

BUSINESS RESPONSIBILITY REPORT

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[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Background

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time) top 500 listed entities (based on market capitalisation on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) are required to include a Business Responsibility Report (“BRR”) in the Annual Report.

The Company along with its subsidiaries, offers a diversified range of financial products and services such as Loan against shares, Investment activities, Private wealth management, Broking and distribution, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.

Our Business Responsibility (“BR”) Report includes our responses to questions on our practice and performance on key principles defined by Regulation 34(2)(f) of Listing Regulations, covering topics across environment, governance and stakeholder relationships.

Section A: General Information about the Company

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L67190MH2005PLC153397
2.	Name of the Company	Motilal Oswal Financial Services Limited (MOFSL)
3.	Registered address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025, India
4.	Website	www.motilaloswalgroup.com
5.	E-mail ID	shareholders@motilaloswal.com
6.	Financial Year reported	April 01, 2017 to March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 6492 - Engaged in providing non-banking financial services
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in lending and investment related activities. Further, the through it’s subsidiaries offers a diversified range of financial product and services, Broking & Distribution, Asset Management and Home Finance Loans
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5) : Nil (b) Number of National Locations: MOFSL provide loans to its clients located across the nation.
10.	Markets served by the Company	National

Section B: Financial details of the Company:

Sr. No.	Particulars	Company Information
1.	Paid up Capital (INR)	14,50,83,558
2.	Total Turnover (INR)	12,72,73,50,703
3.	Total profit after taxes (INR)	3,23,39,58,895
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure 5 of Board’s Report forming part of the Annual Report.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 5 of Board’s Report forming part of the Annual Report.

For further details on CSR activities, kindly refer Annexure 5 to the Board’s Report.

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Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes. The details of all the subsidiary companies is included in Annexure 6 to the Board's Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

Yes, the Company's Business Responsibility Policy is applicable to all its 18 Subsidiary Companies as on March 31, 2018. The policies and processes adopted across all the companies within Motilal Oswal Group ("MO Group") are largely uniform.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No, other business partners of the Company do not directly participate in the Company's BR initiatives. The Company endeavors to encourage its suppliers/ distributors (wherever possible) to participate in the initiatives towards BR and to adopt practices which would help them to carry out business in a fair manner.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The following Members of the BR Committee are collectively responsible for implementation of the BR policies of the Company.

Sr. No.	DIN	Name	Designation
1.	00024503	Mr. Motilal Oswal	Chairman and Managing Director
2.	06911441	Mr. Sudhir Dhar	Group Head - Human Resources & Administration

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN	06911441
2.	Name	Mr. Sudhir Dhar
3.	Designation	Group Head - Human Resources & Administration
4.	Telephone Number	022 3980 4200
5.	E-mail ID	chrosoffice@motilaloswal.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies

(a) Details of compliance

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	NA	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	The policies adopted by the Company are in conformity with the applicable rules and regulations.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company and followed across entities within MO Group.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company at www.motilaloswalgroup.com								

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Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/ policies.	Yes, the Company has constituted the BR Committee to implement the policies								
9.	Does the Company have a grievance redressal mechanism related to the stakeholders' grievances related to the policy/ policies?	Y	–	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	–	Y	Y	Y	Y	Y	Y	Y

(b) If answer to Sr. No. 1 against any principal is "No", please explain why (tick up to two options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles.	–	–	–	–	–	–	–	–	–
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specific principles.	–	–	–	–	–	–	–	–	–
3.	The Company does not have financial or manpower resources available for the task.	–	–	–	–	–	–	–	–	–
4.	It is planned to be done within the next six months.	–	–	–	–	–	–	–	–	–
5.	It is planned to be done within next one year.	–	–	–	–	–	–	–	–	–
6.	Any other reason (please Specify).	–								

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs had adopted nine areas of Business Responsibility as given below briefly: -

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Business should respect and promote human rights
- P6 Business should respect, protect and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

This Report is reviewed by the Board of Directors on Annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR has been made available on the website of the Company at <http://www.motilaloswalgroup.com/Investor-Relations/> and the said hyperlink has been provided in the Annual Report. The BRR will be reviewed and published annually.

Section E: Principle-wise Performance

Principle 1 – Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes.

- Ethics form a core part of the Company's core principles. Moreover, the Company has a separate whistle blower policy and it extends to all its subsidiaries.

- The Company has adopted a Code of Conduct for the Company's Directors and Senior Management (including employees) which is available on the intranet/internet of the Company and is applicable to all companies within MO Group.
- We also expect our clients to abide by these principles in their dealings with us.
- Further, the Company is abided to take suitable action if any, fraud has been communicated by the auditor of Company.
- Company in order to have an ethical business model of working also emphasis on non-cash transaction.
- The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment with Group which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training, conduct seminars for employees to abide by the Company's policies in true spirit.

The whistle blower policy and code of conduct of the Company is uploaded on the website at http://www.motiloswalgroup.com/Downloads/IR/1062112783Vigil_Mechanism_Policy.pdf

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has not received any complaint governing this principle.

Principle 2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Nil. The Company is into service sector and hence it does not manufacture any goods, however, the Company endeavours to serve social and economic opportunities, through its products.

