



SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS 2022-23

POWERING AHEAD



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Motilal Oswal Asset Management Company Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT (Contd..)

To
The Members of Motilal Oswal Asset Management Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Financial Statements of Motilal Oswal Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

INDEPENDENT AUDITOR'S REPORT (Contd..)

4. Management's Responsibility for the Financial Statements

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

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

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

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

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- v. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

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

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

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

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- g. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared / paid any dividend during the year.

For Singhi & Co.
Chartered Accountants
 Firm Registration No. 302049E

S. Chandrasekhar
 Partner
 Membership No. 007592
 UDIN: 23007592BGYMAQ1615

Place: Mumbai
 Date: April 25, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure A to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Asset Management Company Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) The Company has a program of physical verification of property, plant and equipment whereby all the items of property, plant and equipment are verified once in three years. Physical verification was not carried out in previous year as the same was not due. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification carried out in earlier year.
- c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- e) According to the information, explanations and representations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company's business does not involve inventory and accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) a) The investment in mutual funds of the Company are pledged for the loans granted to holding company covered in the register maintained under Section 189 of the Act and the details respect to the same are specified in note 34. Also, the company has given loan to the holding company during the year.

Refer the table below for loans given and security provided details:

Amount (Rs. in lakhs)				
Particulars	Guarantees	Security	Loans	Advance in nature of loans
Aggregate amount during the year				
- Holding Company	-	-	47,570	-
Balance outstanding as at balance sheet date				
- Holding Company	-	46,465	Nil	-

INDEPENDENT AUDITOR'S REPORT (Contd..)

- b) In our opinion, the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. Further, according to the information and explanations provided to us, the Company has not provided any guarantees during the year.
- c) In respect of the loans given and advances in the nature of loans, the Company has granted loans which are repayable on demand. However, the Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on this is not applicable to the Company.
- d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet as on March 31, 2023.
- e) Basis the information and explanations provided to us, no loan which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) Basis the information and explanations provided to us, the company has granted loans to holding company which are repayable on demand. Details of the same are mentioned below:

Particulars	Amount (Rs. In lakhs)
Balance outstanding as at balance sheet date as on 01.04.2022	2,295
Loan given during the year	47,570
Loan payment received during the year	49,865
Balance outstanding as at balance sheet date as on 31.03.2023	Nil

- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which director is interested to which provisions of section 185 of the Companies Act, 2013 apply and the Company has complied with the provisions of Section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) The details of statutory dues referred to in sub- clause (a) above which have not been deposited as on 31 March 2023, on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	2	AY 2017-18	CIT (Appeals)
Income Tax Act,1961	Income Tax	336	AY 2018-19	CIT (Appeals)
Income Tax Act,1961	Income Tax	19	AY 2018-19	CIT (Appeals)
Income Tax Act,1961	Income Tax	110	AY 2019-20	CIT (Appeals)
Income Tax Act,1961	Income Tax	74	AY 2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax	761	AY 2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax	31	AY 2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax	13	AY 2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax	42	AY 2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax	109	AY 2021-22	CIT (Appeals)
Income Tax Act,1961	Income Tax	43	AY 2021-22	CIT (Appeals)

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) The Company has not availed any term loans accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate during the year.
- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3

INDEPENDENT AUDITOR'S REPORT (Contd..)

(x)(b) of the Order is not applicable to the Company.

- (xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) According to the information, explanation and representations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc., as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There is no resignation of the Statutory Auditor during the year, hence the clause is not applicable to the Company.
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall

INDEPENDENT AUDITOR'S REPORT (Contd..)

due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) a) There are no unspent amounts towards Corporate Social Responsibility ('CSR'). Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

b) The Company does not have any ongoing projects in accordance with the requirements of CSR guidelines and hence, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us and based on our examination, the Company does not prepare consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAQ1615

Place: Mumbai

Date: April 25, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure B to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Asset Management Company Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Motilal Oswal Asset Management Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting 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.

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

S. Chandrasekhar

Partner
Membership No. 007592
UDIN: 23007592BGYMAQ1615

Place: Mumbai
Date: April 25, 2023

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

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

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	274	146
(b) Receivables			
(i) Trade receivables	5	5,212	6,854
(c) Loans	6	508	2,331
(d) Investments	7	1,11,398	95,754
(e) Other financial assets	8	10	61
Sub - total financial assets (A)		1,17,402	1,05,146
2. Non-financial assets			
(a) Property, plant and equipment	9(A)	101	107
(b) Other intangible assets	9(B)	240	225
(c) Other non-financial assets	10	23,992	18,130
Sub - total non - financial assets (B)		24,333	18,462
Total assets (A+B)		1,41,735	1,23,608
II. LIABILITIES AND EQUITY			
A. Liabilities			
1. Financial liabilities			
(a) Payables			
(i) Trade payables			
(ii) total outstanding dues of micro enterprises and small enterprises	11		
(iii) total outstanding dues of creditor other than micro enterprises and small enterprises		5,105	6,774
(b) Borrowings (Other than debt securities)	12	1,100	-
(c) Other financial liabilities	13	1,002	1,042
Sub - total financial liabilities (A)		7,207	7,816
2. Non - financial liabilities			
(a) Current tax liabilities (net)	14	1,920	1,090
(b) Provisions	15	2,725	3,029
(c) Deferred tax liabilities (net)	16	9,608	8,288
(d) Other non - financial liabilities	17	197	291
Sub - total non-financial liabilities (B)		14,450	12,698
B. Equity			
(a) Equity share capital	18	6,774	6,774
(b) Other equity	19	1,13,304	96,320
Sub -total equity (C)		1,20,078	1,03,094
Total liabilities and equity (A+B+C)		1,41,735	1,23,608

The accompanying notes 1 to 54 form an integral part of the financial statements

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

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

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

S. Chandrasekhar
Partner
Membership No.: 007592
Place : Mumbai
Date : 25 April 2023

Navin Agarwal
Managing Director and Chief Executive Officer
DIN No : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Raamdeo Agarwal
Director
DIN No : 0024533

Juzer Dalal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD YEAR ENDED 31ST MARCH, 2023

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

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
(i) Fees and commission income	20	54,553	59,711
(ii) Dividend income	21	-	255
(iii) Interest income	22	261	442
(iv) Net gain on fair value changes	23	1,229	12,240
1) Total revenue from operations		56,043	72,648
2) Other income	24	306	100
3) Total income (1 + 2)		56,349	72,748
Expenses:			
(i) Finance costs	25	5	22
(ii) Fees and commission expense	26	19,188	23,752
(iii) Employee benefit expense	27	9,176	8,173
(iv) Depreciation and amortisation expense	9	132	166
(v) Other expenses	28	5,171	4,707
4) Total expenses		33,672	36,820
5) Profit before tax (3 - 4)		22,677	35,928
Tax expenses / (credit)	29		
(i) Current tax		4,355	3,830
(ii) Deferred tax expenses		1,309	3,661
(iii) Short / (excess) provision for earlier years		61	-
8) Total tax expenses		5,725	7,491
7) Profit for the year (5-6)		16,952	28,437
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Actuarial gain on post retirement benefit plans	42	43	99
b) Deferred tax impact on the above		(11)	(25)
8) Other comprehensive income		32	74
Total comprehensive income for the year (7+8)		16,984	28,511
Earnings per share (Re. 1 each)			
Basic (amount in Rs.)	39	2.50	4.20
Diluted (amount in Rs.)		2.50	4.20

The accompanying notes 1 to 54 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 Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592
Place : Mumbai
Date : 25 April 2023

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

Navin Agarwal
Managing Director and Chief Executive Officer
DIN No : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Raamdeo Agarwal
Director
DIN No : 0024533

Juzer Dalal
Chief Financial Officer

STATEMENT OF CASH FLOW

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before taxation	22,677	35,928
Adjustment for:		
Interest expense	5	22
Dividend income	-	(255)
Profit on sale of investment- realised gain	-	(18)
Unrealised (gain)/loss	(1,229)	(12,222)
Depreciation and amortisation expense	132	166
Interest income	(261)	(442)
Provision for doubtful debt	54	55
Employee stock option scheme expenditure	-	5
Actuarial (gain)/loss	43	99
Operating profit	21,421	23,338
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	(21)	688
2) Increase/(decrease) in non - financial liabilities	(94)	(52)
3) Increase/(decrease) in trade payables	(1,669)	1,083
4) (Increase)/decrease in trade receivables	1,587	2,320
5) (Increase)/decrease in financial assets	(495)	-
6) (Increase)/decrease in other financial assets	51	2
7) (Increase)/decrease in other non - financial assets	(5,862)	(9,687)
9) Increase/(decrease) in provision	(304)	304
Cash generated from operations	14,614	17,996
Direct taxes paid net	(3,586)	(4,297)
Net cash generated from operating activities	11,028	13,699
B. Cash flow from investing activities		
Interest received on loans	283	421
Purchase of fixed assets	(140)	(250)
Loans given	(47,570)	(54,350)
Repayment of loan given	49,865	52,055
Purchase of investments (including dividend reinvested)	(14,414)	(38,211)
Proceeds (including profit) from sale of investments	-	27,966
Dividend income	-	255
Net cash used in investing activities	(11,976)	(12,114)
C. Cash flow from financing activities		
Short-term borrowings	2,167	800
Repayment of short-term borrowings	(1,067)	(1,185)
Interest paid	(4)	(13)
Dividend paid	-	(1,010)
Cash payment of lease liability and interest	(20)	(87)
Net cash generated from/(used in) financing activities	1,076	(1,495)
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	128	90
Cash in hand	0	1
Scheduled bank - In current account	146	55
Cash & cash equivalents as at beginning of the year	146	56

STATEMENT OF CASH FLOW

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Cash and cheques in hand	0	0
Scheduled bank - In current account	274	146
Cash & cash equivalents as at end of the year	274	146
Components of cash & cash equivalents (also refer note 4)		
Cash in hand	0	0
Balances with banks		
in current accounts	274	146
Total	274	146

Changes in liabilities arising from financing activities

Particulars	31-Mar-23	31-Mar-22
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	-	385
Proceeds from borrowings (other than debt securities)	2,167	800
Proceeds from issuance of debt securities		
Repayment of borrowings	(1,067)	(1,185)
Repayment of debt securities		
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	1,100	-

Notes:

- 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).
- Figures in brackets indicate cash outflows.

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

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592
Place : Mumbai
Date : 25 April 2023

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

Navin Agarwal
Managing Director and Chief Executive Officer
DIN No : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Raamdeo Agarwal
Director
DIN No : 0024533

Juzer Dalal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 March 2023

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

(A) Equity share capital

(Amount in rupees)

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2021	67,73,87,883	6,774
Stock options exercised under the ESOS	-	-
As at 31 March 2022	67,73,87,883	6,774
Stock options exercised under the ESOS	-	-
As at 31 March 2023	67,73,87,883	6,774

For 31 March 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
6774	-	-	-	6,774

For 31 March 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
6774	-	-	-	6,774

(B) Other Equity

Particulars	Reserves and Surplus				Reserves and Surplus			Total	
	31 March 2023				31 March 2022			31 March 2023	31 March 2022
	Securities premium	Share based options outstanding account	Retained Earnings	General reserve	Securities premium	Share based options outstanding account	Retained Earnings		
Balance at the beginning of the reporting year	855	495	94,970	-	855	491	67,469	96,320	68,815
Issue of equity share, net of transaction cost	-	-	-	-	-	-	-	-	-
Stock option expense for the year	-	(495)	-	-	-	4	-	(495)	4
Profit for the year	-	-	16,952	-	-	-	28,437	16,952	28,437
Actuarial gain/(loss) on post retirement benefit plans	-	-	32	-	-	-	74	32	74
Dividends	-	-	-	-	-	-	-1,010	-	(1,010)
Transfer to General reserve	-	-	-	495	-	-	-	495	-
Distribution tax on dividend	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year	855	0	1,11,954	495	855	495	94,970	1,13,304	96,320

The accompanying notes 1 to 54 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 Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592
Place : Mumbai
Date : 25 April 2023

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

Navin Agarwal
Managing Director and Chief Executive Officer
DIN No : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Raamdeo Agarwal
Director
DIN No : 0024533

Juzer Dalal
Chief Financial Officer

NOTES TO FINANCIAL STATEMENT (Contd..)

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 25 April 2023.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 31.

(iv) Use of estimates and judgements

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

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(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.

(vi) Interest income

Interest income from financial assets, is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

2.3. Distribution cost

Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Upfront distribution cost paid till 30th September 2020 is amortised over the contractual period. 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. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

2.5. Leases

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

Measurement and recognition of leases as a lessee

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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:

NOTES TO FINANCIAL STATEMENT (Contd..)

- 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.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 "Financial Instruments" 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

NOTES TO FINANCIAL STATEMENT (Contd..)

- 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.

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

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 and private equity funds

Investments in mutual funds and private equity 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.9. Financial guarantee contracts and loan commitments

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

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

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

2.10. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.11.Intangible assets

Measurement at recognition:

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

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

Asset	Useful life
Computer Software	5 years

Derecognition:

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

2.12.Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of assets is the higher of its value in 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.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

The stock options of the holding Company, granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

2.16. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.17. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.18. 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.

2.19. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.20. 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 and private equity funds.

2.21. Rounding of amounts

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.22. Events after reporting date

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

2.23. Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.
- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.
- (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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4: Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0	0
Balances with banks		
In current accounts	274	146
	274	146

Note 5: Trade receivables

	As at March 31, 2023	As at March 31, 2022
a) Considered good-secured		
b) Considered good-unsecured	5,242	6,855
c) Significant increase in credit risk	11	-
Less : Allowance for impairment losses	(41)	(1)
	5,212	6,854

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5,186	50	3	3	-	5,242
(ii) Undisputed Trade receivables - which have significant increase in Credit Risk	-	11	-	-	-	11
(iii) Undisputed Trade receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-

For the year ended March 2022

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	6,825	28		2		6,855
(ii) Undisputed Trade receivables - which have significant increase in Credit Risk	-				-	-
(iii) Undisputed Trade receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-

Note

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 director is a partner, a director or a member except as shown below.

Name of company	As at March 31, 2023	As at March 31, 2022
Motilal Oswal Capital Limited	11	12
Motilal Oswal financial services limited	21	0

Note 6 : Loans

	As at March 31, 2023	As at March 31, 2022
Loans - At amortised cost		
(A) Others		
Loans to employees	496	1
Loan to related parties	-	2,295
Interest accrued	12	35
Total (A)	508	2,331
(B) (i) Unsecured (Gross)	508	2,331
Less : Impairment loss allowance	-	-
Total (B) Net	508	2,331
(C) Loans in India		
(i) Public sector	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

	As at March 31, 2023	As at March 31, 2022
(ii) other than public sector	508	2,331
Total (C) Gross	508	2,331
less : Impairment loss allowance	-	-
Total (C) Net	508	2,331

Loan repayable on demand

Types of borrower	31 March 23		31 March 22	
	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	12	100.00%	2,330	100%

Note 7 : Investments

Particulars	Subsidiary/ others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
A. Investments at fair value through profit and loss						
1) Investment in mutual funds						
Motilal Oswal Most Focused 25 Fund	others	Unquoted	1,75,32,193	6,284	1,75,32,193	6,171
Most Focused Multicap 35 Fund Growth	others	Unquoted	7,32,65,517	24,840	7,32,65,517	25,463
Motilal Oswal Midcap 30 Fund - Direct Plan Growth	others	Unquoted	3,10,85,035	17,165	3,10,85,035	15,425
Motilal Oswal Nasdaq 100 FOF	others	Unquoted	2,00,000	45	2,00,000	47
Motilal Oswal Most Focused Dynamic Equity Fund	others	Unquoted	9,92,064	156	5,00,000	80
Motilal Oswal Equity Hybrid Fund - Direct (G)	others	Unquoted	5,00,000	81	5,00,000	78
Motilal Oswal Liquid Fund - Direct (G)	others	Unquoted	5,00,000	60	5,00,000	57
Motilal Oswal Large And Midcap Fund	others	Unquoted	3,15,00,000	5,634	3,15,00,000	5,157

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Motilal Oswal Nifty 50 Index Fund	others	Unquoted	48,96,491	715	48,96,490	712
Motilal Oswal Nifty Next 50 Index Fund	others	Unquoted	40,81,490	546	40,81,490	590
Investment In Ultra Short Term Bond	others	Unquoted	8,76,376	132	8,76,376	126
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	others	Unquoted	2,50,000	37	2,50,000	33
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	others	Unquoted	2,00,000	41	2,00,000	39
Motilal Oswal Nifty 500 Fund - Direct Growth Option	others	Unquoted	4,75,146	79	4,75,146	80
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	others	Unquoted	2,00,000	39	2,00,000	42
Motilal Oswal S&P 500 Index Fund	others	Unquoted	5,00,000	76	5,00,000	79
Motilal Oswal Multi Asset Fund	others	Unquoted	4,99,975	56	4,99,975	56
Motilal Oswal 5 Year G-Sec ETF	others	Quoted	1,12,401	58	1,12,401	54
Motilal Oswal Asset Allocation Passive Fund Of Fund - Aggressive	others	Unquoted	4,99,975	58	4,99,975	58
Motilal Oswal Asset Allocation Passive Fund Of Fund - Conservative	others	Unquoted	4,99,975	57	4,99,975	56
Motilal Oswal Msci Eafe Top 100 Select Index Fund	others	Unquoted	4,99,975	55	4,99,975	51
Motilal Oswal 5 Year G-Sec FOF	others	Unquoted	4,99,975	52	4,99,975	52
Motilal Oswal Nasdaq Q 50 ETF	others	Quoted	76,620	41	76,620	44
Motilal Oswal Nifty 200 Momentum 30 ETF	others	Quoted	1,23,580	45	24,716	50
Motilal Oswal Nifty 200 Momentum 30 FOF	others	Unquoted	4,99,975	45	4,99,975	50
Motilal Oswal S&P Bse Low Volatility Index Fund	others	Unquoted	4,99,975	54	4,99,975	50

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Motilal Oswal S&P Bse Low Volatility Index ETF	others	Quoted	2,21,145	54	44,229	50
Motilal Oswal S&P Bse Quality ETF	others	Quoted	22,011	25	-	-
Motilal Oswal S&P Bse Enhanced Value ETF	others	Quoted	61,685	30	-	-
Motilal Oswal S&P Quality Index Fund	others	Unquoted	2,49,987	25	-	-
Motilal Oswal S&P Bse Enhanced Value Ind	others	Unquoted	12,49,938	147	-	-
Motilal Oswal S&P Bse Financials Ex Bank 30 Index	others	Unquoted	2,49,988	23	-	-
Motilal Oswal S&P Bse Healthcare ETF	others	Quoted	1,09,157	24	-	-
Motilal Oswal Gold And Silver ETFs Fund Of Funds	others	Unquoted	4,99,975	59	-	-
Motilal Oswal Nifty G-Sec May 2029 Index Fund	others	Unquoted	24,99,875	254	-	-
Motilal Oswal Long Term Equity Fund	others	Unquoted	9,60,346	287	-	-
2) Investment in private equity funds						
India Business Excellence Fund III	others	Unquoted	17,57,503	35,974	17,56,890	36,110
India Business Excellence Fund IV	others	Unquoted	36,00,000	16,750	36,00,000	3,600
3) Investment in Equity Shares (Fully Paid)						
MF Utilities India Private Limited	others	Unquoted	5,00,000	5	5,00,000	5
AMC Repo Clearing Limited	others	Unquoted	99,300	10	99,300	10
Total (1+2+3)				1,10,118		94,475
B. Investment at amortised cost						
Investment in subsidiaries/ fellow subsidiaries						
Motilal Oswal Asset Management (Mauritius) Private Limited (Face value USD 1 per share)	Subsidiary	Unquoted	3,32,599	479	3,32,599	479

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Motilal Oswal Capital Limited (Face value Rs.10 per share)	Subsidiary	Unquoted	80,00,000	800	80,00,000	800
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited) (Face value Rs.1 per share)	Fellow Subsidiary	Unquoted	1	0	1	0
Total				1,279		1,279
Total Gross (A+B)				1,11,398		95,754
i) Investment outside India				479		479
ii) Investment in India				1,10,918		95,275
C. Total (I+II)				1,11,398		95,754
D) Less: Allowance for impairment loss				-		-
E) Total Net (C-D)				1,11,398		95,754

Note 8: Other financial assets

	As at March 31, 2023	As at March 31, 2022
Security deposits	10	61
	10	61

Note 9(A) : Property, Plant & Equipment

Amt in (Rs.)

