Committee and the Board of Directors carried out an evaluation of the entire Board, various committees' and the Directors of the Company.

The Directors were satisfied with the evaluation results and expressed their satisfaction with the evaluation process.

Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and subsequent modifications thereof and such systems are adequate and operating effectively.

Secretarial Audit

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with rules there under, the Company has appointed M/s. D.A. Kamat, Company Secretaries, for conducting the secretarial audit of the Company for the financial year 2018-2019.

There were no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Audit Report of the Company.

The Secretarial Audit Report for the financial year 2019-20 is enclosed as 'Annexure B' to this Report.

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Particulars of Loans, Guarantees or Investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in notes to financial statements.

Related Party Transactions

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

During the year, there was no material transaction with any related parties and all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis, hence, disclosure in Form AOC-2 is not applicable to the Company.

All related party transactions are placed before the Audit Committee for approval.

Consolidation of Accounts

Pursuant to Section 129 of the Companies Act, 2013 and Rule 110 of the Companies (Indian Accounting Standards) Rules, 2015, the Company has availed the exemption of preparing consolidated statement of accounts.

Corporate Social Responsibility (CSR) Initiatives

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

As the part of the initiatives under Corporate Social Responsibility, the Company together with Motilal Oswal Group is making dedicated efforts in contributing to various areas like eradicating hunger and poverty, education and health care.

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

During the year under review, the Company has made contribution to the following:

- 1) Parkinson's Disease & Movement Disorder Society
- 2) Ramakrishna Mission
- 3) Sambhar Samaj Charitable Trust
- 4) Friends Of Tribals Society
- 5) Gramin Vikas Vigyan Samiti
- 6) Kalinga Institute Of Social Sciences
- 7) Indian Naval Benevolent Association

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The Annual Report on CSR activities is enclosed as ‘Annexure C’ to this Report.

Company’s Nomination & Remuneration Policy relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties

The Company’s Nomination & Remuneration Policy relating to appointment of Directors, payment of Managerial remuneration, Directors’ qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is enclosed as ‘Annexure D’ to this Report.

Development and Implementation of Risk Management Policy

The Company on a regular basis reviews its entity-wide Risk Management framework with an endeavor to enhance the control environment via risk mitigation and reducing the impact of risks within acceptable levels wherein due emphasis has been given on identification, assessment and economic control of those risks that endanger the assets and earning capacity of the business. In the opinion of the Board, there are no elements of risk that threaten the existence of the company and also, a strategy to mitigate such risks, if any, are in place.

Statutory Auditors

M/s. Walker Chandio & Co. LLP (Auditing arm of Grant Thornton) has been appointed as Statutory Auditor of the Company, to hold the office for the term of five years.

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

The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The Notes on financial statement referred to in the Auditors’ Report are self-explanatory and do not call for any further comments. The Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimer.

Auditors Report

The Auditors Report to the Members on the Accounts of the Company for the financial year ended March 31, 2020 does not contain any qualification and is self-explanatory, hence does not call for any comment of the Board.

Internal Financial Control and its adequacy

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

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Disclosure under Cost Records cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013

To the best of our knowledge the Company is not required to maintain cost records in accordance with and as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the company by its officers or employees.

Public Deposits

The Company has neither invited nor accepted any deposits from the public or its employees during the year under review.

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

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

There was inflow of foreign exchange of Rs. 40,37,439/- during the year under review. Details of the foreign exchange outflow are given in the notes to Accounts.

Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as 'Annexure E' to this report in the prescribed Form MGT-9. The Annual Return will be uploaded on the website of the Company <https://www.motilaloswalmf.com>.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. The Company commends the commitment, dedication and competence shown by its employees in all aspects of business.

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Tel.: +91 81086 22222 / +91 22 40548002
Fax: +91 22 50362365

Details of significant and material orders passed by the Regulators or Courts or Tribunals

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the financial year ended March 31, 2020.

Corporate Insolvency Resolution Process Initiated Under The Insolvency And Bankruptcy Code, 2016 (IBC)

There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

Policy on Prevention of Sexual Harassment of Women at Workplace

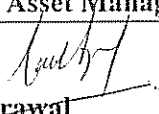
The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wishes to register a complaint under the policy. There were no complaints received by the Company, during the FY 2019-20.

Acknowledgements

Your Directors take this opportunity to place on record their gratitude for the valuable assistance, support and guidance received from Securities & Exchange Board of India, Reserve Bank of India and all government and regulatory bodies.

The Directors wish to place on record their sincere appreciation of the valuable services rendered by all the employees of the Company.

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


Raamdeo Agarwal
Chairman
(DIN: 00024533)

Place: Mumbai
Date: July 30, 2020

ANNEXURE A

Financial Highlights of Subsidiary for year ended March 31, 2020

Form AOC-J

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Rs. In millions)			
1	Name of the subsidiary	Motilal Oswal Asset Management (Mauritius) Private Limited	Motilal Oswal Capital Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 USD = 75.3250	
4	Share capital	47.94	80.00
5	Reserves & surplus	(18.95)	0.66
6	Total assets	34.87	81.32
7	Total Liabilities	5.87	0.34
8	Investments	0.01	20.15
9	Turnover	25.11	7.66
10	Profit before taxation	(0.92)	3.48
11	Provision for taxation	-	1.09
12	Profit after taxation	(0.92)	2.39
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

Notes:-

1. There are no subsidiaries which are yet to commence the operation during the year under review.
2. There are no subsidiaries which were liquidated or sold off during the year under review.
3. Share application money is not included in total liability as well as share capital amount of Rs. 10.35 millions
4. Turnover includes other income.
5. Percentage of shareholding is Effective Shareholding.

ANNEXURE C

Annual Report on CSR Activities

- | | |
|---|---|
| 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | The Company recognizes the responsibilities towards society and strongly intends to contribute to nurture children with multiple disabilities and visual impairment and thus providing new lease of life for such children's. |
| 2. The Composition of the CSR Committee. | The Company's endeavour is to provide help towards this section of the society which has not yet gained much importance.