Further, the Company emphasizes on reducing dependence on paper communications and encourage use of electronic means of communication which serves towards environmental protection and sustainable growth. The Company has planted trees and shrubs in and around the office building to restore the environment.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Since, the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable.

However, the Company is equipped with rainwater harvesting system and recycles waste water to reuse as flush water and in watering plants.

Further, there is thermal insulator which help in reducing the heat transfer thereby improving cooling inside the building and hence reducing power consumption.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. The only raw material required is the fund for which possible sources have been trapped at appropriate time to enable the Company to raise the required fund at competitive interest rates.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The Company wherever practically possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronizing them to supply / provide different services required by the Company for its day to day administration / operation.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste.

Further, the IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism. Also the old papers and documents are scrapped in such a manner such that they may be recycled.

Principle 3 – Business should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:**

The total numbers of employees as on March 31, 2018 at group level were 4622.

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2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

The total numbers of employees hired on temporary / contractual / casual basis at group level were 250.

3. Please indicate the Number of permanent women employees:

The total number of women employees as on March 31, 2018 at group level were 939.

4. Please indicate the Number of permanent employees with disabilities:

Nil

5. Do you have an employee association that is recognized by Management:

There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.

6. What percentage of your permanent employees are Members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	MOFSL, at group level, does not hire child labour, forced labour or involuntary labour – No reported case	Not Applicable
2	Sexual harassment	1	Nil
3	Discriminatory employment	None	Not Applicable

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 62% of our permanent employees (at group level, including women employees) have received training in the last year. Employees based in India, undergo fire drill and fire safety training every year.
- (b) Permanent Women Employees: 66% of our women employees (at group level, except employees who were on long medical leave) have undergone the training.
- (c) Casual/Temporary/Contractual Employees: 85% of Casual/Temporary/Contractual employees have undergone the training.
- (d) Employees with Disabilities: There are no employees with Disabilities.

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has identified its stakeholders in the BR Policy. These include, but are not limited to shareholders, employees, clients, business partners and the wider community.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company's CSR Committee identifies disadvantaged, vulnerable & marginalized stakeholders through its dedicated team and directs the CSR activities of the Company towards such stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company engages with each of its stakeholders through a variety of forums. The details of the engagement with such stakeholders has been laid out in the CSR report of the Company in Annexure 5 to the Board's Report forming part of Annual Report.

Principle 5 – Business should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Policy on human rights extend to Company and its Group Company. Further, the Company encourage others to follow to extend possible while having relation with Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaint governing this principle.

Principle 6 – Business should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Presently the Policy related to Principle 6 is applicable to the MO Group.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company, however it has a deep concern for the protection and sustainability of environment owing to which it intends to be actively involved in activities for protection of environment.

The Company emphasizes on reducing dependence on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

The Company has taken steps to ensure that the organization becomes a paperless organization. As a first step, an application has been developed by the internal IT team namely iBoard application wherein all the papers related to Board/Committee meetings are now provided through electronic mode to the Directors.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company's CSR committee in its meetings, on a periodic basis, assess various risks affecting the Company and its stakeholders including environmental risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company does not have any project related to Clean Development Mechanism.

However, the employees of the Company undertakes various clean-up programs e.g. cleaning beaches, etc.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company uses LED lights on all floors which consumes 45% less power. The office space is provided with motion sensors to ensure that the lights are on only when the person is present. Further, the Company's building is covered with aluminium fins all around. These fins do not allow the sun rays to permeate through the glass directly. 65% to 70% of direct sun rays are refracted and hence minimum power is utilized for cooling.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is presently not a member of any trade and chamber or association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Not applicable

Principle 8 – Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

The Company with its vision of equitable development and in adherence to social responsibility towards society as imposed under Section 135 of Companies Act, 2013, has been engaged into activities of providing education to under privileged children and its employees have also been serving towards assisting organisation for providing education by taking time out from there day to day activities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Yes. The projects, programmes are undertaken through in house teams and with the help of NGOs. The Company also undertake various CSR projects through Motilal Oswal Foundation, Section 25 Company incorporated as per Companies Act, 1956.

3. Have you done any impact assessment of your initiative?

The Company as part of its CSR expenditure monitoring initiative has called for status reports immediately on contribution from the various Implementation agencies (NGOs) with which it has partnered while expending its CSR funds. The Implementation agencies (NGOs) submit their report with details of all those beneficiaries who have benefitted from the project and also the overall implementation of the project. Even before disbursement of funds the representatives of the Company conduct a field visit to the project site and try to assess the overall feasibility of the project which is considered to be funded.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company has spent an amount of INR 702 Lakhs at group level in the Financial Year ("FY") 2017-18 towards programs / projects through various NGOs and other organizations in three areas of its focus, namely Education and Medical Treatment.

For further details, kindly refer Note 52 of Consolidated Financial Statement.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company periodically monitors the outcome of the community development initiatives in relation to the objectives.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no customer/consumer cases pending as on March 31, 2018.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company is a Non-Banking Financial Company as on March 31, 2018 and hence this is not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The Company has not been served complaint with any activities involving unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during preceding five years which is pending as on the end of FY 2017-18.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company has not carried out any formal consumer survey/ consumer satisfaction trends. However, the Company keeps track of responses / comments on social media network.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : August 21, 2018