Current Year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Improvement to leasehold premises	167	-	-	167	150	17	-	167	0	18
Computers	232	40	-	272	174	36	-	210	62	58
Furniture & fixtures	33	0	-	33	29	0	-	29	4	5
Electrical equipments	3	-	-	3	3	0	-	3	0	0
Office equipments	38	2	-	40	16	5	-	21	19	22
Vehicles	27	14	-	41	22	3	-	25	16	5
Right of use (office premises)	277	-	-	277	277	-	-	277	-	-
Total (A)	777	55	-	832	670	61	-	731	101	107

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 9(B) : Intangible assets

Current Year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Customer rights to Portfolio Mgmt clients	38	-	-	38	38	-	-	38	-	-
Computer software	418	85	-	503	193	70	-	263	240	225
Total (B)	456	85	-	541	231	70	-	301	240	225
Total (A+B)	1,233	140	-	1,373	900	131	-	1,032	341	333

Note 9(A) : Property, Plant & Equipment

Previous Year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Improvement to leasehold premises	167	0	-	167	142	7	-	150	18	25
Computers	175	57	-	232	134	41	-	174	58	41
Furniture & fixtures	33	-	-	33	28	1	-	29	5	5
Electrical equipments	3	-	-	3	3	0	-	3	0	0
Office equipments	24	14	-	38	12	4	-	16	22	12
Vehicles	27	-	-	27	20	2	-	22	5	7
Right of use (office premises)	277	-	-	277	212	65	-	277	-	65
Total (A)	705	72	-	777	550	120	-	670	107	155

Note 9(B) : Intangible assets

Previous Year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Customer rights to Portfolio Mgmt clients	38	-	-	38	38	-	-	38	-	-
Computer software	239	179	-	418	146	47	-	193	225	93
Total (B)	277	179	-	456	184	47	-	231	225	93
Total (A+B)	983	251	-	1,233	735	166	-	900	333	248

Note:

During the year no revaluation of assets have been made.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 10 : Other non-financial assets

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	22,027	17,333
Advance for Supply of Service	1,040	97
Indirect tax credit receivable	925	700
	23,992	18,130

Note 11: Trade payables

	As at March 31, 2023	As at March 31, 2022
Due to creditors micro enterprise and small enterprise (Refer Note 35)		
Due to creditors other than micro enterprise and small enterprise	5,105	6,774
	5,105	6,774

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4,779	245	55	26	5,105
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	6,647	73	45	9	6,774
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 12: Borrowings (Other than debt securities)

	As at March 31, 2023	As at March 31, 2022
At Amortised cost		
Unsecured- From related parties (refer note 46)	1,100	
Total (A)	1,100	
Borrowings in India	1,100	
Borrowings outside India	-	-
Total (B)	1,100	-
Unsecured	1,100	
Total (C)	1,100	-

Note 13 : Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Employee stock option charges payable	45	48
Accrued salaries and benefits	36	24
Interest accrued	1	0
Provision for expenses	89	294
Lease liability	-	19
Other payables	831	657
	1,002	1,042

Note 14 : Current tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Provisions for taxes net of advance tax paid (total provision for tax till March 23 Rs 27,924. lakhs; till March 22 Rs.24,273 lakhs)	1,920	1,090
	1,920	1,090

Note : 15 Provisions

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (refer note 37)		
Gratuity	293	302
Heritage obligation	25	23
Compensated absences	96	93
Ex-gratia payable	2,311	2,611
	2,725	3,029

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 16 Deferred tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liability on		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	1
Amortization of distribution costs	5,531	4,305
Payment of post employment benefit	-	40
Unrealised gain	4,176	4,024
Total deferred tax liabilities (A)	9,707	8,370
Deferred tax asset on		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	-
Gratuity provision	74	76
Heritage provision	6	6
Provision for doubtful debt	14	-
Total deferred tax asset (B)	99	82
Net deferred tax liability (A-B)	9,608	8,288

Note : 17 Other non- financial liabilities

	As at March 31, 2023	As at March 31, 2022
Withholding and other taxes payable	197	291
	197	291

Note : 18 Share capital

Authorised	As at 31 March 2023 Number of shares	As at 31 March 2023 In Lakhs	As at 31 March 2022 Number of shares	As at 31 March 2022 In Lakhs
Equity shares of Re. 1 each (face value Re. 1 each)	70,60,00,000	7,060	70,60,00,000	7,060
	70,60,00,000	7,060	70,60,00,000	7,060
Issued, subscribed and paid up				
Equity shares of Re.1 each fully paid up (face value Re. 1 each)	67,73,87,883	6,774	6,774	6,774
	67,73,87,883	6,774	6,774	6,774

18.1 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

18.2 Reconciliation of number of shares outstanding

	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Number of shares	In Lakhs	Number of shares	In Lakhs
At beginning of the year	67,73,87,883	6,774	67,73,87,883	6,774
Stock options exercised under the ESOS	-	-	-	-
At the end of the year	67,73,87,883	6,774	67,73,87,883	6,774

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	67,73,87,883	100.00%	67,73,87,883	100.00%

18.4 Shares held by holding/promoter company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	67,73,87,883	100.00%	67,73,87,883	100.00%

18.5 Adjustment to prior period errors

For 31 March 23

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
677,387,883	-	-	-	67,73,87,883

NOTES TO FINANCIAL STATEMENT (Contd..)

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

For 31 March 22

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
677,387,883	-	-	-	67,73,87,883

18.6 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 2023.

Note : 19 Other Equity

	As at March 31, 2023	As at March 31, 2022
a) Retained Earnings		
Balance at the beginning of the year	94,970	67,469
Add: Transfer from Statement of Profit and Loss	16,952	28,436
Add: Actuarial gain/(loss) on post retirement benefit plans	32	74
Less : Dividend paid	-	(1,010)
Balance at the end of year	1,11,954	94,970
b) Employee Stock Option Plan Reserve		
Balance at the beginning of the year	495	491
Add: Transfer from statement of profit & loss	-	4
less: Transfer to general reserve	495	-
Balance at the end of year	-	495
c) Securities premium		
Balance at the beginning of the year	855	855
Add: Transferred during the year	-	-
Balance at the end of year	855	855
d) General reserve		
Balance at the beginning of the year	-	-
Add: Transferred during the year	495	-
Balance as at the end of the year	495	-
	1,13,304	96,320

Nature and Purpose of Reserves

Retained Earnings

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 has been transferred to general reserve.

Securities Premium

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

General Reserve

"The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss."

Note: 20 - Fees and commission Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Portfolio management fees	27,374	35,918
Investment management fees from:	-	-
- Mutual Fund Income	16,309	16,534
- Alternate investment funds	10,795	6,991
Investment advisory fees	75	268
	54,553	59,711

Note: 21 Dividend Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	-	255
	-	255

Note: 22 Interest Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost		
Interest on loans	261	442
Interest Income at amortised cost	0	0
	261	442

Note : 23 Net gain on fair value change

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments at fair value through profit or loss		
Realised gain	-	18
Unrealised gain	1,229	12,222
	1,229	12,240

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 24 Other Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Commission income	207	89
Business Support	34	11
Interest on Income Tax Refund	65	-
	306	100

Note : 25 Finance cost

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on borrowings	5	2
Interest on lease	-	20
	5	22

Note : 26 Fees and commission expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Distribution cost and spillover expense		
-for Portfolio management services	12,716	17,428
- for Alternate investment funds	6,202	6,096
-for Advisory fees	-	-
Depository and processing charges	270	228
	19,188	23,752

Note : 27 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, bonus and allowances	8,204	7,434
Contribution to provident fund (refer note 42)	84	68
Employee stock option scheme (refer note 43)	413	532
Staff welfare expenses	381	38
Gratuity & heritage expenses (refer note 42)	94	101
	9,176	8,173

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 28 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent (refer note 38)	648	605
Rates and taxes	3	12
Insurance	55	51
Computer maintenance	170	197
Business Support charges *	971	964
Registration and filing charges	8	5
Legal and professional fees	363	393
Auditor's Remuneration (refer note 36)	10	9
Marketing and brand promotion expenses	429	440
Advertisement expenses	514	248
Printing and stationery	55	55
Power and fuel	44	36
Communication expenses	216	174
Travelling and conveyance expenses	298	246
Entertainment expenses	88	102
Data processing charges	93	3
Doubtful debts and ECL provision	54	55
Miscellaneous expenses	175	241
Membership & subscription	547	406
Corporate social responsibility expenses (refer note 41)	430	465
	5,171	4,707

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

Note : 29.1 Tax expense

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current 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,

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 carried forward tax losses can be set off 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 2023	Year ended 31 March 2022
Current tax expense		
Current tax for the year	4,355	3,830
Total current tax expense	4,355	3,830
Deferred taxes		
Change in deferred tax liabilities	1,309	3,661
Net deferred tax expense	1,309	3,661
Short/(excess) provision for earlier years	61	-
	5,725	7,491

Note : 29.2 Tax recognised through other comprehensive income:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of defined benefit plan	11	25
Total	11	25

Note : 29.3 Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	22,677	35,928
Tax at the rate of 25.168% (for 31 March 2021 - 25.168%)	5,707	9,042
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	61	-
Exempt Income	-	(64)
Expenses not deductible for tax purposes	108	117
Remeasurement of defined benefit plan	11	25
Tax at different rate	(162)	(1,629)
Income tax expense	5,726	7,491

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 29.4 Effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Effective tax rate	25.248%	20.850%

Note : 29.5 Net Deferred Tax

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax liability on account of :		
Amortization of distribution costs	5,531	4,305
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	1
Unrealised gain	4,176	4,024
Remeasurement of defined benefit plan	-	40
Provision for doubtful debt	-	-
Total deferred tax liabilities (A)	9,707	8,370
Deferred tax assets on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	-
Provision for gratuity	74	76
Provision for heritage	6	6
Provision for doubtful debt	14	-
Total deferred tax assets (B)	99	82
Net deferred tax liability/ (assets) (A-B)	9,608	8,288

Note : 29.6 Significant components and movements in deferred tax assets and liabilities:

Particulars	As at 31 March 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2021
Deferred tax liabilities on account of:							
Amortization of distribution costs	5,531	1,226	-	4,305	2,205	-	2,101
Provision for doubtful debt	-	-	-	-	(0)	-	0
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	(1)	-	1	(4)	-	5
Unrealised gain	4,176	152	-	4,024	1,454	-	2,570
Remeasurement of defined benefit plan	-	(40)	-	40	-	25	15

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2021
Total deferred tax liabilities	9,707	1,337	-	8,370	3,655	25	4,691
Deferred tax assets on account of:							
Provision for gratuity	74	8	(10)	76	(7)	-	83
Provision for heritage	6	1	-	6	(1)	-	7
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	5	-	-	-	-	-
Provision for doubtful debt	14	14	-	-	-	-	-
Unrealized loss	-	-	-	-	-	-	-
Total deferred tax assets	99	27	(10)	82	(8)	-	90
Total deferred tax assets/liability (net)	9,608	1,310	10	8,288	3,662	25	4,601

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 2023	For the year ended 31 March 2022
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note 1)	630	447
Capital commitments:		
(a) Uncalled liability on shares and other investments partly paid		
(i) India Business Excellence Fund IV	19,440	32,400

- 1) Demand/disallowance in respect of Income tax matters for which appeal is pending or to be filed is Rs. 630 lakhs (Previous Year Rs. 447 lakh). This was 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 23			As at 31 March 22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	274	-	274	146	-	146
Trade receivables	5,212	-	5,212	6,854	-	6,854
Loans	508	-	508	2,331	-	2,331
Investments	-	1,11,398	1,11,398	-	95,754	95,754
Other financial assets	10	-	10	61	-	61
Non-financial assets						
Property, plant and equipment	-	101	101	-	107	107
Other Intangible assets	-	240	240	-	225	225
Other non-financial assets	7,118	16,874	23,992	7,078	11,052	18,130
Total Assets	13,122	1,28,613	1,41,735	16,470	1,07,138	1,23,608
Liabilities						
Financial liabilities						
Trade payables	5,105	-	5,105	6,774	-	6,774
Borrowings	1,100	-	1,100	-	-	-
Other financial liabilities	1,002	-	1,002	1,042	-	1,042
Non-financial liabilities						
Current tax liabilities (net)	1,920	-	1,920	1,090	-	1,090
Provisions	2,507	218	2,725	2,770	259	3,029
Deferred tax liabilities	-	9,608	9,608	-	8,288	8,288
Other non-financial liabilities	197	-	197	291	-	291
Total Liabilities	11,831	9,826	21,657	11,966	8,547	20,513

Note : 32 Fair value measurements

Financial instruments by category:

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	274	-	146
Trade receivables	-	5,212	-	6,854
Loans	-	508	-	2,331
Investments	1,10,118	1,279	94,475	1,279
Other financial assets	-	10	-	61
Total Financial Assets	1,10,118	7,284	94,475	10,671

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Liabilities				
Trade payables	-	5,105	-	6,774
Borrowings	-	1,100	-	-
Other financial liabilities	-	1,002	-	1,042
	-	7,207	-	7,816

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:

- Mutual fund - net asset value of the scheme
- Private equity investment fund - NAV of the audited financials of the funds.

Investment includes investment in mutual funds, private equity fund and equity shares, which are categorised as per below.

Investments are categorised as per below as on 31 March 2023

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	57,394	-	-
Investment in private equity funds	-	-	52,725

Investments are categorised as per below as on 31 March 2022

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	54,765	-	-
Investment in private equity funds	-	-	39,710

NOTES TO FINANCIAL STATEMENT (Contd..)

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

III. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

Particulars	PE - Business Excellence Funds
As at March 31, 2021	28,284
Additions	5,347
Disposals	-
Gains/(losses) recognised in statement of profit and loss	6,079
As at March 31, 2022	39,710
Additions	13,519
Disposals	-
Gains/(losses) recognised in statement of profit and loss	(504)
As at March 31, 2023	52,725

Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

Particular	As at March 31, 2023	As at March 31, 2022
Fair value of PE funds	52,725	39,710
Significant unobservable inputs		
NAV of the fund at Fair value		
- increase by 100 bps	527	397
- decrease by 100 bps	(527)	(397)

Note:

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

Note : 33 Financial risk management

"The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, receivables and cash and cash equivalents that derive directly from its operations."

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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, investment in private equity fund, trade receivables and other financial assets.

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 March 31, 2023	As at March 31, 2022
Upto 6 months	5,186	6,825
6 - 12 months	61	28
More than 12 months	6	2
Total	5,253	6,855

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, borrowings 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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	5,105	-	-	5,105
Borrowings	1,100	-	-	1,100
Other financial liabilities	1,002	-	-	1,002
Total	7,207	-	-	7,207

NOTES TO FINANCIAL STATEMENT (Contd..)

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

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	6,774	-	-	6,774
Borrowings	-	-	-	-
Other financial liabilities	1,042	-	-	1,042
Total	7,816	-	-	7,816

(C) Market Risk

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

(i) Foreign currency risk

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

(ii) Interest rate risk

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

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds & private equity fund, classified in the balance sheet at fair value through profit and loss. The Investments held by the Company are ancillary to the Investment management business objective. 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 2023	As at 31 March 2022
Exposure to price risk	1,10,118	94,475

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 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/price	11,012	9,448
Impact on profit before tax for 10% decrease in NAV/price	(11,012)	(9,448)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 34 Assets pledged as security

The carrying amounts of assets pledged are:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
Investments	46,465	41,390
Total assets pledged as security	46,465	41,390

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 and Small 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. The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company. 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 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As Auditors:		
Statutory audit	9	9
Out of pocket expenses	1	0
Total	10	9

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 37 : Provisions made comprises of

Particulars	Opening balance as at 01 April 2022	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2023
Ex-gratia	2,611	2,323	2,623	2,311
Gratuity	302	51	61	293
Compensated absences	93	3	-	96
Heritage club	23	2		25

For the year ended 31 March 2022

Particulars	Opening balance as at 01 April 2021	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2022
Ex-gratia	2,284	2,628	2,301	2,611
Gratuity	330	1	29	302
Compensated absences	85	8	-	93
Heritage club	26	-	3	23

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.

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	-	65
Adjustment on transition to Ind AS		-
Movement during the year		-
Depreciation on Right-Of-Use (ROU) assets		(65)
Balance at the end of the year	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Lease liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	19	87
Adjustment on transition to Ind AS	-	-
Movement during the year	(19)	-
Add: Interest cost accrued during the period		20
Less: Payment of lease liabilities		(88)
Balance at the end of the year	(0)	19

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Less than three months	(0)	19
Three to twelve months	-	-
One to five years	-	-
More than five years	-	-
Total	(0)	19

(D) Amount recognised in statement of profit & loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on lease liabilities	-	20
Depreciation on right of use assets	-	65
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.	648	605

(E) Amount recognised in statement of cash flows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash payments for the principal & interest portion of the lease liability within financing activities	19	88
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.	648	605

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders (Lakhs) [A]	16,952	28,437
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	6,774	6,774
Basic earnings per share [A] / [B] (Rupees)	2.50	4.20

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 March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders (Lakhs)	16,952	28,437
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]	16,952	28,437
Weighted average number of equity shares used in computing basic earnings per share	6,774	6,774
Effect of potential equity shares for stock options outstanding		4
Weighted number of equity shares used in computing diluted earnings per share [B]	6,774	6,778
Diluted earnings per share (Rupees) [A] / [B]	2.50	4.20

Note 40 : Dividend on equity share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend on equity shares declared and paid during the year		
Final dividend for FY 2022-23 : NIL (FY 2021-22 Rs. 0.149 per share)	-	1,010

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 2022-23.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 March 31, 2023	For the year ended March 31, 2022
Donation for community development programs -health, education, sanitation	26	-
Donation for restoring heritage place	1	-
Donation for skill development centre	120	17
Donation for education program	-	91
Donation for food	-	5
Donation for COVID relief	-	5
Donation for construction of hostel	275	-
Donation for School	-	1
Donation for tree plantation	1	-
Donation for Medical expenses	7	253
Donation for welfare activities	-	15
Donation for rehabilitation	-	50
Donation for PM care funds	-	28

(b) Details required as follow:

1) Gross amount required to be spent by the company.

Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of Previous year shortfall	Reason for shortfall	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.
428	430	-	-	NA	NA

2) Amount spent during the year on

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	275	-	275
On purposes other than above	155	-	155

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars (previous year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	17	-	17
On purposes other than above	447	-	447

Above includes a contribution of Rs.436.5 lakhs (Previous year Rs. 213.66 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- "Related Party Disclosures". (refer note 46)

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 2023	year ended 31 March 2022
Employers' contribution to provident fund	84	68

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 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	5.90%	5.90%	6.79%	3.92%
Rate of escalation in salary (per annum)	5.67%	5.67%		5.67%
Expected rate of return on plan assets (per annum)				
Employee attrition rate (past service)	PS: 0 to 37 : 18.56%	PS: 0 to 37 : 18.56%	PS: 0 to 37 YRS: 54.43%	PS: 0 to 37 YRS: 54.43%
Expected average remaining service	4.21	4.21	0.29 to 0.52	0.29 to 0.52

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
I)	Changes in present value of obligations (PVO)				
	PVO at beginning of period	302	330	23	26
	Interest cost	16	12	-	-
	Current service cost	78	94	2	(3)
	Transfer in liabilities	0	4	-	-
	Transfer out liabilities	-	(9)	-	-
	Past service cost - (non vested benefits)	-	-	-	-
	Past service cost - (vested benefits)	-	-	-	-
	Benefits paid	(61)	(29)	-	-
	Contributions by plan participants	-	-	-	-
	Business combinations	-	-	-	-
	Curtailments	-	-	-	-
	Settlements	-	-	-	-
	Actuarial (gain)/loss on obligation	(43)	(99)	-	-
	PVO at end of period	293	302	26	23
II)	Interest expense				
	Interest cost	16	12	-	-
III)	Fair value of plan assets				
	Fair value of plan assets at the beginning	-	-	-	-
	Interest income	-	-	-	-
IV)	Net liability				
	PVO at beginning of period	302	330	-	-
	Fair value of the assets at beginning report	-	-	-	-
	Unrecognised past service cost-non vested benefits	-	-	-	-
	Net Liability at the beginning	302	330	-	-
V)	Net Interest				
	Interest expenses	16	12	-	-
	Interest income	-	-	-	-
	Net interest	16	12	-	-
VI)	Actual return on plan assets				
	Less Interest income included above	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
VII)	Actuarial (gain)/loss on obligation				
	Due to demographic assumption	(8)	(1)	-	-
	Due to financial assumption	(5)	(58)	-	-
	Due to experience	(29)	(41)	-	-
	Total actuarial (gain)/loss	(43)	(99)	-	-
VIII)	Fair value of plan assets				
	Opening fair value of plan asset	-	-	-	-
	Adjustment to opening fair value of plan asset	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-
	Interest income	-	-	-	-
	Contributions by employer	61	29	-	-
	Contributions by employee	-	-	-	-
	Benefits paid	(61)	(29)	-	-
	Fair value of plan assets at end	-	-	-	-
IX)	Past service cost recognised				
	Past service cost- (non vested benefits)	-	-	-	-
	Past service cost- (vested benefits)	-	-	-	-
	Average remaining future service till vesting of the benefit	-	-	-	-
	Recognised past service cost- non vested benefits	-	-	-	-
	Recognised past service cost- vested benefits	-	-	-	-
	Unrecognised past service cost- non vested benefits	-	-	-	-
X)	Amounts to be recognized in the balance sheet and statement of profit & loss account				
	PVO at end of period	293	302	-	-
	Fair value of plan assets at end of period	-	-	-	-
	Funded Status	(293)	(302)	-	-
	Unrecognised past service cost- non vested benefits	-	-	-	-
	Net asset/(liability) recognized in the balance sheet	(293)	(302)	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
XI)	Expense recognised in the statement of profit and loss				
	Current service cost	78	94	2	(3)
	Net interest	16	12	-	-
	Past service cost - (non vested benefits)	-	-	-	-
	Past service cost - (vested benefits)	-	-	-	-
	Curtailment effect	-	-	-	-
	Settlement effect	-	-	-	-
	Unrecognised past service cost - non vested benefits	-	-	-	-
	Expense recognized in the statement of profit and loss	94	106	2	(3)
XII)	Other comprehensive income (OCI)				
	Actuarial (gain)/loss recognized for the period	(43)	(99)	-	-
	Asset limit effect	-	-	-	-
	Return on plan assets excluding net interest	-	-	-	-
	Unrecognized actuarial (gain)/loss from previous period	-	-	-	-
	Total actuarial (gain)/loss recognized in (OCI)	(43)	(99)	-	-
XIII)	Movement in liability recognized in balance sheet				
	Opening net liability	302	330	23	26
	Adjustment to opening balance	-	-	-	-
	Expenses as above	94	106	2	(3)
	Transfer in liability	0	4		
	Transfer out liability	-	(9)		
	Contribution paid	(61)	(29)	-	-
	Other comprehensive income(OCI)	(43)	(99)	-	-
	Closing net liability	293	302	26	23

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
XIV)	Projected service cost 31 March 2024	79	78	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

XV) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	285	301	298	287

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	81	66	53	42	35	71

XVII) Asset liability comparisons

Year	31-03-2018	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023
PVO at end of period	171	243	311	330	302	293
Plan assets	-	-	-	-	-	-
Surplus / (deficit)	(171)	(243)	(311)	(330)	(302)	(293)
Experience adjustments on plan assets	-	-	-	-	-	-

Weighted average remaining duration of defined benefit obligation

2.25

Risk associated with defined benefit plan:

1) **Investment/interest risk:**

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

2) **Longevity risk:**

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

Note 43 : Employee Stock Option Plan

a) **Scheme details**

The company has two stock option 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 2023	year ended 31 March 2022
Expenses arising from equity - settled share-based payment transactions	413	532

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	Various dates	Various dates
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	-	-
Current year - vested but not exercised	-	-
Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.
Weighted average remaining contractual life		
Previous year - granted but not vested	-	-
Previous year - vested but not exercised	-	3 Years

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Scheme I	Scheme II
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	0.00	0.00

d) Movement in share option during the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	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	-	-	82,00,000	13.40
Add: Granted during the year	-	-	-	NA
Less: Exercised during the year	-	-	-	NA
Less: Forfeited during the year	-	-	-	NA
Less: Lapsed during the year	-	-	82,00,000	13.40
Balance at end of the year	-	-	-	
Exercisable at end of the year	-	-	-	
ESOP II				
Balance at beginning of the year	4,00,000	22.00	15,25,741	15.06
Add: Granted during the year	-	NA	-	NA
Less: Exercised during the year	-	NA	-	NA
Less: Forfeited during the year	-	NA	-	NA
Less: Lapsed during the year	4,00,000	22.00	11,25,741	12.59
Balance at end of the year	-	-	4,00,000	22.00
Exercisable at end of the year	-	-	4,00,000	22.00

NOTES TO FINANCIAL STATEMENT (Contd..)