The Committee comprises of three directors: Mr. Raamdeo Agarawal and Mr. Aashish Somaiyaa and Mr. Ashok Jain. |
| 3. Average net profit of the company for last three financial years | 1,68,21,74,412/- |
| 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) | 3,36,43,488/- |
| 5. Details of CSR spent during the financial year.
(a) Total amount spent for the financial year

(b) Amount unspent , if any;
(c) Manner in which the amount spent during the financial year is detailed below | 5,54,75,662/- |



Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Subheads: 1. Local area or other 2. Specify the State and where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on project or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	SEVA SAHYOG FOUNDATION		Donation for school				16,39,943
2	VASANT RAO PAWAR		Donation for Medical Expense				1,00,000
3	RAMAKRISHNA MISSION		construction of school				2,50,82,616

5	THE SUNDARBAN BINODPUR SHIBOM SOCIETY	Donation for welfare activities					2.00,000
6	PARIVAAR EDUCATION SOCIETY	Donation for school building construction					62,71,003
7	DIXITA DILIP YELKAR	Donation for Medical Expense					50,000

8	DHAMMA PATTANA VIPASSANA TRUST		Environmental Sustainability drip irrigation				1,649,926
9	Shirgaon Shikshan Mandal		Construction of sanitary units in school				3,60,000
10	Reimagining Higher Education Foundation		Construction of technical institution				1,22,174
11	PM CARES		Donation for Distress situation like posed by the COVID-19 PANDEMIC.				2,00,00,000
	*Give details of implementing agency:						

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

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

<p>For and on behalf of the Board Motilal Oswal Asset Management Company Limited</p>	
 Raamdeo Agarawal Director (DIN: 00024533)	 Ashok Jain Chairman – CSR Committee (DIN: 00025125)

MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED

NOMINATION AND REMUNERATION POLICY

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

1. OBJECTIVE

The Nomination and Remuneration Committee (NRC) and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. such other officer as may be prescribed.

2.5. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. **ROLE OF COMMITTEE**

3.1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. **Policy for appointment and removal of Director, KMP and Senior Management**

3.2.1. **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. **Term / Tenure**

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding three/ five years at a time.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and

disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

3.2.4. Removal

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

3.2.5. Retirement

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

3.3. Policy relating to the Remuneration for the Whole-time Director, Managing Director, KMP and Senior Management Personnel

3.3.1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

3.3.2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum 3 Members.

4.2 Minimum 2 members shall constitute a quorum for the Committee meeting.

4.3 Term of the Committee shall be continued unless terminated by the Board of

Directors.

5. CHAIRPERSON

- 5.1 The members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.2 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

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

7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

- 8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 8.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 9.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 9.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 9.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 9.4 Determining the appropriate size, diversity and composition of the Board;
- 9.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 9.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 9.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 9.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

- 9.9 Recommend any necessary changes to the Board; and
- 9.10 Considering any other matters, as may be requested by the Board.

10. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 10.1 Consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 10.2 Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 10.3 Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- 10.4 Consider any other matters as may be requested by the Board.

11. REVIEW AND AMENDMENT

- 11.1 The NRC or the Board may review the Policy as and when it deems necessary.
- 11.2 The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- 11.3 This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

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



Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place: Mumbai

Date: April 25, 2019

ANNEXURE E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** U67120MH2008PLC188186
- ii) **Registration Date:** 14/11/2008
- iii) **Name of the Company:** Motilal Oswal Asset Management Company Limited
- iv) **Category / Sub-Category of the Company:** Company Limited by shares/ Indian Non Govt. Company
- v) **Address of the registered office and contact details:** 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025
Tel. No.: +91 22 71934130/+91 22 71985501
- vi) **Whether listed company Yes / No:** No
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**
Link Intime India Pvt Ltd. C 101, 247 Park,
LBS Rd, Surya Nagar, Gandhi Nagar,
Vikhroli West, Mumbai, Maharashtra 400083
E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment Manager to Motilal Oswal Mutual Fund	66301	23.16
2	Portfolio Manager	66309	67.19

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR . N O	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDIN G/ SUBSIDIA RY/ ASSOCIA TE	% OF SHAR ES HELD	APPLIC ABLE SECTIO N
1	Motilal Oswal Financial Services Limited	L67190MH2005PLC153397	Holding	98.64	2(46)
2	Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	127396 C1/GBL	Subsidiary	100	2(87)
3	Motilal Oswal Capital Limited	U65100MH2016PLC285990	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp.	65,00,00,000	-	65,00,00,000	97.62	66,81,63,624	-	66,81,63,624	98.64	+1.02
Sub-total (A) (1):-	65,00,00,000	-	65,00,00,000	97.62	66,81,63,624	-	66,81,63,624	98.64	+1.02
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	65,00,00,000	-	65,00,00,000	97.62	66,81,63,624	-	66,81,63,624	98.64	+1.02
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	1,58,63,624	-	1,58,63,624	2.38	92,24,259	-	92,24,259	1.36	(1.02)
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,58,63,624	-	1,58,63,624	2.38	92,24,259	-	92,24,259	1.36	(1.02)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	665,863,624		665,863,624	100	677,387,883		677,387,883	100	-

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	
--------	--------------------	---	-------------------------------------	--