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

e) Exercise pricing formula

ESOP I

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

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

ESOP II

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

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

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

Impact on the income statement of a change in leaver assumptions	Year ended 31 March 2023	Year ended 31 March 2022
(+)5%	-	(5.52)
(-)5%	-	1.88

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	Type of service		
	Asset Management Activities	Portfolio management fees	Investment advisory services
Total Revenue from contracts with customers	27,104	27,374	75
Geographical Markets			
India	27,104	27,374	75
Outside India	-	-	-
Total Revenue from contracts with customers	27,104	27,374	75
Timing of revenue recognition			
Services transferred over time	27,104	27,374	75
Total Revenue from contracts with customers	27,104	27,374	75

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 month.

Note 45 : Transactions in foreign currency

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment advisory service	-	-

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Data subscription charges	111	-
Travelling and conveyance expenses	21	2
Marketing and brand promotion expenses	6	7

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement	-	-
Legal and professional fees	3	37
Portfolio management services	34	49
Distribution fees	693	63
Software charges	79	85
Membership and subscription fees	298	370
meeting event and seminar expense.	7	-
set up fees	26	-
Registration charges	10	-
Total	1,288	613

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) Wholly owned subsidiaries

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

(iii) Fellow subsidiaries

- Motilal Oswal Finest Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternet Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
- MO Alternative IFSC Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- India Business Excellence Management Company
- Glide Tech Investment Advisors Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- Motilal Oswal Finsec Private Limited
- TM Investment Technologies Private Limited

(iv) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

- Mr. Navin Agarwal

(b) Executive directors

- Mr. Raamdeo Agarawal

(c) Non - executive directors

- Mr. Ashok Jain (till 02 August 22)
- Mr. Abhaya P. Hota
- Ms. Swanubhuti Jain
- Mr. Himanshu Vyapak
- Mr. R S Sanghi (Wef. 05 August 22)

(d) Company secretary

- Ms. Aparna karamse-(till October 31, 2022)
- Ms. Tejashree Khona (wef November 1, 2022)

(v) Relative of KMP

- Ms. Suneeta Agrawal (wife of Raamdeo Agrawal)
- Mr. Vaibhav Agrawal (son of Raamdeo Agrawal)
- Ms. Vedika Karnani (Son's wife of Raamdeo Agrawal)
- Ms. Chanda Agarwal (Mother of Navin Agarwal)
- Mr. Prasanna Patankar (till October 31, 2022)
- Ms. Archana Karamse (Mother of Aparna karamse)

(vi) KMP of Holding company

- Mr. Shalibhadra Shah

(vii) Executive director of Holding company

- Mr. Ajay Menon

(viii) Executive director of Subsidiary company

- Mr. Akhil chaturvedi (Executive director of MOCL)

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

- Motilal Oswal Foundation

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Transactions with related parties

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		KMP / Relative of KMP/Associates/Enterprises in which KMP and their relatives exercise significant influence (C)		Total (A+B+C)	
		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Commission received	Motilal Oswal Financial Services Limited	207	89	-	-	-	-	207	89
Interest received	Motilal Oswal Financial Services Limited	261	442	-	-	-	-	261	442
Interest paid	Motilal Oswal Finvest Limited	-	-	5	2	-	-	5	2
Rent paid	Motilal Oswal Financial Services Limited	585	585	-	-	-	-	585	585
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	3,508	4,406	-	-	-	-	3,508	4,406
Business support charges	Motilal Oswal Financial Services Limited	951	949	-	-	-	-	951	949
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited	-	-	2,292	3,098	-	-	2,292	3,098
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Financial Services Limited	1,115	1,054	-	-	-	-	1,115	1,054
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Wealth Management Limited	-	-	1,020	818	-	-	1,020	818
Investment advisory fees received	Motilal Oswal Wealth Management Limited	-	-	-	22	-	-	-	22
Support cost recovery	Motilal Oswal Capital Limited	-	-	33	21	-	-	33	21
Reimbursement of expenses	Glide Tech Investment Advisory Pvt. Ltd.	-	-	20	-	-	-	20	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		KMP / Relative of KMP/Associates/Enterprises in which KMP and their relatives exercise significant influence (C)		Total (A+B+C)	
		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Portfolio management fees	Mr. Raamdeo Agarwal	-	-	-	-	4	4	4	4
	Mr. Ashok Jain	-	-	-	-	4	4	4	4
	Mr. Ajay Menon	-	-	-	-	1	-	1	-
	Mr. Shalibhadra Shah	-	-	-	-	2	-	2	-
	Ms. Suneeta Agarwal	-	-	-	-	46	43	46	43
	Mr. Prasanna S Patankar	-	-	-	-	0	-	0	-
	Ms. Archana Karamse	-	-	-	-	0	-	0	-
	Mr. Akhil Chaturvedi	-	-	-	-	0	-	0	-
	Mr. Vaibhav Agarwal	-	-	-	-	14	12	14	12
	Ms. Vedika Karnani	-	-	-	-	1	0	1	0
	Ms. Chanda Agarwal	-	-	-	-	0	0	0	0
	Motilal Oswal Financial Services Limited	70	74	-	-	-	-	70	74
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	44	36	-	-	-	-	44	36
	Motilal Oswal Financial Services Limited	48	32	-	-	-	-	48	32
Employee compensation - Managerial remuneration/Commission	Mr. Navin Agarwal	-	-	-	-	1,425	1,725	1,425	1,725
	Mr. Raamdeo Agarwal	-	-	-	-	228	228	228	228
Reimbursement of expenses	Mr. Raamdeo Agarwal	-	-	-	-	74	111	74	111
Director sitting fees	Mr. Abhaya P. Hota	4	3	-	-	-	-	4	3
	Mr. Ashok Jain	1	4	-	-	-	-	1	4
	Ms. Swanubhuti Jain	3	3	-	-	-	-	3	3
	Mr. Himanshu Vyapak	4	3	-	-	-	-	4	3
	Mr. Rama Shankar Sanghai	1	-	-	-	-	-	1	-
Loan taken during the year	Motilal Oswal Finvest Limited	-	-	2,167	800	-	-	2,167	800
Loan repaid during the year	Motilal Oswal Finvest Limited	-	-	1,067	1,185	-	-	1,067	1,185
Loan given during the year	Motilal Oswal Financial Services Limited	47,570	55,150	-	-	-	-	47,570	55,150
Loan payment received during the year	Motilal Oswal Financial Services Limited	49,865	52,855	-	-	-	-	49,865	52,855

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		KMP / Relative of KMP/Associates/Enterprises in which KMP and their relatives exercise significant influence (C)		Total (A+B+C)	
		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	413	528	-	-	-	-	413	528
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	-	-	-	-	430	437	430	437

Note: Managerial Remuneration

Particulars	31-Mar-23	31 March 22
Short term employee benefit	1,727	2,064
Share based payments	-	-
Total	1,727	2,064

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

(C) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2023	As at 31 March 2022
Interest payable	Motilal Oswal Finvest Limited	1	-
Interest receivable	Motilal Oswal Financial Services Limited	12	35
Loan payable	Motilal Oswal Finvest Limited	1,100	-
Loan receivable	Motilal Oswal Financial Services Limited	-	2,295
Rent payable	Motilal Oswal Financial Services Limited	22	428
Trade payables	Motilal Oswal Wealth Management Limited	328	612
	Motilal Oswal Financial Services Limited	449	869
Trade receivables	Motilal Oswal Capital Limited	11	12
	Motilal Oswal Financial Services Limited	21	-
Prepaid Expenses	Motilal Oswal Financial Services Limited	4,238	3,741
	Motilal Oswal Wealth Management Limited	3,406	2,848
Employee stock option charges payable	Motilal Oswal Financial Services Limited	45	48

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transactions	Name of the Related party	As at 31 March 2023	As at 31 March 2022
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	479	479
	Motilal Oswal Capital Limited	800	800
	Motilal Oswal Home Finance Limited	0	0

Note 47 : Segment Reporting

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

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

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

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

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

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue :								
External revenue	54,553	59,711	1,229	12,477	326	561	56,108	72,748
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	54,553	59,711	1,229	12,477	326	561	56,108	72,748
Result :								
Segment result	21,771	22,944	1,229	12,477	326	561	23,000	35,421
Unallocated corporate expenses	-	-	-	-	-	-	910	474
Unallocated revenue	-	-	-	-	-	-	326	561

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Operating profit	-	-	-	-	-	-	22,416	35,508
Interest expenses	-	-	-	-	-	-	-	22
Interest income	-	-	-	-	-	-	261	442
Tax expense :	-	-	-	-	-	-	-	-
Current tax	-	-	-	-	-	-	4,355	3,830
Deferred tax	-	-	-	-	-	-	1,309	3,661
Income tax for earlier years	-	-	-	-	-	-	61	-
MAT credit adjustments of previous year	-	-	-	-	-	-	-	-
Profit from Ordinary Activities	-	-	-	-	-	-	16,952	28,437
Extra-ordinary / exceptional items	-	-	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	-	16,952	28,437
Other information :								-
Segment assets	29,839	25,523	1,10,103	94,460	1,793	3,625	1,41,735	1,23,608
Segment liabilities	10,130	11,136	-	-	11,527	9,377	21,657	20,514
Capital expenditure	140	250	-	-	-	-	140	250
Depreciation	132	166	-	-	-	-	132	166
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-

Note 48 : ESOP expense to Holding Company

Motilal Oswal Financial Services Limited has granted stock options to the eligible employees of the Company. The Company has reimbursed to the Holding Company in current year Rs. 527.98 Lakhs (previous year Rs.380.66 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 27.

Note 49 : Transactions with Struck-off companies

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 50 Capital Management

Risk management

The primary objectives of the company's capital management policy is to ensure compliance with regulatory capital requirements and to optimise 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 its 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 51 : Unhedged foreign currency

The Company is not having any unhedged foreign currency exposure as on 31 March 2023.

Note 52 : Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Note 53 : Previous year figures have been regrouped/reclassified wherever necessary.

Note 54 : Amount below Rs.50,000 have been rounded off or shown as "0".

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

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

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

S. Chandrasekhar
Partner
Membership No.: 007592
Place : Mumbai
Date : 25 April 2023

Navin Agarwal
Managing Director and Chief Executive Officer
DIN No : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Raamdeo Agarwal
Director
DIN No : 0024533

Juzer Dalal
Chief Financial Officer



Motilal Oswal Home Finance Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT



To the Members of **Motilal Oswal Home Finance Limited**

Report on the **Audit of the Financial Statements**

1. Opinion

We have audited the accompanying financial statements of **Motilal Oswal Home Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Expected Credit Loss (ECL) on Loans and Advances Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. As at March 31, 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹ 3,77,173 lakhs (net of allowance of ECL ₹ 7,080 lakhs).	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) Testing the design and effectiveness of internal controls over the following: ➤ key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. ➤ key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. ➤ management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.



INDEPENDENT AUDITOR'S REPORT

(Contd...)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: - Data inputs - The application of ECL model requires several data inputs. - Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are - considered the most significant judgmental aspect of the Company’s modelling approach. - Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. - Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. - Adjustments to model driven ECL results to address emerging trends. Refer Note 30 of the Financial Statements.	- Also, for a sample of ECL allowance on loan assets tested: - Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied. - we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and - we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. - We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. - Testing management’s controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI. - Evaluating the appropriateness of the Company’s Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays. - For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. - Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and Ind AS 109.
2.	Information Technology (IT) Systems and Controls The Company’s key financial accounting and reporting processes are highly dependent on the automated controls over the Company’s information systems. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from/to this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: Interest, Fee income and other charges collected on Loans	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: General IT controls design, observation and operation: - Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. User access controls operation: - Obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.

INDEPENDENT AUDITOR'S REPORT

(Contd...)



Sr. No.	Key audit matters	How our audit addressed the key audit matter
	Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default So, there exists a risk that gaps in the IT general control environment which could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.	- Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. Application controls: - We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. - For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion & Analysis Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations. We have nothing to report in this regard.

5. Management's Responsibilities for the Financial Statements

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 financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

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



INDEPENDENT AUDITOR'S REPORT

(Contd...)

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

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company 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.
- v. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.

INDEPENDENT AUDITOR'S REPORT

(Contd...)



- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the Act.
- h. 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 has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared and paid by the Company during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

S. Chandrasekhar
Partner
Membership No. 007592
UDIN: 23007592BGYMAI5203

Place : Mumbai
Date : April 26, 2023



Annexure A to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Home Finance Limited

Referred to in paragraph [8(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets.

The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- (b) The Company has a program of physical verification of property, plant and equipment whereby all the items of property, plant and equipment are verified once in three years. The property, plant and equipment were physically verified during the financial year 2020-2021 by the Management with a regular programme of verification. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification. Pursuant to such program, the physical verification of Property, Plant and Equipment, including Right of Use Assets, were not due during the current year and accordingly, not verified by the management during the year.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of paragraph 3(i) (c) of the Order are not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information, explanations and representations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets. Basis the information, explanation and representation provided to us and basis our audit procedures undertaken, we have not come across any material discrepancies between the information submitted in the quarterly returns statements filed by the Company with such banks and financial institutions when compared with the books of account and other relevant information provided by the Company.
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.
- (b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. Further, according to the information and explanations provided to us, the Company has not provided any guarantees during the year.
- (c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year end as at March 31, 2023 wherein the amounts were overdue vis-à-vis stipulated terms.
- (d) The Company, being a Housing Finance Company, is registered with National Housing Bank, and the directives issued by Reserve Bank of India, in pursuance of its compliance with provisions of the said Act/Rules/directives, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days.

INDEPENDENT AUDITOR'S REPORT

(Contd...)



In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2023:

(₹ In Lakhs)

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Dues
802	3973.14	119.17	4092.31

- (e) The Company is primarily engaged in lending activities and hence, the requirements under clause 3(iii) (e) of the Order are not applicable to the Company.
- (f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which director is interested to which provisions of section 185 of the Companies Act, 2013 apply and the provisions of Section 186 of the Companies Act 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited as on 31 March 2023, on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	0.06	F.Y. 2016-17	Commissioner of Appeal (Income-tax)

- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information, explanations and representation given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have used during the year for long-term purposes.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.



INDEPENDENT AUDITOR'S REPORT

(Contd...)

- (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the information, explanations and representations given to us by the management and to the best of our knowledge, there have been instances of fraud on the Company by its customers amounting to Rs. 2,694.03 lakhs as disclosed in NHB disclosure forming part of financial statements, which have been duly reported to the Reserve Bank of India. We did not come across any instances of fraud by the Company.
- (b) According to the information and explanations given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information, explanations and representations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company during the year and till date while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanation given to us, the Company is registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- (b) The Company has conducted Housing Finance activities holding a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on

INDEPENDENT AUDITOR'S REPORT

(Contd...)



the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

S. Chandrasekhar
Partner
Membership No. 007592
UDIN: 23007592BGYMAI5203

Place : Mumbai
Date : April 26, 2023



Annexure B to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Home Finance Limited

Referred to in paragraph [8(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Motilal Oswal Home Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITOR'S REPORT

(Contd...)



Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting 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.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAI5203

Place : Mumbai

Date : April 26, 2023



Balance Sheet

as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
1. ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	4	27,505	23,104
(b) Bank balances other than (a) above	5	4,379	4,243
(c) Loans	6	3,77,173	3,43,455
(d) Investment		-	-
(e) Other financial assets	7	1,622	834
Total Financial assets (A)		4,10,679	3,71,636
(II) Non-financial Assets			
(a) Current tax assets (net)	8	627	1,035
(b) Deferred tax assets (net)	9	1,795	2,383
(c) Property, plant and equipment	10	1,339	834
(d) Other Intangible assets	11	149	211
(e) Other non-financial assets	12	209	203
Total non- financial assets (B)		4,119	4,666
Total assets (C) = (A) +(B)		4,14,798	3,76,302
2. LIABILITIES AND EQUITY			
(I) Financial liabilities			
(a) Payables	13		
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		469	729
(b) Debt securities	14	61,208	74,619
(c) Borrowings (other than Debt securities)	15	2,27,667	1,86,027
(d) Other financial liabilities	16	9,967	13,564
Total financial liabilities (D)		2,99,311	2,74,939
(II) Non-Financial Liabilities			
(a) Provisions	17	439	415
(b) Other non-financial liabilities	18	276	251
Total non-financial liabilities (E)		715	666
3. EQUITY			
(a) Equity share capital	19	60,334	60,271
(b) Other equity	20	54,438	40,426
Total equity (F)		1,14,772	1,00,697
TOTAL LIABILITIES AND EQUITY (G) = (D) + (E) + (F)		4,14,798	3,76,302

The accompanying notes form an integral part of these financial statements

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

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No: 007592
Place : Mumbai
Date : 26th April 2023

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman & Interim Managing Director
DIN: 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 26th April 2023

Raamdeo Agarawal
Director
DIN: 00024533

Ritin Mawani
Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2023



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

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	21		
Interest income		51,342	49,965
Fees and other Income		1,212	1,267
Net gains on fair value changes (Realised/Unrealised)		126	39
Net gain on derecognition of financial assets instruments under amortised cost		-	899
Total revenue from operations (I)		52,680	52,170
Other income	22	513	450
Total other income (II)		513	450
Total Income (1) = (I+II)		53,193	52,620
Expenses			
Finance cost	23	21,856	22,903
Impairment on financial instruments (Provision for contingencies)	24	1,893	7,319
Employee benefits expenses	25	8,984	7,584
Depreciation and amortization expenses	10	369	469
Other expenses	26	2,537	2,514
Total Expenses (2)		35,639	40,789
Profit before tax for the year (3) = (1) - (2)		17,554	11,831
Less: Tax expense/(credit)	27		
(a) Current tax		3,348	-
(b) Deferred tax		583	2,345
(c) Prior Period tax		(13)	(3)
Total tax expenses (4)		3,918	2,342
Profit for the year (5) = (3) - (4)		13,636	9,489
Other comprehensive income	28		
(A) Items that will not be reclassified to profit & loss			
(i) Actuarial gain on post retirement benefit plans		20	17
(ii) Tax impact on the above		(5)	(4)
Total other comprehensive income (6)		15	13
Total comprehensive income for the year (7) = (5) + (6)		13,651	9,502
Earnings per share:	29		
Basic		0.23	0.16
Diluted		0.23	0.16
Face value per share		1.00	1.00

The accompanying notes form an integral part of these financial statements

This is the Statement of profit and loss referred to in our report of even date

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No: 007592
Place : Mumbai
Date : 26th April 2023

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman & Interim Managing Director
DIN: 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 26th April 2023

Raamdeo Agarawal
Director
DIN: 00024533

Ritin Mawani
Company Secretary



Statement of cash flows

for year ended 31 March 2023

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

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Cash flows from operating activities:		
Profit/(loss) before tax:	17,555	11,831
Adjustments :		
Depreciation and amortisation	369	469
Interest income	(51,342)	(50,864)
Interest expense	21,856	22,903
Employee share option scheme	261	42
Provisions for employee benefits	89	81
Other provisions	(45)	47
Impairment on financial instruments	1,893	7,319
Net gains on fair value changes	(126)	(39)
Operating profit before working capital changes	(9,490)	(8,211)
Adjustments for increase/ decrease in operating assets and liabilities:		
(Increase)/Decrease in Trade receivables	-	482
(Increase)/Decrease in Loans	(35,611)	(3,481)
(Increase)/Decrease in Other financial assets	(789)	(608)
(Increase)/Decrease in Other non financial assets	(7)	115
Increase/(Decrease) in Non financial liabilities	24	112
Increase/(Decrease) in Trade payables	(259)	172
Increase/(Decrease) in Other financial liabilities	(4,043)	1,749
Interest Paid	(21,798)	(23,597)
Interest Received	50,987	50,808
Cash generated from/ (used in) operations	(20,986)	17,542
Less: Income taxes paid (net of refunds)	(2,932)	2
Net cash inflow/(outflow) from operating activities	(23,918)	17,544
Cash flows from investing activities:		
(Purchase)/sale of property, plant and equipments	(811)	(629)
Sale of mutual funds units	84,122	84,439
Purchase of mutual funds units	(83,996)	(84,400)
(Increase)/Decrease in deposits with original maturity of more than 3 months	(136)	(1,547)
Interest income on fixed deposit	355	192
Net cash (outflow) from investing activities	(466)	(1,945)
Cash flows from financing activities:		
Proceeds from issue of share capital	64	92
Share Premium on issue of share capital	100	104
Proceeds from Debt securities	-	30,000
Repayment of Debt securities	(13,412)	(70,305)
Proceeds from Borrowings other than debt securities	1,33,514	1,00,296
Repayment of Borrowings other than debt securities	(91,874)	(84,590)
Payment towards lease liabilities	451	35
Interest paid	(58)	(86)
Net cash inflow/(outflow) from financing activities	28,785	(24,454)

Statement of cash flows

for year ended 31 March 2023



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

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Net Increase/(Decrease) in Cash and cash equivalents	4,401	(8,855)
Add: Cash and cash equivalents as at beginning of the year	23,104	31,959
Cash and cash equivalents at end of the year*	27,505	23,104
*Component of Cash and cash equivalents		
Cash and cash equivalents	27,505	23,104
Deposits with maturity of less than 3 months	-	-
Total	27,505	23,104

(A) Changes in liabilities arising from financing activities

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	2,60,646	2,85,245
Proceeds from borrowings (other than debt securities)	1,33,514	1,00,296
Proceeds from issue of non-convertible debentures	-	30,000
Repayments of borrowings	(91,874)	(84,590)
Repayments of debts securities	(13,411)	(70,305)
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	2,88,875	2,60,646

(B) Cash flow from operating activities includes

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Interest received	50,987	50,808
Interest paid	(21,798)	(23,597)

The Statement of cash flow has been prepared under the 'Indirect Method' given under Ind AS 7 - Statement of Cash Flows.

The accompanying notes form an integral part of these financial statements

This is the Statement of cash flow referred to in our report of even date

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No: 007592
Place : Mumbai
Date : 26th April 2023

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman & Interim Managing Director
DIN: 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 26th April 2023

Raamdeo Agarawal
Director
DIN: 00024533

Ritin Mawani
Company Secretary



Statement of changes in equity

for year ended 31 March 2023

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

A. Equity share capital

Particulars	Number	Amount
Equity Shares of Re.1 issued, subscribed and fully paid up		
Balance as at 01 April 2021	6,01,78,47,765	60,178
Changes in equity share capital during the year	92,43,750	92
Balance as at 31 March 2022	6,02,70,91,515	60,271
Changes in equity share capital during the year	63,55,110	64
Balance as at 31 March 2023	6,03,34,46,625	60,334

B. Other equity

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2022	26,212	7,255	257	6,702	40,426
Profit for the year	-	-	-	13,636	13,636
Actuarial gain/ loss during the year (net of taxes)	-	-	-	15	15
Total comprehensive income for the period	26,212	7,255	257	20,353	54,077
Transfer to statutory reserve	-	2,727	-	(2,727)	-
Stock options exercised/ lapsed	-	-	261	-	261
Securities premium on shares issued during the year	100	-	-	-	100
Others	-	-	-	-	-
Balance as at 31 March 2023	26,312	9,982	518	17,626	54,438

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2021	26,108	5,357	212	(902)	30,775
Profit for the year	-	-	-	9,489	9,489
Actuarial gain/loss during the year (net of taxes)	-	-	-	13	13
Total comprehensive income for the year	26,108	5,357	212	8,600	40,277
Transfer to statutory reserve	-	1,898	-	(1,898)	-
Stock options exercised/ lapsed	-	-	42	-	42
Securities premium on shares issued during the year	104	-	-	-	104
Others	-	-	3	-	3
Balance as at 31 March 2022	26,212	7,255	257	6,702	40,426

The accompanying notes form an integral part of these financial statements

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

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No: 007592
Place : Mumbai
Date : 26th April 2023

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman & Interim Managing Director
DIN: 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 26th April 2023

Raamdeo Agarawal
Director
DIN: 00024533

Ritin Mawani
Company Secretary



Note 1: Corporate information

Motilal Oswal Home Finance Limited ("MOHFL" or "the Company") was incorporated in India on October 01, 2013. The Company is registered with Reserve Bank of India (RBI) under section 29A of the National Housing Bank (NHB) Act, 1987 as a Housing Finance Company (HFC) vide Certificate of Registration No. DOR-00111 dated February 12, 2020 (erstwhile registered with NHB vide Certificate of Registration No. 05.0111.14 dated May 19, 2014).

MOHFL is primarily engaged into providing loans for purchase or construction of residential houses. It offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The Non-Convertible debentures (NCDs) of the Company are listed on Bombay Stock Exchange (BSE), India.

Note 2: Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. As required by Division III issued under Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in order of the liquidity.

(i) Compliance with Ind AS

The financial statements of the Company 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 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as 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. Any application guidance/clarification/directions issued by the NHB or RBI or other regulators are implemented as and when they are issued/applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) 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, 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 39.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

(iv) Functional and presentation currency

The financial statements are presented in Indian rupee (INR) in lakhs rounded off to two decimal places except when otherwise stated as permitted by Schedule III to the Companies Act, 2013, which is MOHFL's functional and presentation currency.



(v) Use of estimates and judgment

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

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
- (c) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 9 and note 27.
- (d) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share-based payment expense amounts in the future.
- (e) **Determination of the estimated useful lives of Property, plant and equipment:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- (f) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 37.
- (g) **Determining whether an arrangement contains a lease:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.
- (h) **Effective interest rate:** The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.



- (i) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realized. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- (j) **De-recognition of financial instruments:** In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

- (k) **Taxes:** The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/ recovered for certain tax positions.

(vi) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note 3: Summary of significant accounting policies

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, 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, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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



- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOHFL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

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



(c) Impairment of financial asset

(i) Overview of ECL principles:

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on a collective basis, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset. The company categorises financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due.
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

(ii) Impairment:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

(iii) Presentation of ECL in the financials:

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.



(iv) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI or otherwise is recognised in profit or loss.

Assignment arrangements

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognized and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognized from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(vii) Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the



derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Hedge Accounting: The Company designates certain hedging instruments in respect of foreign currency risk and interest rate risk as cash flow hedges. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve.

The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Hedge accounting is discontinued when the hedging instrument expires, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Statement of Profit and Loss.

3.2 Repossessed collateral

Reposessed collateral represents non-financial assets acquired by the Company in settlement of overdue loans. Any collateral obtained as a result of foreclosure is not recognized as a separate asset unless it is acquired by the Company in settlement of overdue loans.

3.3 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation



Specific policies for the Company's different sources of revenue are explained below:

(ii) Recognition of Interest income and other charges

(a) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(b) Other financial charges

Cheque bouncing charges, late payment charges, foreclosure charges and application money are recognised on a point-in-time basis and are recorded when realised since the probability of collecting such monies is established when the customer pays.

(iii) Dividend income

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

(iv) Other income

Other income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract i.e., income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.4 Income Tax

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

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year calculated in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Notes to Financial Statement

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The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by 'The Taxation Laws (Amendment) Act, 2019'. Under this option, Company is not required to comply with provisions of Minimum Alternate Tax.

3.5 Leases – As lessee

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

Measurement and recognition of leases as a lessee

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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 Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

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.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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

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

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.7 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is



derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Depreciation methods, estimated useful lives and residual value

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful life as per the Company
Computers	3 Years	3 Years
Furniture & Fixtures	10 Years	10 Years
Motor car	8 Years	8 Years
Office equipments	5 Years	5 Years
Electrical equipments	10 Years	10 Years
Leasehold improvement	Over the period of lease	Over the period of lease

Based on internal assessment, the Management believes that the useful lives adopted by the Company best represent the period over which Management expects to use these assets.

(iv) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.8 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life of 5 years commencing from the month in which the asset is first put to use.

3.9 Employee benefits

(i) Short-term employee benefit

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.



(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of Motilal Oswal Home Finance Limited and its group companies as well, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by the holding company to the employees at deputation to the company are also accounted for in line with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to holding company.

3.10 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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



3.11 Provisions and Contingent Liabilities:

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

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

3.12 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.13 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

Note 4 : Cash and cash equivalents

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Cash on hand	220	222
(ii) Balance with banks :		
In current account	17,183	22,882
(iii) Deposits with original maturity of less than 3 months	10,102	-
	27,505	23,104

- There are no earmarked balances with banks.
- There are no balances with banks held as margin money or security against the borrowings, guarantees, other commitments.
- There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

Note 5 : Bank balances other than (4) above

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Deposits with original maturity of more than 3 months but less than 12 months*	2,055	4,243
(ii) Deposits with original maturity of more than 12 months *	2,324	-
	4,379	4,243

* Held as cash collateral to the tune of INR 2,506 Lakhs (PY 2,520 Lakhs) for securitisation of receivables.



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

Note 6: Loans

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost (Also refer Note: 30)		
(A) Loan Assets (Gross)	3,84,253	3,51,989
less : Impairment loss allowance	7,080	8,534
Total (net)	3,77,173	3,43,455
* Comprises of housing loans and non housing loans		
(B) (i) Secured by tangible assets	3,84,253	3,51,989
(ii) unsecured	-	-
Less : Impairment loss allowance	7,080	8,534
Total (net)	3,77,173	3,43,455
C) (I) Loans in India		
(i) Public sector	-	-
(ii) Others	3,84,253	3,51,989
Less : Impairment loss allowance	7,080	8,534
Total (net) (C) (I)	3,77,173	3,43,455
C) (II) Loans Outside India	-	-
Less : Impairment loss allowance	-	-
Total (net) (C) (II)	-	-
Total (C) (I) and (C) (II)	3,77,173	3,43,455
Stage wise break up of loans,(net of provisions)		
(i) Low credit risk (Stage 1)	3,67,738	3,29,807
(ii) Significant increase in credit risk (Stage 2)	7,068	10,498
(iii) Credit impaired (Stage 3)	2,367	3,150
Total	3,77,173	3,43,455
Loan assets pledged as security for borrowings	3,21,286	2,83,675

Note - There is no outstanding loan from Promoters, Directors, KMPs and related parties.

Note 7: Other Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Other Receivable	29	15
(ii) Earning Interest strip	482	615
(iii) Other Receivable from related parties	177	2
(iv) Security deposit at amortised cost	142	100
(v) Advance to Employees	123	102
(vi) Cross Currency Swap (Derivative ECB tranche 1)	668	-
	1,622	834



Notes to Financial Statement

(Contd...)

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

Note 8: Current tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax and TDS (net of provision)	627	1,035
	627	1,035

Note 9: Deferred tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets (net) (Refer note 27)	1,795	2,383
	1,795	2,383

Note 10 : Property, Plant and Equipment

Particulars	Computers and data processing units	Furniture and fixtures	Electric installations	Office equipments	Motor car	Leasehold improvements	Right of use (Office premise)	Total
Cost								
Balance as at 1 April 2021	859	406	206	347	23	795	580	3,217
Additions	168	-	1	14	-	154	168	505
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	1,027	406	207	361	23	949	748	3,722
Balance as at 1 April 2022	1,027	406	207	361	23	949	748	3,723
Additions	163	4	-	14	-	42	561	785
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	1,190	410	207	375	23	991	1,309	4,507
Accumulated depreciation								
Balance as at 1 April 2021	737	220	184	175	10	645	547	2,517
Depreciation for the year	73	30	14	27	3	99	125	370
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	810	250	198	202	12	744	671	2,887
Depreciation for the year	128	30	2	24	3	75	18	280
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	938	280	200	226	15	819	689	3,167
Carrying amounts (net)								
As at 31 March 2022	217	157	10	159	11	205	77	834
As at 31 March 2023	251	130	8	149	8	172	620	1,339

Notes to Financial Statement

(Contd...)



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

Note 11 : Other Intangible assets

Reconciliation of carrying amount	Computer software
Cost or deemed cost	
Balance as at 1 April 2021	561
Additions – internally developed	105
Balance as at 31 March 2022	666
Additions – internally developed	27
Balance as at 31 March 2023	693
Accumulated amortisation and impairment losses	
Balance as at 1 April 2021	356
Amortisation for the year	99
Balance as at 31 March 2022	455
Amortisation for the year	89
Balance as at 31 March 2023	544
Carrying amounts (net)	
As at 31 March 2022	211
As at 31 March 2023	149

Title deeds of immovable properties not held in the name of company

Relevant line in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of company (also indicate if in dispute)
Property, plant and equipment	NA	NA	NA	NA	NA	NA
Investment property	NA	NA	NA	NA	NA	NA
Non current assets held for sale	NA	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA	NA

There is no revaluation of property, plant and equipment done during the year.

The Company does not hold any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

Note 12: Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	36	34
GST Credit receivable	65	82
Capital advances	9	28
Other advances	99	59
	209	203



Notes to Financial Statement

(Contd...)

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

Note 13: Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
Total outstanding dues of Micro small & medium enterprises (Refer Note 36)	-	-
Total outstanding dues of creditors other than Micro small & medium enterprises	469	729
Total	469	729

Trade payable ageing schedule as at 31 March 2023

Particulars		Outstanding for following periods from due date of payment*				
		less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(i)	MSME				-	-
(ii)	Other	469	-	-	-	469
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - others	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-
	Total	469	-	-	-	469

Trade payable ageing schedule as at 31 March 2022

Particulars		Outstanding for following periods from due date of payment*				
		less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Other	729	-	-	-	729
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - others	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-
	Total	729	-	-	-	729

* Date of transaction/invoice considered as due date of payment.

Note 14: Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
(i) Secured redeemable non-convertible debentures	29,842	42,304
(ii) Unsecured redeemable non-convertible debentures	31,366	32,316
Total	61,208	74,619
Debt securities in India	61,208	74,619
Debt securities outside India	-	-

Notes to Financial Statement

(Contd...)



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

Security and other terms of debt securities

- a) During the year, the Company had made quarterly submissions to banks or financial institutions or debenture trustees; however, there were no material discrepancies noted between the quarterly statements/returns filed and the financial statements of the respective quarter.
- b) Terms of repayment as below (repayment schedule mentioned below excludes unamortised borrowing cost):

As at 31 March 2023

NCD Series	Units	Amount (in Lakhs)	Security provided	Security coverage	Rate of Interest	Allotment Date	Maturity date
SERIES A-8 / F.Y.21/ F.Y.23 INE658R07398	500	5,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29-Jun-2020	29-Jun-2023
SERIES A-7 / F.Y.21/ F.Y.23 INE658R07380	500	5,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	25-Jun-2020	23-Jun-2023
SERIES A-6 / F.Y.21/ F.Y.23 INE658R07372	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22-Jun-2020	22-Jun-2023
SERIES A (2016- 17)/07 INE658R07125	997	9,970	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.85%	27-Jul-2016	15-May-2023
SERIES A-9 / F.Y.21/ F.Y.23 INE658R07406	750	7,500	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	17-Jul-2020	21-Apr-2023
Grand Total	2,997	29,970					

As at 31 March 2022

NCD Series	Units	Amount (in Lakhs)	Security provided	Security coverage	Rate of Interest	Allotment Date	Maturity date
SERIES A-8 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29-Jun-2020	29-Jun-2023
SERIES A-7 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	25-Jun-2020	23-Jun-2023
SERIES A-6 / F.Y.21/ F.Y.23	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22-Jun-2020	22-Jun-2023
SERIES M-9 /F.Y.21 /F.Y.24	155	1,550	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	31-Jul-2020	1-Jun-2023
SERIES M-9 /F.Y.21 /F.Y.24	255	2,558	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	14-Aug-2020	1-Jun-2023
SERIES M-9 /F.Y.21 /F.Y.24	131	1,318	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	28-Aug-2020	1-Jun-2023
SERIES A (2016- 17)/07	997	9,970	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.85%	27-Jul-2016	15-May-2023
SERIES A-9 / F.Y.21/ F.Y.23	750	7,500	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	17-Jul-2020	21-Apr-2023
SERIES M-7/FY20/ FY23	140	1,400	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	29-Jan-2020	29-Dec-2022
SERIES M-7/FY20/ FY23	98	984	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	13-Feb-2020	29-Dec-2022
SERIES M-7/FY20/ FY23	74	745	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	27-Feb-2020	29-Dec-2022
SERIES M-7/FY20/ FY23	66	666	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	6-Mar-2020	29-Dec-2022
SERIES M-6/FY20/ FY23	79	790	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	15-Nov-2019	18-May-2022



Notes to Financial Statement

(Contd...)

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

NCD Series	Units	Amount (in Lakhs)	Security provided	Security coverage	Rate of Interest	Allotment Date	Maturity date
SERIES M-6/FY20/ FY23	27	270	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	21-Nov-2019	18-May-2022
SERIES M-6/FY20/ FY23	72	722	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	29-Nov-2019	18-May-2022
SERIES M-6/FY20/ FY23	57	573	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	5-Dec-2019	18-May-2022
SERIES M-6/FY20/ FY23	20	201	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	12-Dec-2019	18-May-2022
SERIES M-6/FY20/ FY23	60	605	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	20-Dec-2019	18-May-2022
SERIES M-6/FY20/ FY23	19	192	Exclusive charge over specific receivables	1 times of the amount outstanding	MLD	27-Dec-2019	18-May-2022
Grand Total	4,250	42,545					

Unsecured Debt securities as at 31 March 2023

NCD Series	Amount	Units	Rate of Interest	Allotment Date	Maturity date
SERIES A (2016-17)/11 INE658R08123	2,500	250	11.00%	9-Aug-2016	7-Aug-2026
Series MOHFL U-K1 FY2021-22 INE658R08180 (previous ISIN INE658R08172)	29,000	2,900	7.27%	10-Feb-2022	10-Feb-2025
Total	31,500	3,150			

Unsecured Debt securities as at 31 March 2022

NCD Series	Amount	Units	Rate of Interest	Allotment Date	Maturity date
SERIES A (2016-17)/11 INE658R08123	2,500	250	11.00%	9-Aug-2016	7-Aug-2026
Series MOHFL U-K1 FY2021-22 INE658R08172	29,000	2,900	6.00%	31-Jan-2022	10-Feb-2025
Series MOHFL U-J1 FY2021-22 INE658R08164	1,000	100	6.75%	10-Feb-2022	31-Jan-2025
Total	32,500	3,250			

Note 15: Borrowings (other than debt securities)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
(i) Term loans from banks	1,47,626	1,45,494
(ii) Term loans from securitization	11,584	14,733
(iii) Term loans from NHB refinance	44,027	18,254
(iv) Term Loan ECB	24,430	7,547
(v) Cash credit from banks #	-	-
Total	2,27,667	1,86,028
# This represents debit balances in cash credit accounts as at 31 March 2023		
Borrowings in India	2,03,237	1,78,481
Borrowings outside India	24,430	7,547

Notes to Financial Statement

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

Security and other terms of loans are as follows :

- Rate of interest of cash credit is MCLR + Spread linked as per respective Banks and is secured by way of hypothecation of receivables. Further, these are repayable on demand.
- Securitisation liability represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the derecognition criteria specified under Ind AS. These are secured by way of hypothecation of designated assets on finance receivables.
- U.S. International Development Finance Corporation (DFC) has provided long term loan under ECB route at fixed ROI and same is fully hedged with AD Cat-I bank
- During the year under audit, company had made quarterly submissions to banks & other lenders, same are in line with amounts reported in books of accounts.
- Terms of repayment of terms loans are as follows:-

As at 31 March 2023

- Term loans from Banks / Financial Institutions/NHB secured by way of exclusive hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
3.90 % to 10.20% annually	45,522	66,940	46,271	32,920	1,91,653
Total	45,522	66,940	46,271	32,920	1,91,653

- Terms of maturity of securitization liability

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
9.00 % annually	538	1,100	1,081	8,865	11,584
Total	538	1,100	1,081	8,865	11,584

- Term loan ECB secured by way of exclusive hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
6.31% to 7.16% (Fully hedged basis)	-	2,851	3,801	17,777	24,430
Total	-	2,851	3,801	17,777	24,430

As at 31 March 2022

- Term loans from Banks/Financial Institutions/NHB secured by way of exclusive hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
5.25 % to 8.80% annually	54,333	58,298	26,840	24,277	1,63,748
Total	54,333	58,298	26,840	24,277	1,63,748

- Terms of maturity of securitization liability

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.50 % annually	640	1,389	1,423	11,281	14,733
Total	640	1,389	1,423	11,281	14,733



Notes to Financial Statement

(Contd...)

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

(iii) Term loan ECB secured by way of exclusive hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.16%	-	2,264	5,283	-	7,547
Total	-	2,264	5,283	-	7,547

- There are no borrowings guaranteed by directors and others as at March 31, 2023 and as at March 31, 2022.
- There has not been any default in repayment of borrowings and interest during the year ended March 31, 2023, (no default during the year ended March 31, 2022).
- The Company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.
- The Company has not entered into any transaction or arrangement with any person(s) or entity(ies) including foreign entities (intermediaries) which would result in onward lending to or on behalf of the lender.

Note 16: Other Financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	2,990	4,760
Interest Payable on Direct Assignment 1	13	23
Salary and bonus payable	603	445
Lease liability	669	218
Book overdraft	3,741	5,514
Other liabilities*	1,951	2,604
	9,967	13,564

* Other liabilities includes pre-closure liabilities and other payables

Note 17: Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits		
(i) Gratuity (Refer note 37 B)	171	116
(ii) Other employee benefit	12	4
(iii) Compensated absences	116	111
(b) Provision for expenses	139	184
	439	415

Provision for expenses ageing schedule as at 31 March 2023

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Other	139	-	-	-	139
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - others	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-

Notes to Financial Statement

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

Provision for expenses ageing schedule as at 31 March 2022

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Other	184	-	-	-	184
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - others	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-

Note 18: Other non-financial liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory Liabilities (GST, TDS and other statutory liabilities)	276	251
	276	251

Note 19 : Equity Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
(a) Authorised Share Capital Equity shares of Re. 1/- each	10,00,00,00,000	1,00,000	10,00,00,00,000	1,00,000
(b) Equity shares of Re. 1/- each issued, subscribed and fully paid up Equity share capital of Re. 1/- each	6,03,34,46,625	60,334	6,02,70,91,515	60,271
	6,03,34,46,625	60,334	6,02,70,91,515	60,271

- a) The Company has only one class of equity shares having a face value of Re. 1 each. Each holder of equity shares is entitled to one vote per share.
- b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. However, there exists no preferential liability as at 31 March 2023.