		No. of Shares	% of total Shares of the compa ny	%of Shares Pledge d / encum bered to total shares	No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumb ered to total shares	% change in share holding during the year
	Motilal Oswal Financial Services Limited	64,99,99,940	97.62	-	668,163,564	98.64	-	1.02%
	Motilal Oswal Financial Services Limited jointly with Mr. Motilal Oswal	10	0.00	-	10	0.00	-	-
	Motilal Oswal Financial Services Limited jointly with Mr. Raamdeo Agrawal	10	0.00	-	10	0.00	-	-
	Motilal Oswal Financial Services Limited jointly with Mrs. Vimla Oswal	10	0.00	-	10	0.00	-	-
	Motilal Oswal Financial Services Limited jointly with Mrs. Suneeta Agrawal	10	0.00	-	10	0.00	-	-
	Motilal Oswal Financial Services Limited jointly with Mr. Navin Agarwal	10	0.00	-	10	0.00	-	-
	Motilal Oswal Financial Services Limited jointly with Mr. Ajay Menon	10	0.00	-	10	0.00	-	-
	Total	65,00,00,000	97.62	-	66,81,63,624	98.64	-	1.02%

iv) Shareholding Pattern of top ten Sharetors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	*For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Aashish Somaiyaa	13,763,624	2.067	9,224,259	1.36
2.	Manish Sonthalia	10,00,000	0.15	0.00	0.00
3.	Gautam Sinha Roy	2,00,000	0.03	0.00	0.00
4.	Siddharth Bothra	2,00,000	0.03	0.00	0.00
5.	Shrinath Mithanthaya	2,00,000	0.03	0.00	0.00
6.	Akhil Chaturvedi	2,00,000	0.03	0.00	0.00
7.	Praveen Ladia	2,00,000	0.03	0.00	0.00
8.	Chandrakant Soni	2,00,000	0.03	0.00	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Aashish Somaiyaa	13,763,624	2.067	9,224,259	1.36

V. INDEBTEDNESS

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

Details	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	Nil	-	Nil
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	23856		23856
Total (i+ii+iii)		23856		23856
Change in Indebtedness during the financial year				
• Addition	-	2,78,61,00,000		2,78,61,00,000
• Reduction	-	2,78,58,30,424		2,78,58,30,424
Net Change		2,69,575		2,69,575
Indebtedness at the				

end of the financial year				
i) Principal Amount	-	Nil	-	Nil
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,93,431.55	-	2,93,431.55
Total (i+ii+iii)		2,93,431.55	-	2,93,431.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

A. *REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

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

*kindly refer the caption 'Particulars of Employees' of the Board Report.

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Himanshu Vyapak	Mr. Ashok Jain	Mr. Abhaya Prasad Hota	Rekha Shah	
1.	Independent Directors					
	• Fee for attending board / committee meetings	Rs. 50,000	Rs. 2,40,000	Rs. 2,30,000	Rs. 2,35,000	Rs. 7,55,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-

	Total (1)	Rs. 50,000	Rs. 2,40,000	Rs. 2,30,000	Rs. 2,35,000	Rs. 7,55,000
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	-	-	-		-
	Total (2)	-	-	-		-
	Total (B)=(1+2)	Rs. 50,000	Rs. 2,40,000	Rs. 2,30,000	Rs. 2,35,000	Rs. 7,55,000
	Overall Ceiling as per the Act (per Board meeting)	Within the overall limit of 1% of the Net Profits of the Company				

C. *REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	-	-	-	-

**kindly refer the caption 'Particulars of Employees' of the Board Report.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NIL

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

Raamdeo Agarawal
Chairman
(DIN: 00024533)



Place: Mumbai

Date: July 30, 2020

Walker Chandiook & Co LLP
16th floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's 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.



Page 1 of 8

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.



Walker Chandio & Co LLP

Motilal Oswal Asset Management Company Limited Independent Auditor's Report on the Audit of the Financial Statements

- 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;

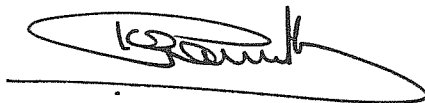


Walker Chandiok & Co LLP

Motilal Oswal Asset Management Company Limited Independent Auditor's Report on the Audit of the Financial Statements

- 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 No:20042423AAAACD3605

Place: Mumbai
Date: 29 April 2020

Walker Chandio & Co LLP

Motilal Oswal Asset Management Company Limited Independent Auditor's Report on the Audit of the Financial Statements

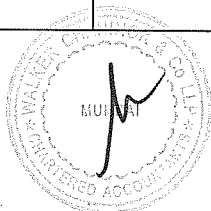
Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company Limited, on the financial statements for the year ended 31 March 2020

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 Rs.497,702



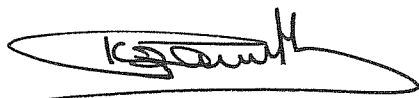
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Motilal Oswal Asset Management Company Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure I (Contd)

- (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 No:20042423AAAACD3605

Place: Mumbai
Date: 29 April 2020

Walker Chandiook & Co LLP

Motilal Oswal Asset Management Company Limited Independent Auditor's Report on the Audit of the Financial Statements

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

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



Walker ChandioK & Co LLP

Motilal Oswal Asset Management Company Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure II (Contd)

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.

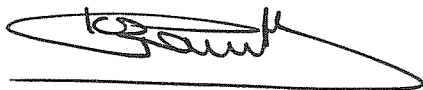
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

UDIN No:20042423AAAACD3605

Place: Mumbai
Date: 29 April 2020

Motilal Oswal Asset Management Company Limited
Balance Sheet

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

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
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

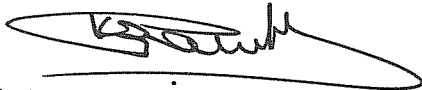
The accompanying notes 1 to 53 form an integral part of the financial statements

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



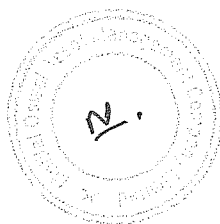
Khushroo B. Panthaky

Partner

Membership No.: 42423

Place : Mumbai

Date : 29 April 2020



For and on behalf of the Board of Directors of

Motilal Oswal Asset Management Company Limited


Aashish Somaiya
Managing Director and Chief Executive
Officer

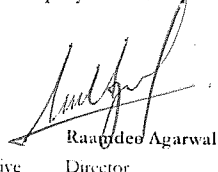
DIN No : 06705119


Aparna Karmase

Company Secretary and Compliance Officer

Place : Mumbai

Date : 29 April 2020


Raagdeo Agarwal
Director

DIN No : 0024533


Yatin Dolia

Chief Financial Officer

Motilal Oswal Asset Management Company Limited

Statement of Profit and Loss

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

Particulars	Note No.	For the year ended	For the year ended
		31 March 2020	31 March 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 (Re. 1 each)	39		
Basic (amount in Rs.)		1.51	2.32
Diluted (amount in Rs.)		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 Chandiook & 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