(c) Reconciliation of share capital :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at the beginning of the year	6,02,70,91,515	60,271	6,01,78,47,765	60,178
Issued during the year	63,55,110	64	92,43,750	92
Outstanding at the end of the year	6,03,34,46,625	60,334	6,02,70,91,515	60,271



Notes to Financial Statement

(Contd...)

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

(d) Details of shares holding more than 5% shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
<u>Motilal Oswal Financial Services Limited</u>				
Equity share of Re. 1 each fully paid-up	4,54,64,13,025	75.35%	4,83,62,67,917	80.24%
<u>Motilal Oswal Wealth Limited</u>				
Equity share of Re. 1 each fully paid-up	48,21,62,594	7.99%		
<u>Motilal Oswal Finvest Limited</u>				
Equity share of Re. 1 each fully paid-up	60,00,00,000	9.94%	60,00,00,000	9.96%
	5,62,85,75,619	93.28%	5,43,62,67,917	90.20%

* As at 31 March 2022 Motilal Oswal Wealth Limited holds 3.19% of share holding which comprises of 19,23,07,702 shares.

(e) Details of shares held by promoters/promoter group as at 31 March, 2023

Promoter name	Number of shares	% of total shares	% Change during the year
Motilal Oswal Financial Services Limited	4,54,64,13,025	75.35%	(4.89)%
Motilal Oswal Asset Management Company Limited	10	0.00%	0.00%
Motilal Oswal Investment Advisors Limited	26,03,44,836	4.32%	0.00%
Motilal Oswal Wealth Limited	48,21,62,594	7.99%	4.80%
Motilal Oswal Finvest Limited	60,00,00,000	9.94%	(0.02)%
Mr. Motilal Oswal	10	0.00%	0.00%
Mr. Raamdeo Agrawal	10	0.00%	0.00%
	5,88,89,20,485	97.60%	(0.11)%

(e) Details of shares held by promoters/promoter group as at 31 March, 2022

Promoter name	Number of shares	% of total shares	% Change during the year
Motilal Oswal Financial Services Limited	4,83,62,67,917	80.24%	(0.13)%
Motilal Oswal Asset Management Company Limited	10	0.00%	0.00%
Motilal Oswal Investment Advisors Limited	26,03,44,836	4.32%	(0.01)%
Motilal Oswal Wealth Limited	19,23,07,702	3.19%	(0.01)%
Motilal Oswal Finvest Limited	60,00,00,000	9.96%	(0.01)%
Mr. Motilal Oswal	10	0.00%	0.00%
Mr. Raamdeo Agrawal	10	0.00%	0.00%
	5,88,89,20,485	97.71%	(0.16)%

(f) Also refer note 38 for disclosure relating to employee stock option scheme.

(g) There is no buyback of shares during the five years immediately preceding 31 March 2023.

Note 20: Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Other Reserves		
(a) Share option outstanding account		
Opening Balance	257	212
Add: Addition during the year	261	45
Total	518	257

Notes to Financial Statement

(Contd...)



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

Particulars	As at 31 March 2023	As at 31 March 2022
(b) Statutory reserves		
Opening Balance		
Section 29C of The National Housing Bank Act, 1987	1,584	1,494
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	5,670	3,862
Transfer during the year		
Section 29C of The National Housing Bank Act, 1987	415	90
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	2,313	1,808
Closing Balance		
Section 29C of The National Housing Bank Act, 1987	1,999	1,584
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	7,983	5,670
Total	9,982	7,255
(c) Securities Premium account		
Opening Balance	26,212	26,108
Securities premium on shares issued during the year	100	104
Total	26,312	26,212
(II) Retained Earnings		
(a) Surplus/(Deficit) in profit or loss account		
Opening Balance	6,404	(1,187)
(Loss)/Profit for the year	13,636	9,489
Transfer to Statutory Reserve	(2,727)	(1,898)
Total	17,313	6,404
(b) Other comprehensive income		
Opening Balance	298	285
Other Comprehensive Income (net of tax)	15	13
Total	313	298
Total Other Equity	54,438	40,426

There has been no draw down from reserves during the year ended March 31, 2023 and March 31, 2022.

20.1 Nature and purpose of Other Reserve

(a) Share option outstanding account

Share option outstanding account is used to recognise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the Company.

(b) Statutory Reserves

(i) Reserve u/s 29C of National Housing Bank Act, 1987:

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred.

(ii) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961:

In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) is carried to such reserve account.



Notes to Financial Statement

(Contd...)

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

(c) Securities Premium

The security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(d) Retained earnings

Retained earnings represents accumulated surplus/ deficit of the Company and are available for distribution to shareholders.

(e) Other comprehensive income

Other comprehensive income represents the cumulative actuarial gains/(losses) on defined employee benefit plans.

NOTE 21: Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Interest Income on Loan at amortised cost	50,987	49,773
(ii) Interest Income on Fixed Deposit at amortised cost	355	192
(iii) Net gains on fair value changes on financial instruments at FVTPL (realised)	126	39
(iv) Fees and other income	1,212	1,267
(v) Net gain on derecognition of financial assets	-	899
TOTAL	52,680	52,170

NOTE 22: Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Other non operating income	513	450
TOTAL	513	450

NOTE 23: Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Interest cost	20,055	20,727
(ii) Interest cost on lease liability	58	86
(iii) Interest cost on securitization	985	1,289
(iv) Other borrowing cost	758	801
TOTAL	21,856	22,903

NOTE 24: Impairment on financial instruments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Impairment on loans (Loans measured at amortised cost)	(1,454)	1,473
(ii) Loss on derecognition of loan assets*	3,347	5,846
TOTAL	1,893	7,319

* This majorly includes loss on sale of assets to an asset reconstruction company. Also, refer note 30 for additional details.

Notes to Financial Statement

(Contd...)



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

NOTE 25: Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Salary, Bonus and Allowances	8,092	7,022
(ii) Share based payments	262	81
(iii) Contribution to provident & other funds (Refer note 37 A)	427	393
(iv) Staff welfare expenses	106	22
(v) Gratuity obligation (Refer note 37 B)	97	67
TOTAL	8,984	7,584

NOTE 26: OTHER EXPENSES

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Rates & Taxes	86	202
(ii) Rent	387	240
(iii) Insurance	102	95
(iv) Computer Maintenance & Software Charges	10	11
(v) Legal & Professional Charges	462	385
(vi) Remuneration to auditors (Refer note 31)	26	37
(vii) Data processing charges	119	93
(viii) Marketing & brand promotion expenses	71	48
(ix) Advertisement expenses	6	88
(x) Printing & Stationary	34	31
(xi) Power and fuel	66	55
(xii) Communication and data charges	63	109
(xiii) Travelling, lodging and boarding expenses	346	337
(xiv) Miscellaneous expenses	330	553
(xv) Corporate social responsibility expense (Refer Note 32)	177	-
(xvi) Business Support Service	219	219
(xvii) Repair and Maintenance	35	11
TOTAL	2,537	2,514

NOTE 27: Income Tax Expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Amounts recognised in statement of profit or loss		
Current tax (a)		
Current year	3,348	-
Changes in estimates related to prior years (b)	(13)	(3)
Deferred tax (b)		
Origination and reversal of temporary differences	583	2,345
Tax expense of continuing operations (a)+(b)	3,918	2,342
B. Amount recognised in other comprehensive income		
Tax Impact on remeasurements of defined benefit liability	5	4
	5	4



Notes to Financial Statement

(Contd...)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
C. Reconciliation of effective tax		
Profit before tax	17,554	11,831
Tax at the rate of 25.168%	4,418	2,978
Effect of:		
Prior Period tax liability on assessment	(13)	(3)
Miscellaneous disallowance	94	25
Tax exemption on special reserve	(582)	(455)
Reversal of deferred tax on special reserve created in earlier years	-	(202)
Effective tax	3,918	2,342
Effective Tax Rate	22.32%	19.80%
Effective Tax Rate before adjustment of amount transferred to special reserve & prior period tax.	25.71%	25.38%
D. Recognised deferred tax assets /(liabilities)		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	190	135
Other Employee Benefits	(105)	(67)
Unamortized borrowing cost	(249)	(189)
Deposit and rent Equalization	59	59
Provision for compensated absence	29	28
Provision for Loan assets	1,783	2,149
Business loss	-	329
Unamortized upfront income and expenses	88	(60)
	1,795	2,383

NOTE 28: Other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on post retirement benefit plans	20	17
Deferred tax impact on the above	(5)	(4)
Total other comprehensive income, net of tax	15	13

Note 29: Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic earnings per share		
Profit attributable to equity shareholders (Rupees) [A]	13,636	9,489
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1) (In Numbers)	6,03,34,46,625	6,02,70,91,515
Basic earnings per share [A] / [B] (Rupees)	0.23	0.16
Diluted earnings per share		
(Loss)/Profit attributable to equity shareholders (Rupees)	13,636	9,489
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]	13,636	9,489
Weighted average number of equity shares used in computing basic earnings per share (In Numbers)	6,03,34,46,625	6,02,70,91,515

Notes to Financial Statement

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Effect of potential equity shares for stock options outstanding	74,04,625	(6,50,84,714)
Weighted number of equity shares used in computing diluted earnings per share [B] (In Numbers)	6,04,08,51,250	5,96,20,06,801
Diluted earnings per share (Rupees) [A] / [B]	0.23	0.16

Note 30: Loans and ECL movement

1 Loan book movement - during the year ended 31 March 2023

Particulars	Total
Opening	3,51,989
Origination of new loans	1,00,552
Derecognition of loans*	(8,403)
Repayments received during the year	(59,885)
Closing	3,84,253

*Derecognition of loan includes loan assets sold to an Asset Reconstruction Company (ARC):

During the current year, the Company has sold in two tranches pool of certain non performing loan assets aggregating to ₹ 8,403 to an Asset Reconstruction Company vide separate agreements dated 26 September 2022 and 28 March 2023 respectively. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true sale basis. This has resulted in reversal of ECL amounting to ₹ 2,356 which represents the amount of ECL allowance created on such loans.

2 Loan book movement - during the year ended 31 March 2022

Particulars	Total
Opening	3,54,489
Origination of new loans	64,313
Derecognition of loans*	(16,540)
Repayments received during the year	(50,273)
Closing	3,51,989

*Derecognition of loan includes loan assets sold to an Asset Reconstruction Company (ARC) & loan asset sold through Direct assignment transaction:

During the current year, the Company has sold in two tranches a pool of certain non performing loan assets aggregating to ₹ 12,271 to an Asset Reconstruction Company vide separate agreements dated 24 September 2021 and 30 December 2021 respectively. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true sale basis. This has resulted in reversal of ECL amounting to ₹ 3,511 which represents the amount of ECL allowance created on such loans.

During the year, the Company sold certain portion of loans measured at amortised cost under an assignment deal. As per the terms of deal, the derecognition criteria as per Ind AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets amounting ₹ 4,269 lakhs have been derecognised and corresponding gain amounting ₹ 899 Lakhs on such derecognition is recognised in these results.

3 Break - up of loans under

Particulars	As at 31 March 2023	As at 31 March 2022
Low credit risk (Stage 1)	3,71,472	3,34,049
Significant increase in credit risk (Stage 2)	8,401	12,215
Credit impaired (Stage 3)	4,380	5,725
Closing	3,84,253	3,51,989



Notes to Financial Statement

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

4 ECL movement as at 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Opening	8,534	7,060
ECL impact due to sale of loans to ARC	(2,356)	(3,511)
Movement during the year	902	4,985
Closing	7,080	8,534

5 Break - up of ECL

ECL Movement for Stage -1

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	4,243	2,368
Add/(Less) : Movement (Net) due to new origination, transfer, reversals due to recovery, reversal due to sale etc.	(509)	1,875
Closing	3,734	4,243

ECL Movement for Stage -2

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	1,716	2,278
Add / (Less) : Movement (Net) due to new origination, transfer, reversals due to recovery, reversal due to sale etc.	(384)	(562)
Closing	1,333	1,716

ECL Movement for Stage -3

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	2,575	2,415
Add/(Less) : Movement (Net) due to new origination, transfer, reversals due to recovery, reversal due to sale etc.	(561)	160
Closing	2,014	2,575

6 Non performing asset % (NPA %) are given as below

Ratios	As at 31 March 2023	As at 31 March 2022
Gross non performing asset ratio (GNPA %)	1.07%	1.64%
Net non performing asset ratio (NNPA %)	0.55%	0.90%

Note:

- a) The above ECL calculation is inclusive of impairment calculated on overdue principal and interest.

Notes to Financial Statement

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

Note 31: Remuneration to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment to Auditor		
Statutory audit	20	24
For certification work	3	9
Reimbursement of expenses	1	2
GST*	2	2
Total	26	37

*Amount includes Goods and service tax for which Input credit has been disallowed

Note 32 : Corporate Social Responsibility

- During the year, Company has spent ₹ 177 Lakhs (previous year ₹ Nil) on CSR activities, considering the average book profit computed as per section 198 of the Companies Act for last three financial years.
- Details of CSR spent during the Financial Year:
 - Total amount to be spent for the Financial Year: ₹ 175 Lakhs
 - Amount unspent, if any: NA
 - Manner in which the amount spent during the Financial Year is detailed below:

For the year ended 31 March 2023

CSR Project or Activity identified	Sector in which the project is covered (As in Schedule VII)	Address	Amount Outlay (Budget) or Project or program wise	Amount spent on the project or program Subheads:	Cumulative Expenditure upto the reporting period	Amount spent: directly or through implementing agency
Marudhar Mahila Sangh	Education	Rajasthan	75	75	75	NA
Bharat Jain Mahamandal	Reducing Inequalities	Maharashtra	18	18	93	NA
United Way of Mumbai	Education	Maharashtra	5	5	97	NA
Global Vikas Trust	Skill Training	Maharashtra	80	80	177	NA

For the year ended 31 March 2022

CSR Project or Activity identified	Sector in which the project is covered (As in Schedule VII)	Address	Amount Outlay (Budget) or Project or program wise	Amount spent on the project or program Subheads:	Cumulative Expenditure upto the reporting period	Amount spent: directly or through implementing agency
NA	NA	NA	NA	NA	NA	NA

For the year ended 31 March 2023

Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of Previous year shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transaction	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.
175	177	NA	NA	NA	Refer Note Below*	NA	Actual Expenses done

*Note: Promoting education & skill training for underprivileged children and reducing inequalities.



Notes to Financial Statement

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

For the year ended 31 March 2022

Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of Previous year shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transaction	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.
NA	NA	NA	NA	NA	NA	NA	NA

Note 33: Contingent liabilities and commitments

Particulars	As at 31 March 2023	As at 31 March 2022
1. Claims against the Company not acknowledge as debt		
(a) Income tax matter*	-	-
2. Undrawn committed sanctions to borrowers	27,717	5,409
Total	27,717	5,409

* The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the books of account.

Note 34 : Leases

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

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

(A) Right of use assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April 2022	77	33
Deduction during the year	562	168
Depreciation on Right-Of-Use (ROU) assets	(18)	(125)
Balance as at 31 March 2023	620	77

(B) Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April 2022	218	185
Movement during the year	562	168
Add: Interest cost accrued during the period	58	86
Less: Payment of lease liabilities	(168)	(220)
Balance as at 31 March 2023	669	218

Notes to Financial Statement

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

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Less than three months	43	46
Three to twelve months	127	112
One to five years	481	60
More than five years	18	-
Total	669	218

(D) Amount recognised in statement of profit & loss

Particulars	As at 31 March 2023	As at 31 March 2022
Interest cost on lease liabilities	58	86
Depreciation on right of use assets	18	125
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	387	240

(E) Amount recognised in statement of cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Cash payments for the principal & interest portion of the lease liability within financing activities	(168)	(220)
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.	387	240

Note 35 : Credit Rating

For the year under review, following Credit Ratings have been assigned to various borrowing programs of the Company by "CRISIL", "India Ratings" and "ICRA":

Nature of borrowing	As at 31 March 2023			As at 31 March 2022		
	Rating / outlook			Rating / outlook		
	CRISIL	India Ratings	ICRA	CRISIL	India Ratings	ICRA
Short Term						
Commercial paper	CRISIL A1+	-	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+
Long Term						
Non-Convertible Debentures	CRISIL AA / Stable	IND AA / Stable	[ICRA] AA (Stable)	CRISIL AA / Stable	IND AA / Stable	[ICRA] AA-(Stable)
Market linked Debentures	CRISIL PPMLD AA / Stable	-	-	CRISIL PP-MLD AA r/ Stable	-	[ICRA] PP-MLD ICRA AA-/Stable
Bank Borrowings	CRISIL AA / Stable	IND AA / Stable	-	CRISIL AA / Stable	IND AA / Stable	-

Notes:

- CRISIL has upgraded its ratings to CRISIL AA/Stable CRISIL PPMLD AA r/Stable from its 'CRISIL AA-/CRISIL PPMLD AA-r/Positive' rating on the debt instruments and bank loan facilities of the Company. The rating on the short-term debt instrument has been reaffirmed at CRISIL A1+
- India Ratings and Research (Ind-Ra) has assigned IND AA/ Stable for its long term debt instruments and Bank Borrowings.



Notes to Financial Statement

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

3. ICRA has upgraded its ratings to [ICRA]AA(Stable) from [ICRA]AA-(Stable) on debt instrument and reaffirmed ICRA A1+ on short term debt instrument

Note 36: Details of dues to micro enterprises and small enterprises

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

Particulars	As at 31 March 2023	As at 31 March 2022
1. The principal amount remaining unpaid at the end of the year.	-	-
2. The interest amount remaining unpaid at the end of the year.	-	-
3. The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
The balance of MSMED parties as at the end of the year	-	-

Note 37: Disclosure pursuant to Ind AS 19 - Employee Benefits

A) Defined contribution plan :

Motilal Oswal Home Finance Limited incurs expenditure like common senior management compensation cost, advertisement cost, rent expenditure, etc. which is for the common benefit of itself and certain fellow subsidiary companies. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads include reimbursements paid based on the management's best estimate.

Particulars	As at 31 March 2023	As at 31 March 2022
Employer's contribution to provident fund	396	337
Employer's contribution to ESIC	26	49
Employer's contribution to National Pension Scheme	5	7
Total	427	393

B) Defined benefit plan :

The details of the Company's post- retirement benefit plans for its employees including whole time directors are given below which is as certified by the actuary and relied upon by the auditors.

Principal actuarial assumptions at the balance sheet date

Particulars	As at 31 March 2023	As at 31 March 2022
Interest / Discount Rate	6.79%	3.92%
Rate of increase in compensation	6.50%	4.51%
Employee attrition rate (Past Service) (PS)	PS: 0 to 40 : 82.00%	PS: 0 to 37 : 74.09%



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

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	116	78
Current service cost	94	60
Transfer in liability	-	5
Interest cost	3	2
Benefit paid	(22)	(11)
Curtailment cost		
Settlement cost		
Net actuarial gain or loss recognized in the year	(20)	(17)
Present value of obligation at the end of the year	171	116

Fair value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	(116)	(78)
Actual return on plan assets	-	-
Contributions	22	11
Benefit paid	(22)	(11)
Fair value of plan assets at end of period	-	-
Funded status (including unrecognized past service cost)	(171)	(116)
Excess of actual over estimated return of plan assets	-	-

Experience history

Particulars	As at 31 March 2023	As at 31 March 2022
(Gain) on obligation due to change in assumption	(8)	(359)
Experience (gain)/loss on obligation	(12)	342
Actuarial gain/(loss) on plan assets	(20)	(17)

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	171	116
Fair value of plan assets at end of period		
Funded status	(171)	(116)
Unrecognized actuarial gain/(loss)	-	-
Unrecognized past service cost - non vested benefits	-	-
Net assets/(liability) recognized in balance sheet	(171)	(116)



Notes to Financial Statement

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

Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	94	60
Interest cost	3	2
Past service cost (non vested benefits)	-	5
Past service cost (vested benefits)	-	-
Unrecognized past service cost - non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial gain/ (loss) recognized for the period	-	-
Expense recognized in the statement of profit and loss account	97	67

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Opening net liability	116	78
Expenses as above	97	62
Transfer in liability	-	5
Transfer Out liability	-	-
Expenses recognized	97	67
Employer's contributions	(22)	(11)
Other Comprehensive Income(OCI)	(20)	(17)
Closing net liability	171	116
Closing provisions at the end of the year	171	116

Defined benefit plans

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	171	116
Plan assets	(171)	(116)
Experience adjustments :		
On plan liabilities	-	-
On plan assets	-	-

Sensitivity analysis

Particulars	DR: Discount Rate		ER Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER + 1%	PVO ER - 1%
Present value of obligation (PVO)	170	172	171	171

Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
Payouts	136	35	7	2	0	0

Notes to Financial Statement

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

Asset Liability Comparisons

Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023
PVO at the end of year	106	78	78	116	171
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(106)	(78)	(78)	(116)	(171)
Experience adjustments on plan assets	-	-	-	-	-

Note 38: Disclosure relating to Employee stock option scheme

The Company has following stock option schemes:

Motilal Oswal Home Finance Ltd -Employees' Stock Option Scheme 2014 - (ESOS - 2014)

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in three tranches.

Motilal Oswal Home Finance Ltd - Employees' Stock Option Scheme 2016 (ESOS-2016)

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in five tranches.

Motilal Oswal Home Finance Ltd - Employees' Stock Option Scheme 2017 (ESOS-2017)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 10,000,000 options representing 10,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in two tranches.

Motilal Oswal Home Finance Ltd - Employees' Stock Option Scheme 2017 (ESOS-2017 H Co.) (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 30,000,000 options representing 30,000,000 Equity shares of Re. 1 each.

Motilal Oswal Home Finance Ltd - Employees' Stock Option Scheme 2022 (IV)

The Scheme was approved by Board of Directors on 26 April 2022 and by the shareholders meeting dated 24 June 2022 for issue of 100,000,000 options representing 100,000,000 Equity shares of Re. 1 each.

The activity in the (ESOS 2014), (ESOS 2016) , (ESOS 2017) , (ESOS 2017 H Co.) & (ESOS 2022) during the year ended 31 March 2023 and 31 March 2022 is set below:

Equity Shares	As at 31 March 2023 (in numbers)	Weighted Average Exercise price	As at 31 March 2022 (in numbers)	Weighted Average Exercise price
The MOHFL (ESOS 2014) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	2,42,23,000	3.39	99,85,000	2.88
Add: Granted	82,80,500	4.25	2,35,95,000	3.50
Less: Exercised	20,43,000	3.26	10,39,000	2.62
Less: Lapsed	77,11,000	3.56	83,18,000	3.20
Options outstanding at the end of the year	2,27,49,500	3.65	2,42,23,000	3.39
Exercisable at the end of the year	1,44,750	3.50	5,09,000	3.00
The MOHFL (ESOS 2016) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	4,10,72,000	3.54	3,83,87,500	3.28
Add: Granted	2,88,09,250	4.25	2,00,95,000	3.61



Notes to Financial Statement

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

Equity Shares	As at 31 March 2023 (in numbers)	Weighted Average Exercise price	As at 31 March 2022 (in numbers)	Weighted Average Exercise price
Less: Exercised	7,17,610	3.03	29,75,500	1.68
Less: Lapsed	3,56,23,000	3.75	1,44,35,000	3.34
Options outstanding at the end of the year	3,35,40,640	3.94	4,10,72,000	3.54
Exercisable at the end of the year	9,19,393	3.44	3,51,000	1.88
The MOHFL (ESOS 2017) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	13,42,000	3.63	19,11,750	3.03
Add: Granted	81,17,500	4.25	-	NA
Less: Exercised	6,16,000	4.20	1,95,500	1.60
Less: Lapsed	27,56,000	4.16	3,74,250	1.60
Options outstanding at the end of the year	60,87,500	4.16	13,42,000	3.63
Exercisable at the end of the year	-	-	3,19,700	4.28
The MOHFL (ESOS 2017) (Holding Company): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	43,53,000	2.05	1,06,02,000	1.60
Add: Granted	1,00,000	4.25	9,00,000	3.78
Less: Exercised	29,78,500	1.64	50,33,750	1.60
Less: Lapsed	9,24,500	2.42	21,15,250	1.60
Options outstanding at the end of the year	5,50,000	4.05	43,53,000	2.05
Exercisable at the end of the year	-	-	24,72,835	1.60
The MOHFL (ESOS 2022): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	-	-	-	-
Add: Granted	5,55,47,500	4.25	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	61,62,500	4.25	-	-
Options outstanding at the end of the year	4,93,85,000	4.25	-	-
Exercisable at the end of the year	-	-	-	-

Employees' Stock Options Scheme (ESOS) :

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements .

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.	ESOS 2022 (IV)
Date of grant	Various dates	Various dates	Various dates	Various dates	Various dates
Date of board approval	11 September 2014	29 April 2016	25 April 2017	25 April 2017	26 April 2022
Date of shareholders' approval	16 October 2014	07 July 2016	25 May 2017	25 May 2017	24 June 2022
Number of options granted	7,88,00,500	15,59,34,250	1,72,52,500	3,03,90,000	5,55,47,500
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	1 year to 4 years	1 year to 4 years	1 year to 4 years	1 year to 5 years	1 year to 6 years
Vesting pattern	30:30:40	10:20:30:40	10:20:30:40	10:17:25:33:15	Various dates
Weighted average remaining contractual life					
Granted but not vested	2.41 Years	2.35 Years	2.52 Years	2.82 Years	2.45 Years

Notes to Financial Statement

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

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.	ESOS 2022 (IV)
Vested but not exercised	0 Years	0 Years	0 Years	0 Years	0 Years
Weighted average share price at the date of exercise for stock options exercised during the year	CY ₹ 4.13 (PY ₹ 3.51)	CY ₹ 4.13 (PY ₹ 3.51)	CY ₹ 4.13 (PY ₹ 3.51)	CY ₹ 4.13 (PY ₹ 3.51)	CY ₹ 4.13 (PY ₹ 3.51)
Exercise period	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.				
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.				
Weighted average fair value of options as on grant date	1.28	1.39	1.46	1.17	1.39

Note: The vesting period of the Grant I & II of MOHFL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

Exercise pricing formula

The exercise pricing formula for MOHFL ESOS 2014, MOHFL ESOS 2016, MOHFL ESOS 2017, MOHFL ESOS 2017 H Co. and MOHFL ESOS 2022 are as under:

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

Fair Value Methodology:

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2014, ESOS 2016, ESOS 2017, ESOS 2017 H Co. & ESOS 2022, as on the date of grant are as follow :

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.	ESOS 2022
Risk-free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%	7.10% - 7.38%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%
Expected volatility of share price*	40%	40%	40%	40%	40%

*Expected volatility has been calculated of listed Holding Company shares of Motilal Oswal Financial Services Limited long term average since listing.



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

Note 39: 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 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	27,505	-	27,505	23,104	-	23,104
Bank balance other than cash and cash equivalents above	4,379	-	4,379	4,243	-	4,243
Loans	33,685	3,43,489	3,77,173	47,932	2,95,524	3,43,455
Investments	-	-	-	-	-	-
Other financial assets	1,088	534	1,622	564	270	834
Total Financial Assets (A)	66,656	3,44,023	4,10,679	75,842	2,95,794	3,71,636
Non-financial assets						
Current tax assets (Net)	627	-	627	1,035	-	1,035
Deferred tax assets (Net)	359	1,436	1,795	-	2,383	2,383
Property, plant and equipment	-	1,339	1,339	-	834	834
Other intangible assets	-	149	149	-	211	211
Other non-financial assets	209	-	209	203	-	203
Total Non-Financial Assets (B)	1,195	2,924	4,119	1,238	3,429	4,666
Total assets (C) = (A) + (B)	67,851	3,46,947	4,14,798	77,080	2,99,223	3,76,302

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	469	-	469	729	-	729
Debt securities*	29,970	31,500	61,470	7,149	67,896	75,045
Borrowings (Other than debt securities)*	46,060	1,82,582	2,28,642	55,348	1,31,740	1,87,088
Other financial liabilities	9,468	499	9,967	12,793	771	13,564
Total Financial Liabilities (A)	85,967	2,14,581	3,00,548	76,019	2,00,407	2,76,426
Non-financial Liabilities						
Provisions	439	-	439	207	207	415
Other non-financial liabilities	276	-	276	252	-	252
Total Non-Financial Liabilities (B)	715	-	715	459	207	666
Total liabilities (C) = (A)+(B)	86,682	2,14,581	3,01,263	76,478	2,00,614	2,77,092

* The above borrowings and debt securities are shown at unamortised cost.

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

Note 40: Segmental Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. The Company also provides consumer loans (top-up loans) and loan against properties. The Board reviews the Company's performance as a single business. Further the Company does not have any separate geographical segment in India. There being only one segment, disclosure for segment as per Ind AS 108 is not applicable. Further, no clients individually accounted for more than 10% of the revenue in financial year ended 31 March 2023 and 31 March 2022.

Note 41: Related parties

List of related parties as per IndAS 24 with whom transaction have taken place during the year.

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

(A) Names of related parties

Motilal Oswal Financial Services Limited - Holding Company
 Motilal Oswal Wealth Management Limited - Fellow Subsidiary Company
 Motilal Oswal Finvest Limited - Fellow Subsidiary Company

(B) Key managerial personnel & Directors

Motilal Oswal	-	Chairman & Interim Managing Director (effective from 01 August 2022)
Raamdeo Agarawal	-	Non Executive Director
Navin Agarwal	-	Non Executive Director (upto 26 April 2022)
Sanjaya Kulkarni	-	Independent Director (upto 14 January 2022)
Arvind Hali	-	Managing Director & Chief Executive Officer (upto 31 March 2022)
Shalibhadra Shah	-	Chief Financial Officer
Divya Momaya	-	Independent Director
Ritin Mawani	-	Company Secretary
P H Ravikumar	-	Independent Director (from 27 October 2021)

(C) Transactions with related parties are as enumerated below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Reimbursement of expenses by the Company		
Motilal Oswal Financial Services Limited		
- Sundry expenses	12	7
- Rent	169	169
- Electricity expense	12	11
Share based payment cost incurred by Holding Company		
Motilal Oswal Financial Services Limited	1	6
Motilal Oswal Finvest Limited	0	0
Loan Received		
Motilal Oswal Financial Services Limited	-	1,12,000
Motilal Oswal Finvest Limited	16,500	23,000
Loan repaid		
Motilal Oswal Financial Services Limited	-	1,12,000
Motilal Oswal Finvest Limited	16,500	23,000
Loan Given		
Motilal Oswal Financial Services Limited	3,72,300	4,19,800
Motilal Oswal Finvest Limited	2,42,400	4,70,200



Notes to Financial Statement

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loan repayment received		
Motilal Oswal Financial Services Limited	3,72,300	4,19,800
Motilal Oswal Finvest Limited	2,42,400	4,70,200
Interest paid		
Motilal Oswal Financial Services Limited	-	28
Motilal Oswal Finvest Limited	16	65
Interest Income		
Motilal Oswal Financial Services Limited	1,174	1,051
Motilal Oswal Finvest Limited	210	542
Payment towards collections from derecognised loan assets		
Motilal Oswal Finvest Limited	6,833	7,295
Arranger fees paid		
Motilal Oswal Wealth Management Limited	-	7
Business Support Charges paid		
Motilal Oswal Financial Services Limited	219	219
Rent Income		
Motilal Oswal Financial Services Limited	23	22
Commission on Bank Guarantee		
Motilal Oswal Financial Services Limited	-	164
Remuneration paid including accrual for compensated absences * (including Director sitting fees)		
Mr. Motilal Oswal	8	-
Mr. Arvind Hali	-	208
Mr. P H Ravikumar**	7	3
Mr. Sanjaya Kulkarni**	-	2
Mrs. Divya Momaya**	4	4
*The above figures do not include provision for gratuity since it is actuarially determined for the Company as a whole.		
** Director sitting fees.		
Subscription of equity shares (under ESOP scheme) including premium		
Mr. Shalibhadra Shah	6	3
Balance payable		
Motilal Oswal Finvest Limited	413	473
Motilal Oswal Financial Services Limited	5	3
Balance Receivable		
Motilal Oswal Finvest Limited	36	42
Motilal Oswal Financial Services Limited	142	134
Motilal Oswal Wealth Management Limited	0	-
Key Management personnel compensation		
Short term employee benefit	8	208
Share based payments	-	-

Notes to Financial Statement

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

Note 42: Unhedged Foreign Currency Exposure

In terms of RBI Circular No. DBOD.No. BP.BC.85/21.06.200/2013-14 dt. 15.01.2014, there is no unhedged foreign currency exposure of the Company as at Balance sheet date.

Note 43 : Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	27,505	-	-	23,104
Bank balance other than cash and cash equivalents above	-	-	4,379	-	-	4,243
Loans	-	-	3,77,173	-	-	3,43,455
Investments	-	-	-	-	-	-
Other financial assets	-	-	1,622	-	-	834
Total financial assets	-	-	4,10,679	-	-	3,71,636
Financial liabilities						
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	469	-	-	729
Debt securities	-	-	61,208	-	-	74,619
Borrowings (Other than debt securities)	-	-	2,27,667	-	-	1,86,027
Other financial liabilities	-	-	9,967	-	-	13,564
Total financial liabilities	-	-	2,99,311	-	-	2,74,940

b) As at 31 March 2023

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

As at 31 March 2022

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-



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

Fair value of financial assets and liabilities measured at amortised cost

The fair values for security deposits is calculated based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. For financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

Note 44: Financial risk management

The Company is exposed primarily to market risk, liquidity risk and credit risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the 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 Bank Borrowings and Non Convertible debentures. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents and other receivables from customers that derive directly from its operations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, loans, bank balance, trade and other receivables, Investments and other financial assets	- measured as the amount that could be lost if a customer or counterparty fails to make repayments; - monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and - managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
Liquidity risk	Debt securities, Borrowings (other than debts), trade and other payable and other financial liabilities.	- measured using a range of metrics, including liquidity coverage ratio and net stable funding ratio; - monitored against the Company's liquidity and funding risk framework.
Market risk	Long term borrowings at variable rate and loans	- measured using sensitivities, value at risk and stress testing, giving a detailed picture of potential gains and losses for a range of market movements and scenarios, as well as tail risks over specified time horizons; - managed using risk limits approved by the RMM and the risk management meeting in various global businesses.

A - Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee (IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR) based on Market Scenarios such as borrowing costs of the Company, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Company also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Company to assess the potential financial impact of losses arising from plausible adverse scenarios on the Company's loan portfolio.



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

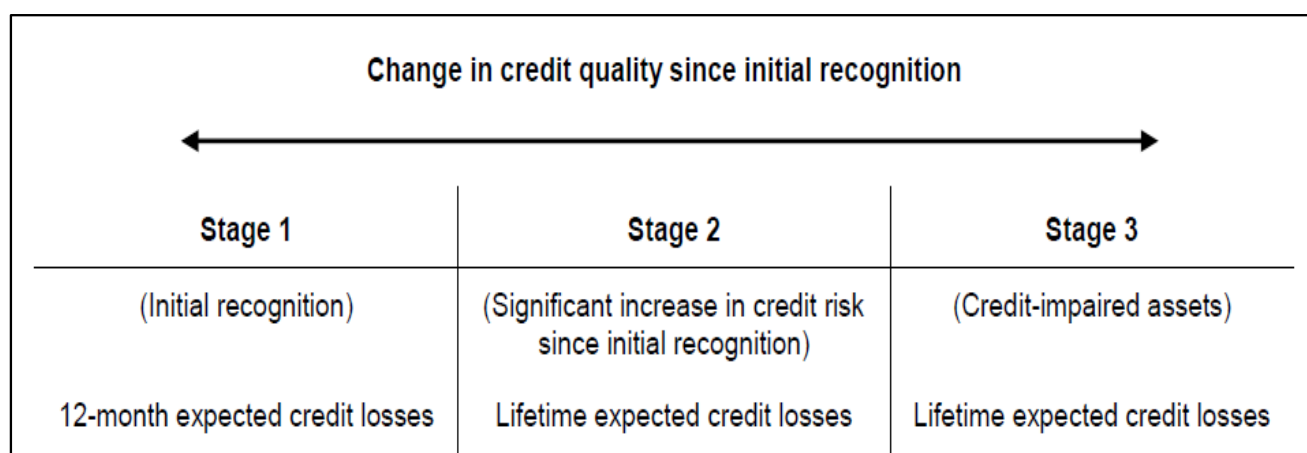
Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):



The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days*

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted*
- Previous arrears within the last [12] months



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

Default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- a. The borrower is in long-term forbearance
- b. The borrower is deceased
- c. The borrower is insolvent
- d. Concessions have been made by the lender relating to the borrower's financial difficulty
- e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For stage 2, Stage 3 Financial Assets, the exposure at default is considered for events over the lifetime of the instruments.
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile. Estimate of an exposure at a future default date – expected changes in exposure after the reporting date, including repayment of principal and interest, and expected drawdowns on committed facilities. This is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by collateral type.



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

Forward-looking information : Forward- looking economic variable/assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflations rates set by International Monetary Fund, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Impact of RBI Circular - COVID-19 – Resolution plan

RBI on 5th May 2021 came up with resolution plan Framework for COVID-19-related Stress, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers. Company in view of same duly implemented one time measure to offer the facility of restructuring to its eligible customers identified basis RBI circular on resolution plan & joint decision of credit, risk, collection & legal departments of the Company.

Company is of the view that the restructuring under the disruption scenario is not indicative of increase in credit risk. Accordingly, the same should ideally not be considered as a factor for considering SICR and in turn, should not result in shifting of the financial instruments from one stage to another. However, considering the requirements of RBI circular on resolution plan, Company's management has recognised provisions in terms of the requirements of the circular.

The Company has identified certain pool of assets where as per Company's internal evolution of risk is higher considering implementation of resolution plan, their repayment history & valuation of its collaterals, basis this evaluation the company has decided to recognise additional provision on such pool of assets.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" between 12-month and Lifetime ECL;
- b. Additional allowances for financial instruments de-recognised in the period;
- c. Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- d. Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include

- (i) ceasing enforcement activity and
- (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.



Notes to Financial Statement

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

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more.

Note 45: Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities.

As at 31 March 2023

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	above 5 years	Total
Financial assets					
Cash and cash equivalents	27,505	-	-	-	27,505
Bank balance other than cash and cash equivalents above	4,043	335	-	-	4,379
Trade receivables	-	-	-	-	-
Loans	7,595	26,090	1,21,934	2,21,554	3,77,173
Investments	-	-	-	-	-
Other financial assets	272	816	534	-	1,622
Total financial assets	39,415	27,241	1,22,469	2,21,554	4,10,679
Financial liabilities					
(I) Trade payables					
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	117	352	-	-	469
Debt securities*	29,970	-	31,500	-	61,470
Borrowings (Other than debt securities)*	10,305	35,755	1,22,045	60,537	2,28,642
Other financial liabilities	5,605	3,863	481	18	9,967
Total financial liabilities	45,997	39,970	1,54,026	60,555	3,00,548

*The above borrowings and debt securities are shown at unamortised cost.

Notes to Financial Statement

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

As at 31 March 2022

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	above 5 years	Total
Financial assets					
Cash and cash equivalents	23,104	-	-	-	23,104
Bank balance other than cash and cash equivalents above	2,520	1,723	-	-	4,243
Loans	14,083	33,848	2,03,945	91,579	3,43,455
Investments	-	-	-	-	-
Other financial assets	206	357	270	-	834
Total financial assets	39,913	35,929	2,04,215	91,579	3,71,636
Financial liabilities					
Payables					
(I) Trade payables					
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	486	243	-	-	728
Debt securities*	3,354	3,795	67,896	-	75,045
Borrowings (Other than debt securities)*	28,608	26,740	96,054	35,686	1,87,088
Other financial liabilities	10,367	2,426	771	-	13,564
Total financial liabilities	42,815	33,204	1,64,721	35,686	2,76,426

*The above borrowings and debt securities are shown at unamortised cost.

Market Risk

Company's exposure to market risk i.e. risk that fair value for future cash flow of financial instruments will be effected due to change in market variable such as interest rate.

Foreign currency risk

The company has foreign currency exposure, however same is not exposed to risk as it is fully hedged with AD Cat-I bank.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings and loans with variable rates, which expose the company to cash flow interest rate risk. The company is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Company tries to mitigate this risk by taking all positive measures which can boost profitability and strengthens company's balance sheet. Company takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders. Moreover, strong parental support also provides cushion to company in adverse interest rate scenario.

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Out of the total assets & liabilities, exposure to the interest rate risk of the Company is mainly towards borrowings and loan assets.

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.



Notes to Financial Statement

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

Particulars	Impact on profit after tax	
	As at 31 March 2023	As at 31 March 2022
Loans		
Interest rates – increase by 100 basis points	2,289	2,346
Interest rates – decrease by 100 basis points	(2,289)	(2,346)
Borrowings		
Interest rates – increase by 100 basis points	(2,087)	(1,286)
Interest rates – decrease by 100 basis points	2,087	1,286

Exposure of price risk

The Company is not exposed to price risk as it does not have any significant exposure to financial instruments susceptible to changes in market price.

Note 46 : Securitisation

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	31 March 2023	31 March 2022
Number of pools	1	1
Carrying amount of transferred assets measured at amortised cost	11,584	14,733
Carrying amount of associated liabilities	(11,584)	(14,733)

A description of the nature of the relationship between the transferred assets and the associated liabilities, including restrictions arising from the transfer on the reporting entity's use of the transferred assets is as follows:

Loans and advances to customers are sold by the Company to securitisation vehicles, which in turn issue PTCs to investors collateralised by the purchased assets. In securitisation transactions entered, the Company transfers loans and advances to an unconsolidated securitisation vehicle, however it retains credit risk (principally through credit enhancement provided by the Company).

Since substantially all the risks and rewards of the loans transferred has been retained by the Company, it does not derecognise the loans transferred in its entirety and recognise an associated liability for the consideration received.

Note 47: Direct Assignment

Disclosure pursuant to RBI Circular- RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

a) with respect to Direct Assignment transaction transferred during the year ended 31 March 2023.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Number of loans	-	617
Aggregate Amount	-	4744
Sale consideration	-	4269
Number of transactions	-	1
Weighted average remaining maturity (in months)	-	144 Months
Weighted average holding period after origination (in months)	-	56 Months
Retention of beneficial economic interest (average)	-	10%
Coverage of tangible security coverage	-	NA
Rating wise distribution of related loans	-	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	-	NA
Number of transferred loans replaced	-	NA

Notes to Financial Statement

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

b) with respect to Direct Assignment transaction acquired during the year ended 31 March 2023.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Number of loans	71	-
Aggregate Amount	807.29	-
Purchase consideration	807	-
Number of transactions	1	-
Weighted average remaining maturity (in months)	154 Months	-
Weighted average holding period after origination (in months)	26 Months	-
Retention of beneficial economic interest (average)	NA	-
Coverage of tangible security coverage	NA	-
Rating wise distribution of related loans	NA	-
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	-
Number of transferred loans replaced	NA	-

c) with respect to details of stressed loan transferred during the year ended 31 March 2023.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Number of accounts	1,319	1,486
Aggregate principal outstanding of loans transferred	8,403	12,287
Weighted average residual tenor of the loans transferred	252 Months	242 Months
Retention of beneficial economic interest	-	-
Aggregate consideration	5,887	8,600
Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil

Note 48 : Restructuring note

The economic fallout on account of the Covid-19 pandemic has led to significant financial stress for borrowers across the board. RBI in view of same on 6 August 2020 and 5 May 2021 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real estate sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

In accordance with Resolution Framework for COVID-19 announced by RBI on 6 August 2020 and 5 May 2021, the Company has implemented one-time restructuring for certain eligible borrowers identified in accordance with the above framework and joint decision of credit, risk, collection and legal departments of the Company.