Aparna Karmase

Company Secretary and

Compliance Officer

Place : Mumbai

Date : 29 April 2020

Ramdeo Agarwal

Director

DIN No : 0024533

Yatin Dolia

Chief Financial Officer

Motilal Oswal Asset Management Company Limited
Statement of Cash Flow
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 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	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)	(3,27,703)	(5,60,710)
Proceeds (including profit) from sale of mutual fund units (current investments)	3,26,821	5,53,524
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	(1,167)	(8,136)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	115	151
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	(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
Total	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/S/000013

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

Anshish Somaiyaa

Managing Director and Chief

Executive Officer

DIN No : 06705119

A.D. Karmase

Company Secretary and

Compliance Officer

Place : Mumbai

Date : 29 April 2020

Ramdeo Agarwal

Director

DIN No : 0024533

Yatin Dolia

Chief Financial Officer

Motilal Oswal asset management company limited
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	66,58,63,624	6,659
Stock options exercised under the ESOS	1,15,24,259	115
As at 31 March 2020	67,73,87,883	6,774

(B) Other Equity

Particulars	Reserves and Surplus				Total	
	31 March 2020				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
Changes in accounting policy/prior period errors						
Issue of equity share, net of transaction cost	481			374		
Stock option expense for the year		(120)			168	
Profit for the year			10,111			15,268
Other comprehensive income	-		11			(12)
Dividends	-		(12,661)			(6,698)
Distribution Tax on Dividend	-		(2,603)			(1,377)
Balance at the end of the reporting period	855	437	26,423	374	557	31,565
					32,496	24,773
					481	374
					(120)	168
					10,111	15,268
					11	(12)
					(12,661)	(6,698)
					(2,603)	(1,377)
					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

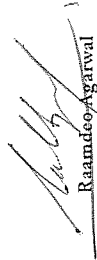


For and on behalf of the Board of Directors of
Motilal Oswal Asset Management Company Limited


Ashish Somaiyaa
Managing Director and Chief Executive
DIN No : 06705119


Aparna Karmase
Company Secretary and Compliance Officer
DIN No : 0024553


Yatin Dolia
Chief Financial Officer
Place : Mumbai
Date : 29 April 2020


Raamdeo Agrawal
Director

Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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.

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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

(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 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.

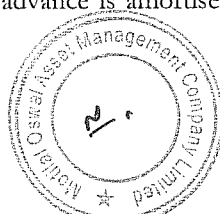
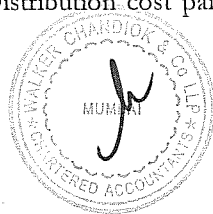
(v) Dividend income

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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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.

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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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.

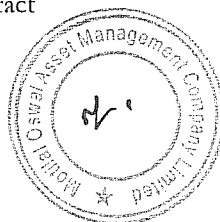
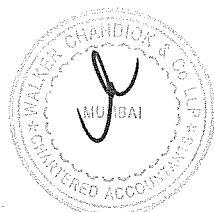
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

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 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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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.

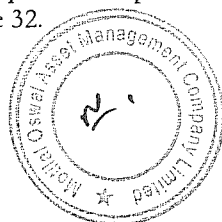
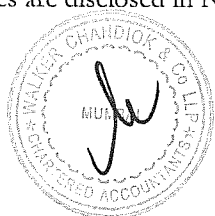
Fair value of financial instruments:

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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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

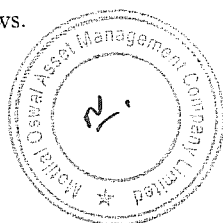
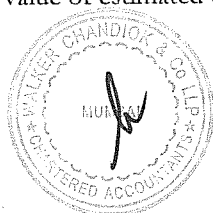
Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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**

All financial liabilities are 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**

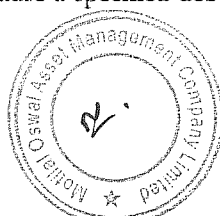
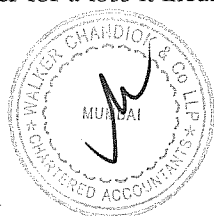
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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

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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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

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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

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 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 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 determined, 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.

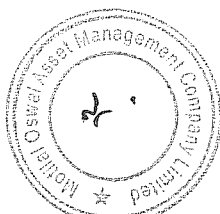
Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

(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)

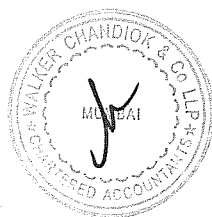
The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as 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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

(ii) Translation and balances

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

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

2.17. Dividends

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

2.18. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.19. Segment Reporting

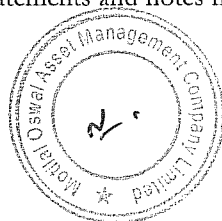
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company.

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

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

2.20. Rounding of amounts

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



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

2.21. Events after reporting date

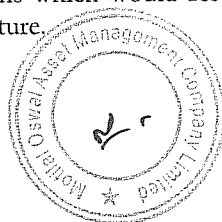
Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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:

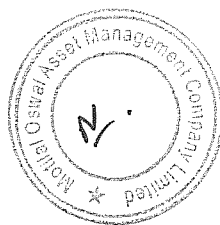
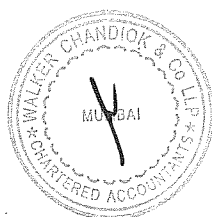
- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent losses that are considered 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.
- (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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

(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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(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	3	2
	Balance with banks		
	In current accounts	720	977
		723	979

Note : 5	Trade Receivables	As at 31 March 2020	As at 31 March 2019
	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)
		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 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 March 2020	As at 31 March 2019
	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