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 and 05 May 2021 are given below.

Type of Borrowers *	Exposure to accounts classified as standard consequent to implementation of resolution plan - Position as at the end of the previous half- year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal loans - Housing/ Non Housing loans	27,012	1,349	-	2,279	24,031
Total	27,012	1,349	-	2,279	24,031

* Disclosed to the extent the category of borrowers as prescribed in the aforesaid circular were present in the Company's portfolio at the time of implementation of resolution plan.



Notes to Financial Statement

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

Note 49 : Disclosure for comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

The following disclosures have been given in terms of Master Direction RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS *	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,68,435	3,734	3,64,702	3,489	244
	Stage 2	8,348	1,333	7,015	501	832
Subtotal		3,76,783	5,066	3,71,717	3,991	1,076
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,545	1,599	1,946	732	868
Doubtful - up to 1 year	Stage 3	261	195	66	72	123
1 to 3 years	Stage 3	286	219	67	114	105
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		4,092	2,014	2,079	919	1,095
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	Stage 1	3,68,435	3,734	3,64,702	3,489	244
	Stage 2	8,348	1,333	7,015	501	832
	Stage 3	4,092	2,014	2,079	919	1,095
	Total	3,80,875	7,080	3,73,795	4,909	2,171

* Amounts are including overdue principal and interest and provision is duly created on the same and reported.

50 Other Disclosures

50.1 Principal Business Criteria

Particulars	31 March 2023	31 March 2022
Percentage of total assets towards Housing Finance (net of intangible assets)	69.85%	76.36%
Percentage of total assets towards Housing Finance for Individual (net of intangible assets)	61.87%	75.39%

50.2 Capital

Particulars	As at 31 March 2023	As at 31 March 2022
CRAR (%)*	50.94%	51.57%
CRAR - Tier I Capital (%)	49.81%	50.34%
CRAR - Tier II Capital (%)	1.13%	1.23%
Amount of subordinated debt raised as Tier - II Capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-

* CRAR (%) as at 31 March 2023 & 31 March 2022, is shown as per NHB prudential norms.



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

50.3 Exposure to Real estate sector

Particulars	As at 31 March 2023	As at 31 March 2022
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;	3,12,422	3,17,109
(ii) Commercial real estate:		-
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	68,120	31,431
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	-	-
(b) Commercial real estate	-	-
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	3,80,542	3,48,540

50.4 Penalty

Particulars	As at 31 March 2023	As at 31 March 2022
Penalty levied by NHB/RBI	-	-
Total	-	-

50.5 Adverse comments

Particulars	As at 31 March 2023	As at 31 March 2022
Adverse comments if any given by NHB/RBI	-	-

50.6 Percentage of outstanding loans granted against collateral of gold jewellery to their outstanding total assets.

There are no outstanding loans granted against collateral of gold jewellery to their outstanding total assets as at 31st March 2023 & 31st March 2022.

Disclosures pursuant to Reserve Bank of India (RBI) Master Direction-Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

The following disclosures have been given in pursuant to Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177 /2021-22 dated September 24, 2021 issued by the RBI as amended from time to time.

50.7 Securitisation

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1	1
(II) Total amount of securitised assets as per books of the SPEs	11,584	14,733
(III) Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		



Notes to Financial Statement

(Contd...)

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Off-balance sheet exposure	-	-
• First loss		
• Others		
(b) On-balance sheet exposures	2,506	2,520
• First loss		
• Others		
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure		
(i) Exposure to own securitisations	-	-
• First loss		
• Others		
(ii) Exposure to third party securitisations	-	-
• First loss		
• Others"		
(b) On-balance sheet exposures		
(i) Exposure to own securitisations	-	-
• First loss		
• Others		
(ii) Exposure to third party securitisations	-	-
• First loss		
• Others		
(V) Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
(VI) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
(VII) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
(a) Amount paid		
(b) Repayment received		
(c) Outstanding amount		
(VIII) Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc (may mention average default rate of previous 5 years)"	-	-
(IX) Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
(X) Investor complaints	-	-
(a) Directly/Indirectly received and;		
(b) Complaints outstanding		

50.8 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No. of accounts	1,319	1,486
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	6,047	8,776
(III) Aggregate consideration	5,887	8,600
(IV) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(V) Aggregate gain/(loss) over net book value	(160)	(176)

Notes to Financial Statement

(Contd...)



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

50.9 Details of assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No. of accounts	-	617
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	-	4261
(III) Aggregate consideration	-	4269
(IV) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(V) Aggregate gain / loss over net book value*	-	8

*As per Ind AS 109, derecognition criteria is met and accordingly Company has recognised an upfront profit of INR 899 lakhs in the year ended 31st March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No. of accounts	71	-
(II) Aggregate value of accounts acquired to SC / RC	807	-
(III) Aggregate consideration	807	-

50.10 Details of non-performing financial assets purchased / sold

50.10.1 Details of non-performing financial assets purchased

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No. of accounts purchased during the year	-	-
(II) Aggregate outstanding	-	-
(III) Of these, number of accounts restructured during the year	-	-
(IV) Aggregate outstanding	-	-

50.10.2 Details of non-performing financial assets sold:

Particulars	As at 31 March 2023	As at 31 March 2022
(I) No. of accounts sold	1,319	1,486
(II) Aggregate outstanding	8403	12287
(III) Aggregate consideration received	5887	8600

Disclosures pursuant to Reserve Bank of India (RBI) Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

The following disclosures have been given in pursuant to Master Direction RBI/DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22 dated September 24, 2021 issued by the RBI as amended from time to time.

50.11 Disclosure on loans not in default that are transferred or acquired

Particulars	Amount
Weighted average maturity	154 months
Weighted average holding period	26 months
Retention of beneficial economic interest	NA
Coverage of tangible security coverage	NA
Rating-wise distribution of related loans	NA
Break-up of:	
(i) Loans transferred	-
(ii) Acquired through assignment	807
(iii) Novation and loan participation	-



Notes to Financial Statement

(Contd...)

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

50.12 Disclosure for stressed loans transferred or acquired

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)

Particulars	To ARCs
No: of accounts	1,319
Aggregate principal outstanding of loans transferred	8,403
Weighted average residual tenor of the loans transferred	252 months
Net book value of loans transferred (at the time of transfer)	6,047
Aggregate consideration	5,887
Additional consideration realized in respect of accounts transferred in earlier years	-

Particulars	To permitted transferees
No: of accounts	-
Aggregate principal outstanding of loans transferred	-
Weighted average residual tenor of the loans transferred	-
Net book value of loans transferred (at the time of transfer)	-
Aggregate consideration	-
Additional consideration realized in respect of accounts transferred in earlier years	-

Particulars	To other transferees
No: of accounts	-
Aggregate principal outstanding of loans transferred	-
Weighted average residual tenor of the loans transferred	-
Net book value of loans transferred (at the time of transfer)	-
Aggregate consideration	-
Additional consideration realized in respect of accounts transferred in earlier years	-

Details of loans acquired during the year

Particulars	From lenders	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

50.13 Maturity pattern of certain items of asset and liabilities - As at 31 March 2023

Particulars	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits											-
Borrowings from banks*	125	-	-	1,992	7,143	9,141	19,415	50,325	32,044	17,156	1,37,341
Market Borrowings*	-	44	7,500	10,264	13,207	2,399	4,800	46,716	17,808	25,604	1,28,341
Foreign Currency Liabilities	-	-	-	-	-	-	-	2,851	3,801	17,777	24,430
Assets											
Advances	1,677	2,650	271	1,496	1,501	4,867	21,223	66,624	55,310	2,21,554	3,77,173
Investments											-
Foreign Currency Asset											-

Notes to Financial Statement

(Contd...)



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

Maturity pattern of certain items of asset and liabilities - As at 31 March 2022

Particulars	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks*	5,957	51	12,493	2,400	7,685	8,456	18,283	60,064	28,437	35,715	1,79,541
Market Borrowings*	-	-	-	3,354	-	-	3,795	65,396	2,500	-	75,045
Foreign Currency Liabilities	-	-	-	-	-	-	-	2,266	5,281	-	7,547
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	-	2,391	3,891	3,898	3,903	11,425	22,423	97,749	1,06,196	91,579	3,43,455
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

* The above Banks and Market Borrowings are shown at unamortised cost.

50.14 Public Disclosure for year/quarter ended March 31, 2023 pursuant to Paragraph 3 of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. no.	Type of instrument	Number of Significant Counter parties	Amount	% of Total deposits	% of Total Liabilities
1	Deposits	NA	NA	NA	NA
2	Borrowings	22	2,88,875	NA	96.28%

ii) Top 20 large deposits (% of total deposits)

Sr. no.	Type of instrument	Amount	% of Total deposits
1	Total for Top 20 large deposits	NA	NA

iii) Top 10 borrowings (% of total borrowings)

Sr. no.	Type of instrument	Amount	% of Total deposits
1	Total for Top 10 borrowings	2,15,631	74.65%

iv) Funding Concentration based on significant instrument/product

Sr. no.	Name of instrument/product	Amount	% of Total Liabilities
1	Term loans from banks	1,37,341	45.78%
2	Term loans from financial institution	10,285	3.43%
2	Term loans from Securitization	11,584	3.86%
3	Term loans from NHB Refinance	44,027	14.67%



Notes to Financial Statement

(Contd...)

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

Sr. no.	Name of instrument/product	Amount	% of Total Liabilities
4	Secured redeemable non-convertible debentures	29,842	9.95%
5	Unsecured redeemable non-convertible debentures	31,366	10.45%
6	External Commercial Borrowings	24,430	8.14%
	Total funding Concentration pertaining to significant instruments/products	2,88,875	
	Funding Concentration pertaining to insignificant instruments/products	-	
	Total borrowings under all instruments/products	2,88,875	

v) Stock Ratios

Sr. no.	Name of instrument/product	Amount	% of Public Funds	% of Total Liabilities	% of Total Assets
1	Commercial papers (CPs)	-	NA	-	-
2	Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	-	-
3	Other short-term liabilities	76,030	NA	25.34%	18.33%

vi) Institutional set-up for liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset-Liability Management ('ALM') Policy & Asset and Liability Management Committee (ALCO). The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets. Actual liquidity gaps against the Gap Limits are discussed every quarter in the ALCO meeting. ALCO manages Company's short, medium and long-term funding and liquidity management requirements. The ALCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities against unexpected requirements.

Definition of terms as used in the table above:

a) Significant counterparty:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

e) Borrowings:

Borrowings are inclusive of Debt securities and are considered at unamortised cost.

Notes to Financial Statement

(Contd...)



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

Note 51: Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities.

Net Debt-to-Equity Ratio:

Net Debt-to-Equity Ratio as at 31 March 2023	2.24 times
Net Debt-to-Equity Ratio as at 31 March 2022	2.32 times

Net Debt represents the Total Debt securities and Borrowings, as reduced by cash and cash equivalents and other bank balances as at year end.

Equity represents the Total equity as disclosed in the financials as at year end.

(ii) Analytical Ratios

Following analytical ratios need to be disclosed:

	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Variances	Reason for variances (if above 25%)
(i) Capital to risk-weighted asset ratio (CRAR)	1,11,821	2,19,533	50.94%	51.57%	-1.23%	NA
(ii) Tier I CRAR	1,09,341	2,19,533	49.81%	50.34%	-1.06%	NA
(iii) Tier II CRAR	2,480	2,19,533	1.13%	1.23%	-8.15%	NA
(iv) Liquidity coverage ratio	NA	NA	NA	NA	NA	NA

Note 52: Additional information required in terms of Master Direction RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued by the RBI and Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated 9 February 2017 issued by the NHB, is given in Annexure 1, which have been presented solely based on the information compiled by the Management.

Note 53: The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by reserve bank of india, during the year ended 31 March 2023 and 31 March 2022.

Note 54: The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 55: The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Note 56: The Company have no satisfaction of charges which are pending to be filed with ROC.



Notes to Financial Statement

(Contd...)

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

Note 57: Amendments issued but not yet effective

a. Newly issued standards

There were no standards notified by the Ministry of Corporate Affairs (MCA) during the year ended March 31, 2023.

b. Amendments in prevailing standards but not effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015. The effective date for adoption of these amendments is annual period beginning on or after April 1, 2023. The significant amendments are as below.

(i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

Note 58: The previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's presentation.

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No: 007592
Place : Mumbai
Date : 26th April 2023

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman & Interim Managing Director
DIN: 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 26th April 2023

Raamdeo Agarawal
Director
DIN: 00024533

Ritin Mawani
Company Secretary

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

I Disclosures pursuant to Reserve Bank of India (RBI) Master Direction–Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 and Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs read with Disclosures in Financial Statements- Notes to Accounts of NBFCs

The following disclosures have been given in pursuant to Master Direction RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 (Master Direction) and Scale Based Regulation RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 (SBR) read with Disclosures in Financial Statements RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, as amended time to time issued by the RBI and have been presented solely based on the information compiled by the Management.

1 Summary of Significant Accounting Policies

Disclose the accounting policies regarding key areas of operations at one place along with NTA in their financial statements. A suggestive list includes – Basis of Accounting, Transactions involving Foreign Exchange, Investments - Classification, Valuation, etc. Advances and Provisions thereon, Fixed Assets and Depreciation, Revenue Recognition, Employee Benefits, Provision for Taxation, Net Profit, etc

Reconciliation of loans as per IGAAP and IND AS

Housing and Non-housing Loan	As at 31 March 2023	As at 31 March 2022
(i) Loans as per IGAAP	3,803.64	3,485.40
(ii) Unamortized upfront income / expense- IND AS Adjustment	(5.60)	(4.53)
(iii) Loans to related parties		
Standard assets (considered good)		-
(iii) Overdue EMI and Interest accrued on loans	44.49	39.02
Total Loans (i) +(ii)+ (iii)	3,842.53	3,519.89
less : Impairment loss allowance	(70.80)	(85.34)
Loans as per IND AS	3,771.73	3,434.55

2 Disclosures

2.1 Capital

The information related to capital disclosures are disclosed in Note No. 50.2 to Financial Statements

2.2 Reserve Fund under 29C of NHB Act, 1987

Statutory reserve

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	15.84	14.94
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	56.70	38.62
Total	72.54	53.57
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	4.14	0.90



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	23.13	18.08
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory reserve under Section 29C of The National Housing Bank Act, 1987	19.98	15.84
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	79.84	56.70
Total	99.82	72.55

2.3 Investment

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	-	-
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(III) Net value of investments		
(a) In India	-	-
(a) Outside India	-	-
(b) Movements of provisions held towards depreciation in investments		
(I) Opening balance	-	-
(II) Add : Provisions made during the year	-	-
(III) Less : Write-off/ Written- back of excess provisions during the year	-	-
(IV) Closing balance	-	-

2.4 Derivatives

2.4.1 Forward Rate Agreement (FRA)/ Interest Rate Swap

Particulars	As at 31 March 2023	As at 31 March 2022
(I) The notional principal of swap agreements	244.30	75.47
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(III) Collateral required by the HFC upon entering into swaps	NA	NA
(IV) Concentration of credit risk arising from the swaps*	-	-
(V) The fair value of the swap book	244.30	75.47

* The counterparty for Swap agreement entered is a Schedule Commercial Bank.

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

2.4.2 Exchange Traded Interest Rate (IR) Derivative.

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(II) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 20__ (Instrument-wise)	-	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

2.4.3 Disclosure on Risk exposure in derivative.

A. Qualitative Disclosure

The information related to Qualitative Disclosures are disclosed in Note No. 44 to Financial Statements

B. Quantitative Disclosure

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Derivatives (Notional Principal Amount)	244.30	75.47
(II) Marked to Market Positions (1)		
(a) Assets	Nil	Nil
(b) Liability	Nil	Nil
(III) Credit exposure	-	-
(IV) Unhedged exposure	Nil	Nil

2.5 Asset liability management

The information related to exposure to asset liability management are disclosed in Note No. 50.13 to Financial Statements

2.6 Exposure

2.6.1 Exposure to Real estate sector

The information related to exposure to real estate sector are disclosed in Note No. 50.3 to Financial Statements

2.6.2. Exposure to Capital Market

Particulars	As at 31 March 2023	As at 31 March 2022
(I) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(II) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(III) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
(IV) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the Company in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Fundss/Alternate Investment Funds (both registered and unregistered)	-	-
(i) Category I		
(ii) Category II		
(iii) Category III		
Total Exposure to Capital Market	-	-

2.6.3. Details of financing of parent company products

Particulars	As at 31 March 2023	As at 31 March 2022
Details of financing of parent company products	-	-

2.6.4. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

Particulars	As at 31 March 2023	As at 31 March 2022
Sanctioned Limit/ Amount outstanding for Single borrower limit	-	-
Sanctioned Limit/ Amount outstanding for Group borrower limit	-	-

2.6.5. Unsecured Advances

Particulars	As at 31 March 2023	As at 31 March 2022
Amount of unsecured advances given against rights, licenses, authorisations etc.	-	-

2.6.6. Exposure to group companies engaged in real estate business

Particulars	31 March 2023	
	Amount	% of owned fund
(I) Exposure to any single entity in a group engaged in real estate business	-	-
(II) Exposure to all entities in a group engaged in real estate business	-	-

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

Particulars	31 March 2022	
	Amount	% of owned fund
(I) Exposure to any single entity in a group engaged in real estate business	-	-
(II) to all entities in a group engaged in real estate business	-	-

3 Miscellaneous

3.1 Registration/ license/ authorisation obtained from other financial sector regulators

Registration has been obtained from Reserve Bank of India having Registration Number DOR-00111

3.2 Disclosure of Penalties imposed /Adverse comments by National Housing Bank (NHB)/Reserve Bank of India (RBI)/ Other Regulators

3.2.1 Penalty

The information related to disclosure of penalty charged by National Housing Bank (NHB)/Reserve Bank of India (RBI)/ Other Regulators are disclosed in Note No. 50.4 to Financial Statements

3.2.2 Adverse comments

The information related to disclosure of adverse comment given by National Housing Bank (NHB)/ Reserve Bank of India (RBI)/Other Regulators are disclosed in Note No. 50.5 to Financial Statements

3.3 Related Party Transactions- Detail of material transaction

S. No.	Items	Related Party	*Parent (as per ownership or control)		#Key Management Personnel		**Others		Total	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Borrowings - Received	Motilal Oswal Financial Services Limited	-	1,120	-	-	-	-	-	1,120
	Borrowings - Received	Motilal Oswal Finvest Limited	-	-	-	-	165	230	165	230
	Borrowings - Maximum Outstanding during the year	Motilal Oswal Financial Services Limited	-	120	-	-	-	-	-	120
	Borrowings - Maximum Outstanding during the year	Motilal Oswal Finvest Limited	-	-	-	-	115	230	115	230
2	Borrowings paid	Motilal Oswal Financial Services Limited	-	1,120	-	-	-	-	-	1,120
	Borrowings paid	Motilal Oswal Finvest Limited	-	-	-	-	165	230	165	230
3	Deposits	-	-	-	-	-	-	-	-	-
4	Placement of deposits	-	-	-	-	-	-	-	-	-
5	Advances - Given	Motilal Oswal Financial Services Limited	3,723	4,198	-	-	-	-	3,723	4,198
	Advances - Given	Motilal Oswal Finvest Limited	-	-	-	-	2,424	4,702	2,424	4,702
	Advance - Maximum Outstanding during the year	Motilal Oswal Financial Services Limited	213	200	-	-	-	-	213	200
	Advance - Maximum Outstanding during the year	Motilal Oswal Finvest Limited	-	-	-	-	200	200	200	200
6	Advances received	Motilal Oswal Financial Services Limited	3,723	4,198	-	-	-	-	3,723	4,198
	Advances received	Motilal Oswal Finvest Limited	-	-	-	-	2,424	4,702	2,424	4,702



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

S. No.	Items	Related Party	*Parent (as per ownership or control)		#Key Management Personnel		**Others		Total	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
7	Investments	-	-	-	-	-	-	-	-	-
8	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-
9	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
10	Amount payable	Motilal Oswal Financial Services Limited	0	0	-	-	-	-	0	0
	Amount payable	Motilal Oswal Finvest Limited	-	-	-	-	4	5	4	5
11	Amount Receivable	Motilal Oswal Financial Services Limited	1	1	-	-	-	-	1	1
	Amount Receivable	Motilal Oswal Finvest Limited	-	-	-	-	0	0	0	0
	Amount Receivable	Motilal Oswal Wealth Management Limited	-	-	-	-	0	-	0	-
12	Interest paid	Motilal Oswal Financial Services Limited	-	0	-	-	-	-	-	0
	Interest paid	Motilal Oswal Finvest Limited	-	-	-	-	0	1	0	1
13	Interest received	Motilal Oswal Financial Services Limited	12	11	-	-	-	-	12	11
	Interest received	Motilal Oswal Finvest Limited	-	-	-	-	2	5	2	5
14	Others - Income	Motilal Oswal Financial Services Limited	0	0	-	-	-	-	0	0
15	Others - Expense	Motilal Oswal Financial Services Limited	4	6	-	-	-	-	4	6
	Others - Expense	Motilal Oswal Finvest Limited	-	-	-	-	0	0	0	0
	Others - Expense	Motilal Oswal Wealth Management Limited	-	-	-	-	-	0	-	0
	Others - Expense	Mr. Shalibhadra Shah	-	-	0	0	-	-	0	0
16	Payment towards collections from derecognised loan assets	Motilal Oswal Finvest Limited	-	-	-	-	68	73	68	73

There is no related party transaction with respect to subsidiaries, associates/ joint ventures and relative of key managerial personnel.