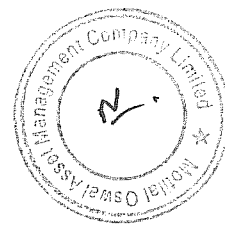


Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in INR Lakhs, unless otherwise stated)

Note 7 : Investments

Non Trade Investments (at cost)

Non Trade Investments (at cost)		Subsidiary / Others		As at 31 March 2020		As at 31 March 2019	
Particulars				Units	Amount	Units	Amount
Investment in mutual funds - at fair value through Profit and Loss (1)							
Motilal Oswal Midcap 30 Fund - Direct Plan Growth		Others	3,10,85,035	6,449	3,10,85,035	8,410	
Motilal Oswal Multicap 35 Fund - Direct Dividend Reinvestment		Others	-	-	41,247	10	
Motilal Oswal Equity Hybrid Fund - Direct (G)		Others	5,00,000	49	5,00,000	52	
Motilal Oswal Multicap 35 Fund - Direct Growth		Others	5,73,91,017	11,832	6,85,68,232	18,679	
Motilal Oswal Focused 25 Fund		Others	1,75,32,193	3,564	1,75,32,193	4,075	
Motilal Oswal Ultra Short Term Fund		Others	8,76,376	118	8,76,376	111	
Motilal Oswal Dynamic Fund		Others	5,00,000	59	5,00,000	63	
Motilal Oswal NASDAQ 100 FOF		Others	2,00,000	26	2,00,000	21	
Motilal Oswal Liquid Fund - Direct (G)		Others	5,00,000	53	5,00,000	51	
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option		Others	2,50,000	18	-	-	
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option		Others	2,00,000	16	-	-	
Motilal Oswal Nifty 500 Fund - Direct Growth Option		Others	4,75,146	38	-	-	
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option		Others	2,00,000	14	-	-	
Motilal Oswal Large and Midcap Fund - Direct Growth Option		Others	3,15,00,000	2,498	-	-	
Motilal Oswal Nifty 50 Index Fund		Others	48,96,490	347	-	-	
Motilal Oswal Nifty Next 50 Index Fund		Others	40,81,490	306	-	-	
Investment at amortised cost (2)							
Investment in equity shares of		Others	5,00,000	5	5,00,000	5	
MF Utilities India Private Limited							
Investment at amortised cost (3)							
Investment in Subsidiaries (fellow subsidiaries)							
Motilal Oswal Asset Management (Mauritius) Private Limited		Subsidiary	3,32,599	479	2,55,000	165	
Share Application Money Pending Allotment with Investment In Motilal		Subsidiary	-	-	30,000	103	
Oswal Asset Management (Mauritius) Private Limited		Subsidiary	80,00,000	800	80,00,000	800	
Motilal Oswal Capital Limited		Fellow subsidiary	1	0	1	0	
Aspire Home Finance Corporation Limited							
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	



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in INR Lakhs, unless otherwise stated)

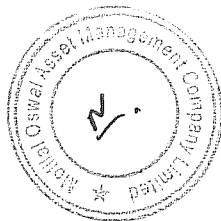
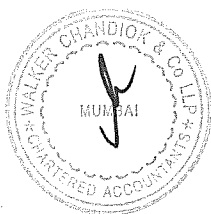
Note : 8	Other financial assets	As at 31 March 2020	As at 31 March 2019
	Rent deposits	86	32
		<u>86</u>	<u>32</u>
Note : 10	Other non - financial assets	As at 31 March 2020	As at 31 March 2019
	Prepaid expenses	8,718	8,413
	Advances and other non-financial assets	78	60
	Indirect tax credit receivable	1,019	368
		<u>9,815</u>	<u>8,841</u>
Note : 11	Trade payables	As at 31 March 2020	As at 31 March 2019
	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
		<u>4,158</u>	<u>3,966</u>
Note : 12	Other financial liabilities	As at 31 March 2020	As at 31 March 2019
	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
		<u>858</u>	<u>396</u>
Note : 13	Current tax liabilities (net)	As at 31 March 2020	As at 31 March 2019
	Provision for taxes (Net of advance tax paid)	374	1,139
		<u>374</u>	<u>1,139</u>
Note : 14	Provisions	As at 31 March 2020	As at 31 March 2019
	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
		<u>1,295</u>	<u>1,337</u>



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
 (All amounts are in INR Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Note : 15		
Deferred tax liabilities (net)		
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
	1,109	194
Total deferred tax asset (B)		
	1,074	2,728
Net deferred tax liability (A-B)		

	As at 31 March 2020	As at 31 March 2019
Note : 16		
Other non - financial liabilities		
Withholding and other taxes payable	225	168
	225	168



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in INR lakhs, unless otherwise stated)

Note 9(A) : Property, Plant & Equipment

Note 9(A) : Property, Plant & Equipment									
Current Year		Gross Block			Accumulated Depreciation			Net Block	
Particulars	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
Improvement to leasehold premises	154	1	-	155	132	4	-	136	19
Computers	121	36	8	149	86	24	1	109	40
Furniture & fixtures	32	1	-	33	26	1	-	27	6
Electrical equipments	3	-	-	3	0	2	-	2	1
Office equipments	17	4	-	21	7	2	-	9	12
Vehicles	27	-	-	27	16	2	-	18	9
Right of use (office premises)	-	301	-	301	-	92	-	92	209

Note 9(B) : Intangible assets

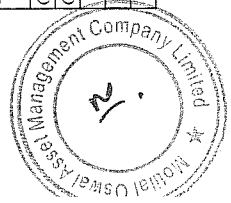
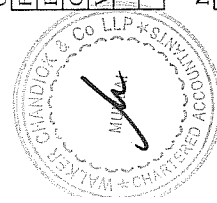
Note 9(B) : Intangible assets									
Current Year		Gross Block			Accumulated Depreciation			Net Block	
Particulars	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 31 March 2019
Customer 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	54
Total (A+B)	531	385	8	907	390	157	1	546	141

Note 9(A) : Property, Plant & Equipment

Note 9(A) : Property, Plant & Equipment									
Previous Year		Gross Block			Accumulated Depreciation			Net Block	
Particulars	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
Improvement to leasehold premises	132	22	-	154	131	1	-	132	23
Computers	101	21	-	121	69	17	-	86	35
Furniture & fixtures	29	3	-	32	23	2	-	26	6
Electrical equipments	2	0	-	3	0	0	-	0	2
Office equipments	10	8	-	17	5	2	-	7	10
Vehicles	44	1	18	27	30	3	17	16	11
Total (A)	317	55	18	354	259	25	17	267	87
									58

Note 9(B) : Intangible assets

Note 9(B) : Intangible assets									
Previous Year		Gross Block			Accumulated Depreciation			Net Block	
Particulars	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
Customer rights to Portfolio Management clients	38	-	-	38	38	-	-	38	-
Computer software	122	16	-	139	60	25	-	85	54
Total (B)	161	16	-	177	98	25	-	123	63
Total (A+B)	478	71	18	531	357	51	17	390	141
									121



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in INR lakhs, unless otherwise stated)

Note : 17 Share capital
Authorised

	As at 31 March 2020 Number of shares	As at 31 March 2020 In Lakhs	As at 31 March 2019 Number of shares	As at 31 March 2019 In Lakhs
Equity shares of Re. 1 each (previous year Re. 1 each)	70,60,00,000	7,060	67,60,00,000	6,760
	70,60,00,000	7,060	67,60,00,000	6,760

Issued, subscribed and paid up

Equity shares of Re.1 each fully paid up (previous year Re. 1 each)	67,73,87,883	6,774	66,58,63,624	6,659
	67,73,87,883	6,774	66,58,63,624	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 Re. 1 each (previous year: having a par value of Re. 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the 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.

17.2 Reconciliation of number of shares outstanding

	As at 31 March 2020 Number of shares	As at 31 March 2020 In Lakhs	As at 31 March 2019 Number of shares	As at 31 March 2019 In Lakhs
At beginning of the year	66,58,63,624	6,659	65,05,00,000	6,505
Stock options exercised under the ESOS	1,15,24,259	115	1,53,63,624	154
At the end of the year	67,73,87,883	6,774	66,58,63,624	6,659

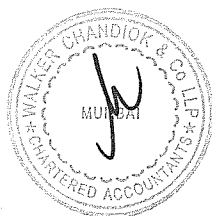
17.3 Shares holder having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2020 No. of shares held	As at 31 March 2020 % of holding	As at 31 March 2019 No. of shares held	As at 31 March 2019 % of holding
Motilal Oswal Financial Services Limited	66,81,63,564	98.64%	65,00,00,000	97.62%

17.4 Shares held by holding company

Name of shareholder	As at 31 March 2020 No. of shares held	As at 31 March 2020 % of holding	As at 31 March 2019 No. of shares held	As at 31 March 2019 % of holding
Motilal Oswal Financial Services Limited	66,81,63,564	98.64%	65,00,00,000	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.



Motilal Oswal Asset Management Company Limited**Summary of significant accounting policies and other explanatory information**

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

Note : 18 Other Equity	As at 31 March 2020	As at 31 March 2019
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**

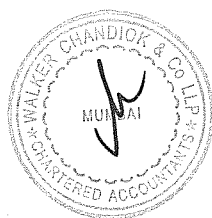
Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

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.



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in INR lakhs, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 19 Fees and commission income		
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
	<u>55,058</u>	<u>57,417</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 20 Interest income		
Other interest income	2	1
	<u>2</u>	<u>1</u>

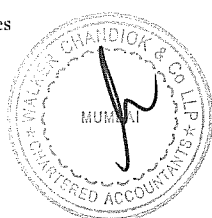
	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 21 Dividend income		
Dividend on mutual fund	-	0
	<u>-</u>	<u>0</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 22 Net gain on fair value change		
Net gain on financial instruments at fair value through profit or loss		
Realised gain	-	827
Unrealised (loss)	-	(466)
	<u>-</u>	<u>361</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 23 Other income		
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
	<u>68</u>	<u>54</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 24 Finance cost		
Interest on borrowings	75	12
Interest on lease	32	-
	<u>107</u>	<u>12</u>

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note : 25 Fees and commission expense		
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
	<u>23,402</u>	<u>24,704</u>



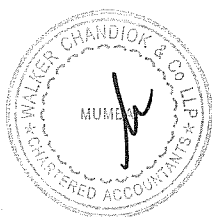
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Note : 26 Employee benefits expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary, bonus and allowances	5,039	4,243
Contribution to provident fund	33	28
Staff welfare expenses	74	85
Gratuity (also refer note 42)	89	72
Employee stock option scheme (also refer note 43)	123	274
	5,358	4,702

Note : 27 Net loss on fair value change	For the year ended 31 March 2020	For the year ended 31 March 2019
Net loss on financial instruments at fair value through profit or loss		
Realised gain	(950)	-
Unrealised (loss)	7,920	-
	6,970	-

Note : 28 Other expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
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
	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.



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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 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.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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)
	3,581	8,065

Note : 29.2 Tax recognised through other comprehensive income:

Particulars	As at 31 March 2020	As at 31 March 2019
Remeasurement of defined benefit plan	3	(7)
Total	3	(7)

Note : 29.3 Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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

Note : 29.4 Effective tax rate

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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.



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Note : 29.5 Net Deferred Tax

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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:

Particulars	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019
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:

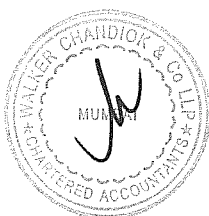
The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

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.

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.



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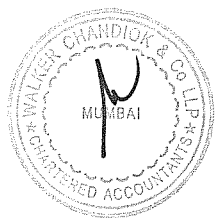
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Note : 31 Maturity analysis of assets and liabilities

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



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Note : 32 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				
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
	-	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	-	-

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.



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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 March 2020	As at 31 March 2019
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

As at 31 March 2019

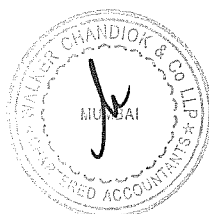
Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	3,967	-	-	3,967
Other financial liabilities	396	-	-	396
Total	4,363	-	-	4,363

(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.



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(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 March 2020	As at 31 March 2019
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 March 31, 2020	As at March 31, 2019
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.

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	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	-	-



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Note 36 : Auditors' fees and expenses has been classified as under

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
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 01 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 01 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

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 Rs. 118.12 lakhs and a lease liability of Rs. 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

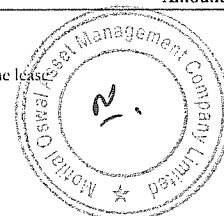
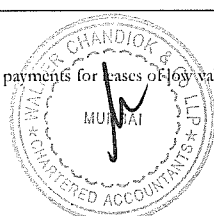
Particulars	Amount
Balance as at 1 April 2019	-
Adjustment on transition to Ind AS	118
Movement during the year	183
Add: Interest cost accrued during the period	32
Less: Payment of lease liabilities	(97)
Balance as at 31 March 2020	236

(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	Amounts
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



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

Particulars	Amounts
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)	1.47	2.22
[A] / [B]		

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 Rs. 0.79 per share for FY 2019-20 (2018-19: Rs. 0.26 per share)	5,345	1,731
Dividend distribution tax on interim dividend	1,099	356
Interim dividend of Rs. 1.08 per share for FY 2019-20 (2018-19: Rs. 0.75 per share)	7,316	4,966
Dividend distribution tax on interim dividend	1,504	1,021



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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 Rs.336.43 lakhs (Previous year Rs 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 Rs.353.26 lakhs (Previous year Rs. 225.89 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- "Related Party Disclosures". (refer note 46)



Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information
(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 Rs. 20,00,000.

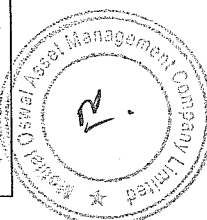
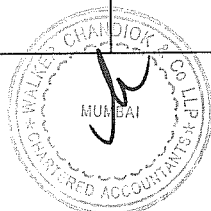
The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
<u>I) Actuarial assumptions</u>				
Mortality	IAIM (2012-14) Ultimate	IAIM (2006-08) Ultimate	IAIM (2012-14) Ultimate	IAIM (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
<u>II) Changes in present value of obligations (PVO)</u>				
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
<u>III) Interest expense</u>				
Interest cost	16	11	-	-
<u>III) Fair value of plan assets</u>				
Fair value of plan assets at the beginning	-	-	-	-
Interest income	-	-	-	-
<u>IV) Net liability</u>				
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	-	-
<u>V) Net Interest</u>				
Interest expenses	16	11	-	-
Interest income	-	-	-	-
Net interest	16	11	-	-



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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
<u>VI) Actual return on plan assets</u>				
Less Interest income included above	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
<u>VII) Actuarial (gain)/loss on obligation</u>				
Due to demographic assumption	19	(10)	-	-
Due to financial assumption	7	9	-	-
Due to experience	(40)	20	-	-
Total actuarial (gain)/loss	(14)	19	-	-
<u>VIII) Fair value of plan assets</u>				
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	-	-	-	-
<u>IX) Past service cost recognised</u>				
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	-	-	-	-
<u>X) Amounts to be recognized in the balance sheet and statement of profit & loss account</u>				
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)	-	-
<u>XI) Expense recognised in the statement of profit and loss</u>				
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
<u>XII) Other comprehensive income (OCI)</u>				
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	-	-
<u>XIII) Movement in liability recognized in balance sheet</u>				
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



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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)Projected service cost 31 March 2020	93	79	-	-

XV) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	295	328	321	301

XVI) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo fourth	Expected Outgo Fifth	Expected Outgo Six to Ten
Payouts	40	41	40	39	36	121

XVII) 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

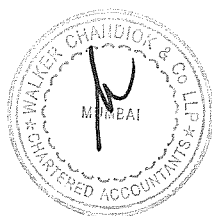
Risk associated with defined benefit plan:

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.



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Note 43 : Employee Stock Option Plan

a) Scheme details

The company has two stock option schemes

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

The ESOP - I was approved by the Board of Directors at their meeting held on July 22, 2010 for grant of 20 lakhs equity shares of Rs. 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 Rs.10 each.

During the year ended 31 March 2017, the Company has sub divided 650 lakhs equity share of Rs. 10 each into 6500 lakhs equity share of Re. 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	Year ended 31 March 2020	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
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

Motilal Oswal Asset Management Company Limited
Summary of significant accounting policies and other explanatory information

d) Movement in share option during the year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees
ESOP I				
Balance at beginning of the year	1,50,00,000	13.40	1,65,00,000	13.40
Add: Granted during the year	-	NA	-	NA
Less: Exercised during the year	21,00,000	13.40	15,00,000	13.40
Less: Forfeited during the year	-	NA	-	NA
Less: Lapsed during the year	-	NA	-	NA
Balance at end of the year	1,29,00,000	13.40	1,50,00,000	13.40
Exercisable at end of the year	13,50,000	13.40	1,50,000	13.40
ESOP II				
Balance at beginning of the year	1,16,50,000	3.73	2,55,13,624	2.75
Add: Granted during the year	-	NA	-	NA
Less: Exercised during the year	94,24,259	2.09	1,38,63,624	1.93
Less: Forfeited during the year	-	NA	-	NA
Less: Lapsed during the year	-	NA	-	NA
Balance at end of the year	22,25,741	10.67	1,16,50,000	3.73
Exercisable at end of the year	8,25,741	6.04	98,50,000	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.

	Year ended 31 March 2020	Year ended 31 March 2019
Impact on the income statement of a change in lever assumptions		
(+)5%	(12.10)	(10.79)
(-)5%	15.48	14.86



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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.

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
<u>Geographical Markets</u>			
India	17,404	36,998	615
Outside India	-	-	41
Total Revenue from contracts with customers	17,404	36,998	656
<u>Timing of revenue recognition</u>			
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.



Motilal Oswal Asset Management Company Limited
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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 disclosures

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

(A) List of related parties and their relationship

(i) Holding company

- Motilal Oswal Financial Services Limited (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) Relative of KMP

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

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

- Motilal Oswal Foundation

(viii) Enterprises in which KMP have control

- OSAG Enterprises LLP

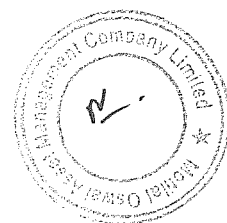


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 (All amounts are in INR Lakhs, unless otherwise stated)

(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	For the year ended 31 March 2019
Commission received	Motilal Oswal Financial Services Limited	68	51	-	-	68	51	51
Interest paid	Motilal Oswal Financial Services Limited	-	7	-	-	-	7	7
Rent paid	Motilal Oswal Finvest Limited	75	5	-	-	75	5	5
Marketing & Business promotion expense	Motilal Oswal Financial Services Limited	585	585	-	-	585	585	585
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	10	1	-	-	10	1	1
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	-	514	-	-	-	514	514
Business support charges	Motilal Oswal Financial Services Limited	5,033	5,684	-	-	5,033	5,684	5,684
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	1,214	1,157	-	-	1,214	1,157	1,157
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	2,983	3,301	-	-	2,983	3,301	3,301
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	-	353	-	-	-	353	353
Distribution cost expense for Alternate Investment fund schemes	Motilal Oswal Financial Services Limited	566	793	-	-	566	793	793
Investment advisory fees received	Motilal Oswal Wealth Management Limited	450	545	-	-	450	545	545
Investment advisory fees	Motilal Oswal Capital Limited	36	21	-	-	36	21	21
Advisory fee expense	Motilal Oswal Capital Limited	29	-	-	-	29	-	-
Portfolio management fees	Mr. Randeep Agarwal	-	-	3	2	3	2	2
	Mr. Ashish P. Somaiya	-	-	1	1	1	1	1
	Mr. Ashok Jain	-	-	3	3	3	3	3
	Ms. Rekha Shah	-	-	1	0	1	0	0
	Ms. Shalini Somaiya	-	-	0	0	0	0	0
	Ms. Soneta Agarwal	-	-	23	19	23	19	19
Reimbursement of electricity charges	Mr. Vaibhav Agarwal	-	-	7	12	7	12	12
	Motilal Oswal Financial Services Limited	40	44	-	-	40	44	44
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	45	32	-	-	45	32	32
Employee compensation - Managerial remuneration	Mr. Ashish P. Somaiya	-	-	342	365	342	365	365
Commission paid	Mr. Randeep Agarwal	-	-	114	-	114	-	-
Consideration received on exercise of options	Mr. Ashish P. Somaiya	-	-	170	254	170	254	254
Director sitting fees	Mr. Abhaya P. Hota	-	-	2	2	2	2	2
	Mr. Ashok Jain	-	-	2	3	2	3	3
	Mr. Kanu Doshi	-	-	-	3	-	3	3
	Mr. Himanshu Vyas	-	-	1	-	1	-	-
Subscription to equity share capital	Ms. Rekha Shah	-	-	2	1	2	1	1
	Motilal Oswal Capital Limited	-	790	-	-	-	790	790
Loan taken during the year	Motilal Oswal Asset Management (Mauritius) Private Limited	211	103	-	-	211	103	103
Loan repaid during the year	Motilal Oswal Financial Services Limited	-	7,230	-	-	-	7,230	7,230
Expenditure for options granted to employees of Company	Motilal Oswal Finvest Limited	27,761	4,049	-	-	27,761	4,049	4,049
Corporate Social Responsibility expenditure	Motilal Oswal Financial Services Limited	125	47	-	-	125	47	47
	Motilal Oswal Foundation	353	226	-	-	353	226	226

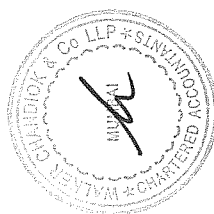
Note : As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.



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(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2020	As at 31 March 2019
Interest payable	Motilal Oswal Financial Services Limited	0	0
	Motilal Oswal Fininvest 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
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



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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.

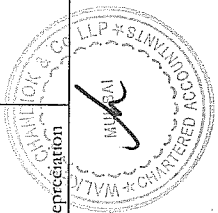
Secondary segment i.e geographical segment reporting does not require separate disclosure as all activities of the Company are within India.

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	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	5,237	8,111
Income tax for earlier years	-	-	-	-	-	-	(1,656)	(10)
MAT credit adjustments of previous year	-	-	-	-	-	-	-	(36)
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	-	-	-	-	-	-	-	-



Motilal Oswal Asset Management Company Limited

Summary of significant accounting policies and other explanatory information

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

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 Rs. 124.92 Lakhs (previous year Rs.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.

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 Rs.50000 have been rounded off or shown as "0"

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



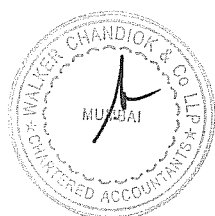
Khushroo B. Panthaky

Partner

Membership No.: 42423

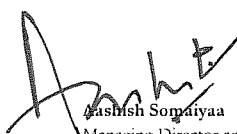
Place : Mumbai

Date : 29 April 2020



For and on behalf of the Board of Directors of

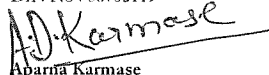
Motilal Oswal Asset Management Company Limited



Kashish Sonpaliyaa

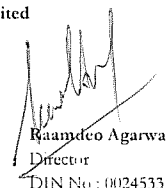
Managing Director and Chief Executive Officer

DIN No : 06705119



Aparna Karmase

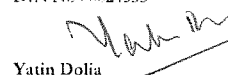
Company Secretary and Compliance Officer



Raamdeo Agarwal

Director

DIN No : 0024533



Yatin Dolia

Chief Financial Officer

Place : Mumbai

Date : 29 April 2020