Refer Note 41 of the financial statement

* Motilal Oswal Financial Services Limited - Holding/parent Company (MOFSL)

** Motilal Oswal Wealth Management Limited (MOWML) & Motilal Oswal Finvest Limited (MOFL) - Fellow Subsidiary Company

#Key managerial personnel includes

a. Shalibhadra Shah - Chief Financial Officer

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

Disclosures for directors and relatives of directors

S. No.	Items	Related Party	*Directors		Relatives of Directors	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Borrowings		-	-	-	-
2	Deposits		-	-	-	-
3	Placement of deposits		-	-	-	-
4	Advances		-	-	-	-
5	Investments		-	-	-	-
6	Purchase of fixed/other assets		-	-	-	-
7	Sale of fixed/other assets		-	-	-	-
8	Interest paid		-	-	-	-
9	Interest received		-	-	-	-
10	Others	Mr. Arvind Hali	-	2.08	-	-
	Others	Mr. Motilal Oswal	0.08	-	-	-
	Others	Mr. P H Ravikumar	0.07	0.03	-	-
	Others	Mr. Sanjaya Kulkarni	-	0.02	-	-
	Others	Mrs. Divya Momaya	0.04	0.04	-	-

Refer Note 41 of the financial statement

* Director includes

a. Motilal Oswal	- Chairman & Interim Managing Director
b. Raamdeo Agarwal	- Non Executive Director
c. Navin Agarwal	- Non Executive Director (upto 26 April 2022)
d. Sanjaya Kulkarni	- Independent Director (upto 14 January 2022)
e. Arvind Hali	- Managing Director & Chief Executive Officer (upto 31 March 2022)
f. Divya Momaya	- Independent Director
g. P H Ravikumar	- Independent Director (from 27 October 2021)

Loans to Directors, Senior Officers and relatives of Directors

Sr. No.	Particulars	Amount	
		As at 31 March 2023	As at 31 March 2022
1	Directors and their relatives	-	-
2	Entities associated with directors and their relatives	-	-
3	Senior Officers and their relatives	-	-

3.4 Group Structure

The information related to Group Structure is disclosed in Board's Report.



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

3.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Nature of Borrowing	31 March 2023		
	Credit Rating / Outlook		
	CRISIL	India Ratings	ICRA
Short Term			
Commercial paper	CRISIL A1+		[ICRA]A1+
Long Term			
Non-Convertible Debentures	CRISIL AA /Stable	IND AA / Stable	[ICRA] AA(Stable)
Market linked Debentures	CRISIL PPMLD AA / Stable	-	-
Bank Borrowings	CRISIL AA / Stable	IND AA / Stable	-

Nature of Borrowing	31 March 2022		
	Credit Rating / Outlook		
	CRISIL	India Ratings	ICRA
Short Term			
Commercial paper	CRISIL A1+	IND A1+	[ICRA]A1+
Long Term			
Non-Convertible Debentures	CRISIL AA /Stable	IND AA / Stable	[ICRA]AA- (Stable)
Market linked Debentures	CRISIL PP-MLD AA-r/Stable	-	PP-MLD[ICRA] AA- (Stable)
Bank Borrowings	CRISIL AA /Stable	IND AA / Stable	-

3.6 Remuneration of Directors

The information related to pecuniary relationship or transactions with the non-executive director of the company is disclosed in Note No. 41 to Financial Statements

3.7 Management

The Management Discussion and Analysis Report forms part of Annual report.

3.8 Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit/Loss for the period	136.36	94.89
Impact of prior period items on current year's profit:		
Prior Period Tax*	(0.13)	(0.03)
Reason for Changes in accounting policies	Not Applicable	Not Applicable

*Prior period tax is in relation to payment against Income Tax Liability aroused at the time of scrutiny

3.9 Revenue Recognition

There were no circumstances requiring postponement of Revenue Recognition for the year ended on 31st March 2023 & 31st March 2022.

3.10 Consolidated Financial Statements (CFS)

MOHFL has no subsidiary as on date.

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

3.11 Information for area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries

Particulars	As at March 31, 2023	As at March 31, 2022
Area	-	-
Country of operation	-	-
Partners of Joint Venture	-	-
Overseas subsidiaries	-	-

4 Additional Disclosures

4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 2023	For the year ended 2022
1. Provisions for depreciation on investment	-	-
2. Provisions made towards income tax	39.19	23.42
3. Provisions towards NPAs	-5.61	1.60
4. Provisions for standard assets (with details like teaser loan, CRE, CRE-RH etc.)	-8.93	13.14
5. Other provision and contingencies		
Gratuity	0.97	0.67
Compensated absence	0.05	0.26
Heritage Club	0.16	0.07
Provision for expenses	1.40	1.84

Break up of Loans & Advances & Provisions thereon	As at March 31, 2023	
	Housing Loans	Non-Housing Loans
Standard Asset		
Principal outstanding	2,846.35	917.56
Overdue principal	0.46	0.13
Interest accrued	29.92	9.83
Total Outstanding Amount	2,876.73	927.52
Provisions made	35.89	14.77
Sub-standard assets	-	-
Principal outstanding	23.18	11.70
Overdue principal	0.42	0.14
Interest accrued	1.31	0.51
Total Outstanding Amount	24.92	12.36
Provisions made	11.20	4.79
Doubtful assets- Category I	-	-
Principal outstanding	1.89	0.51
Overdue principal	0.19	0.03
Interest accrued	0.37	0.05
Total Outstanding Amount	2.45	0.58
Provisions made	1.56	0.39
Doubtful assets- Category II	-	-



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

Break up of Loans & Advances & Provisions thereon	As at March 31, 2023	
	Housing Loans	Non-Housing Loans
Principal outstanding	2.33	0.12
Overdue principal	0.39	0.02
Interest accrued	0.71	0.01
Total Outstanding Amount	3.43	0.15
Provisions made	2.16	0.03
Doubtful assets- Category III	-	-
Principal outstanding	-	-
Overdue principal	-	-
Interest accrued	-	-
Total Outstanding Amount	-	-
Provisions made	-	-
Loss assets		
Principal outstanding	-	-
Overdue principal	-	-
Interest accrued	-	-
Total Outstanding Amount	-	-
Provisions made	-	-
Total		
Principal outstanding	2,873.75	929.89
Overdue principal	1.46	0.32
Interest accrued	32.31	10.40
Total Outstanding Amount	2,907.53	940.61
Provisions made	50.82	19.98

Break up of Loans & Advances & Provisions thereon	As at March 31, 2022	
	Housing Loans	Non-Housing Loans
Standard Asset		
Principal outstanding	2,797.06	632.17
Overdue principal	0.60	0.13
Interest accrued	26.44	6.06
Total Outstanding Amount	2,824.10	638.35
Provisions made	43.41	16.18
Sub-standard assets		
Principal outstanding	38.25	9.97
Overdue principal	0.50	0.09
Interest accrued	3.10	0.61
Total Outstanding Amount	41.84	10.68
Provisions made	17.20	4.52
Doubtful assets- Category I		
Principal outstanding	6.22	0.94
Overdue principal	0.26	0.03
Interest accrued	1.22	0.12
Total Outstanding Amount	7.69	1.09

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

Break up of Loans & Advances & Provisions thereon	As at March 31, 2022	
	Housing Loans	Non-Housing Loans
Provisions made	2.99	0.43
Doubtful assets- Category II		
Principal outstanding	0.75	-
Overdue principal	0.16	-
Interest accrued	0.30	-
Total Outstanding Amount	1.22	-
Provisions made	0.57	-
Doubtful assets- Category III		
Principal outstanding	0.03	-
Overdue principal	0.04	-
Interest accrued	0.03	-
Total Outstanding Amount	0.11	-
Provisions made	0.03	-
Loss assets		
Principal outstanding	-	-
Overdue principal	-	-
Interest accrued	-	-
Total Outstanding Amount	-	-
Provisions made	-	-
Total		
Principal outstanding	2,842.32	643.08
Overdue principal	1.55	0.25
Interest accrued	31.08	6.79
Total Outstanding Amount	2,874.95	650.12
Provisions made	64.20	21.14

4.2 Draw Down from Reserves

There were no draw down from Reserves during FY 2022-2023.

4.3 Concentration of Public Deposits, Advances, Exposures and NPAs

4.3.1 Concentration of Public Deposits

Particulars	As at 31 March 2023	As at 31 March 2022
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	-	-

4.3.2 Concentration of Loans & Advances

Particulars	As at 31 March 2023	As at 31 March 2022
Total Loans & Advances to twenty largest borrowers	598.24	239.50
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	15.72%	6.87%



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

4.3.3 Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Exposure to twenty largest borrowers / customers	775.24	239.87
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	18.99%	6.78%

4.3.4 Concentration of NPAs

Particulars	As at 31 March 2023	As at 31 March 2022
Total Exposure to top ten NPA accounts	2.42	2.89

4.3.5 Sector-wise NPA

Particulars	As at 31 March 2023	As at 31 March 2022
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	1.11%	1.64%
(II) Builders / Project Loans		
(III) Corporates		
(IV) Others (Specify)		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	1.19%	1.79%
(II) Builders / Project Loans		
(III) Corporates		
(IV) Others (Specify) - Commercial Real Estate (CRE)	7.74%	5.53%

4.4 Movement of NPAs.

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Net NPAs to Net Advances (%) *	0.73%	0.93%
(II) Movement of Gross NPAs		
(a) Opening Balance	57.25	76.62
(b) Additions during the year (excluding write off's)	34.54	46.51
(c) Reduction during the year (excluding write off's)	50.87	65.89
(d) Closing balance	40.92	57.25
(III) Movement of Net NPAs		
(a) Opening Balance	31.51	52.48
(b) Additions during the year (excluding write off's)	18.91	33.49
(c) Reduction during the year (excluding write off's)	29.63	54.46
(d) Closing balance	20.79	31.51
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Balance	25.75	24.15
(b) Provisions made during the year (excluding write off's)	15.63	13.02
(c) Write off/ write back of excess provision	21.24	11.43
(d) balance	20.14	25.75

* As per notification's wordings, total loan book net of provision made is considered as net of advances. Whereas in Note 30 of financials, total loan book is considered for computation of ratios.

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

4.5 Overseas Assets

Particulars	As at 31 March 2023	As at 31 March 2022
	-	-

4.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)-

Name of SPV sponsored	As at 31 March 2023	As at 31 March 2022
Domestic	-	-
Overseas	-	-

5 Principal Business Criteria

The information related to principal business criteria is disclosed in Note No. 50.1 to Financial Statements

6 Percentage of outstanding loans granted against collateral of gold jewellery to their outstanding total assets.

The information related to percentage of outstanding loans granted against collateral of gold jewellery to their outstanding total assets. is disclosed in Note No. 50.6 to Financial Statements

7 Details of all off-balance sheet exposures

The information related to off-balance sheet exposures are disclosed in Note No. 33 to Financial Statements

8 Intra-group exposures

Particulars	As at 31 March 2023	As at 31 March 2022
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the company on borrowers/customers	-	-

9 Unhedged foreign currency exposure

The information related to unhedged foreign currency exposure are disclosed in Note No. 42 to Financial Statements

10 Corporate governance

10.1 Composition of the Board

The information related to composition of the board is disclosed in Board's Report.

10.2 Committees of the Board and their composition

The information related to Committees of the board and their composition is disclosed in Board's Report.

10.3 General Body Meetings

The information related to general body meetings is disclosed in Board's Report.

10.4 Details of non-compliance with requirements of Companies Act, 2013

There is no non-compliance with respect to requirements of companies Act, 2013, accounting standards & secretarial standards.

11 Breach of covenant

There is no breach of covenant with respect to any term loan & debt security issued.



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

12 Divergence in Asset Classification and Provisioning

Particulars	Amount
Gross NPAs as on March 31, 2023 as reported by the company	-
Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India/ NHB	-
Divergence in Gross NPAs (2-1)	-
Net NPAs as on March 31, 2023 as reported by the company	-
Net NPAs as on March 31, 2023 as assessed by Reserve Bank	-
Divergence in Net NPAs (5-4)	-
Provisions for NPAs as on March 31, 2023 as reported by the company	-
Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	-
Divergence in provisioning (8-7)	-
Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	-
Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	-
Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	-

There is no divergence in asset classification and provisioning assessed by NHB for the year ended on 31st March 2023 & 31st March 2022

13 Items of income and expenditure of exceptional nature.

There is no items of income and expenditure of exceptional nature for the year ended on 31st March 2023 & 31st March 2022

14 Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

The statutory auditors have conducted audit and issued an unmodified opinion for the year ended on 31st March 2023 & 31st March 2022.

15 Disclosure of Complaints

15.1 Customer Complaints.

Summary information on complaints received by the company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2023	As at 31 March 2022
Complaints received by the company from its customers		
1) No. of complaints pending at the beginning of the year	-	-
2) No. of complaints received during the year	183.00	174.00
3) No. of complaints redressed during the year	183.00	174.00
3.1) Of which, number of complaints rejected by the company	-	-
4) No. of complaints pending at the end of the year	-	-
Maintainable complaints received by the company from Office of Ombudsman		
5) Number of maintainable complaints received by the company from Office of Ombudsman	-	-
5.1) Of 5, number of complaints resolved in favour of the company by Office of Ombudsman	-	-
5.2) Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	-	-

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

Particulars	As at 31 March 2023	As at 31 March 2022
5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the company	-	-
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note Complaints uploaded on NHB-GRIDS, where company provides redressal to customer from their end. All complaints have been redressed by the Company.

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme. It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

15.2 Top five grounds of complaints received by the company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2023					
FCL and LOD	-	46	22%	-	-
Collection Follow up	-	29	10%	-	-
ROI	-	20	10%	-	-
Subsidy Status	-	18	-29%	-	-
Foreclosed Original documents	-	10	-1%	-	-
Others	-	60	5%	-	-
Total	-	183	9%	-	-
As at 31 March 2022					
Subsidy Status	-	47	-29%	-	-
Refund/Waiver	-	19	-11%	-	-
FCL and LOD	-	24	22%	-	-
Foreclosed Original documents	-	10	-1%	-	-
Collection Follow up	-	19	10%	-	-
Others	-	55	5%	-	-
Total	-	174	9%	-	-

16 Sectoral exposure

SECTORS	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-				
2. Industry						
3. Services						
i. Commercial Real Estate	898.20	5.65	0.63%	314.31	4.46	1.42%
Total of Services (i+ii+...+Others)	898.20	5.65	0.63%	314.31	4.46	1.42%



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

SECTORS	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
4. Personal Loans						
i. Housing Loans	2,595.84	28.40	1.09%	2,852.88	46.21	1.62%
ii. Non Housing Loan	588.55	6.87	1.17%	372.30	6.58	1.77%
Total of Personal Loans (i+ii)	3,184.39	35.28	1.11%	3,225.18	52.79	1.64%

* Total exposure includes undrawn committed sanctions to borrowers.

17. Schedule to Motilal Oswal Home Finance Ltd. Balance Sheet as at 31st March 2023.

Particulars		Amount (₹ in crore)	
Liabilities side		Amount outstanding	Amount overdue
1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	298.42	-
	Debentures : Unsecured (other than falling within the meaning of public deposits*)	313.66	-
(b)	Deferred Credits	-	-
(c)	Term Loans	2,276.67	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans (specify nature)	-	-
2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-
Assets side		Amount outstanding	
3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a)	Secured		3,842.53
(b)	Unsecured		-
4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:		
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial lease		-
(b)	Operating lease		-
(ii)	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire		-
(b)	Repossessed Assets		-

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

Assets side			Amount outstanding
	(iii)	Other loans counting towards asset financing activities	
	(a)	Loans where assets have been repossessed	-
	(b)	Loans other than (a) above	-
5)	Break-up of Investments		
	<u>Current Investments</u>		
1.	<u>Quoted</u>		
	(i)	Shares	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
2.	<u>Unquoted</u>		
	(i)	Shares	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	<u>Long Term investments</u>		
1.	<u>Quoted</u>		
	(i)	Share	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
2.	<u>Unquoted</u>		
	(i)	Shares	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-



Annexure 1 to the financial statements

for the year ended 31 March 2023

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

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	3,842.53	-	3,842.53
Total		3,842.53	-	3,842.53

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2.	Other than related parties	-	-
Total		-	-

** As per applicable Accounting Standard

(8) Other information

Particulars		Amount (₹ in crore)
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	40.92
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	20.79
(iii)	Assets acquired in satisfaction of debt	13.16

II Disclosures pursuant to Reserve Bank of India (RBI) Master Direction-Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

The following disclosures have been given in pursuant to Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 issued by the RBI as amended from time to time.

The information related to Disclosures pursuant to Reserve Bank of India (RBI) Master Direction-Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 issued by the RBI has been disclosed in Note No. 50.07, 50.08, 50.09 & 50.10 to Financial Statements.

Annexure 1 to the financial statements

for the year ended 31 March 2023



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

III Disclosures pursuant to Reserve Bank of India (RBI) Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

The following disclosures have been given in pursuant to Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 issued by the RBI as amended from time to time.

The information related to Disclosures pursuant to Reserve Bank of India (RBI) Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 vide master direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 issued by the RBI has been disclosed in Note No. 50.11 & 50.12 to Financial Statements.

IV Disclosures pursuant to Reserve Bank of India (RBI) Master Direction-Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

The following disclosures have been given in pursuant to Master Direction RBI/DNBS/2016-17/49 DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016 (as amended from time to time), issued by the RBI.

Reporting of Fraud

Particulars	As at 31 March 2023	As at 31 March 2022
Amount of Fraud outstanding at the end of the year	26.94	26.48

Resolution Framework for COVID-19-related Stress

The information related to Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 and 05 May 2021 mentioned in Note No. 48 of Financial Statements

V Public Disclosure for year/quarter ended March 31, 2023 pursuant to Paragraph 3 of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

The information related to Public Disclosure for year/quarter ended March 31, 2023 pursuant to Paragraph 3 of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies mentioned in Note No. 50.14 of Financial Statements

Motilal Oswal Finvest Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOTILAL OSWAL FINVEST LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Motilal Oswal Finvest Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Information Technology system for the financial reporting process	Principal audit procedures performed
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Interest income, Loan Balance, Non Performing Assets amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.	Our key audit procedures were relying on the work carried out by the IT specialists audit team, but were not limited to, the following: Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key automated controls operating over such identified IT applications;

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matter	Auditor's Response
Accordingly, since our audit strategy has focused on key IT systems and controls due to pervasive impact on the financial statements and performing testing of automated process controls and General controls; we have determined the same as a key audit matter for current year audit.	For deficiencies identified if any by the IT specialist, specialist team tested compensating controls or performed alternative procedures.
Impairment of loans	Principal audit procedures performed
Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters: a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section. Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics. b) Staging of loans and estimation of behavioral life. c) Estimation of expected loss from historical observations. d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past. Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility and restructuring facility for eligible customers, this area required significant auditor attention to test such complex accounting estimates. Therefore, we have determined this to be a key audit matter for the current year audit.	- Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment - Assessed the critical assumptions used by the management for expected credit losses as at 31 March 2023. - Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets based on their past-due status and other qualitative factors identified by the management which indicate significant increase in credit risk. For a sample of exposures, we tested the appropriateness of such staging. - Understood and checked the key data sources and assumptions for data used in the ECL model as considered by the Company to determine impairment provisions. - On sample basis tested the completeness and accuracy of the input data used and confirmed the said data with the underlying books of accounts and records. - Tested the arithmetical accuracy of computation of ECL provision performed by the Company.
Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:	We examined Board Policy that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matter	Auditor's Response
- Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, - The segmentation of financial assets when their ECL is assessed on a collective basis, - Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and - Assessment of qualitative factors having an impact on the credit risk.	We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2023 by reconciling it with the balances as per loan balance register as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports") but does not include financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, amended: In our opinion and according to the information and the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at year-end which would impact its financial position.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 53 to the financial statements.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
2. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Shah & Savla LLP
Chartered Accountants
 FRN :109364W/W100143

Sd/-
CA Miral H. Nagda
 Partner
 Membership No.: 108135

UDIN : 23108135BGXKPC7915

Place : Mumbai
Date : 25th April, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Motilal Oswal Finvest Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

INDEPENDENT AUDITOR'S REPORT (Contd..)

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For Shah & Savla LLP
Chartered Accountants
FRN :109364W/W100143

Sd/-
CA Miral H. Nagda
Partner
Membership No.: 108135

UDIN : 23108135BGXKPC7915

Place : Mumbai
Date : 25th April, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- (i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of verification of Property, Plant and Equipment, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
 - d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The Company does not have any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from financial institution on the basis of security of mutual fund investments of the Company. According to the information and explanations given to us, as per the terms of borrowings, the Company is not required to file any statements with such financial institutions. Accordingly reporting under clause 3(ii) (b) of the Order is not applicable.
- (iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has provided guarantee or security to other entity during the year. With respect to such investments, loans and advances and guarantee provided:
 - a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5(ii) to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans

INDEPENDENT AUDITOR'S REPORT (Contd..)

assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating ₹ 81 lakhs were categorised as credit impaired ("Stage 3") and ₹ Nil were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 2,14,660 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹ 81 lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

- d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 81 lakhs. Basis information and explanation provided to us by the Management, reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.
- e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted loans or advances during the year in loans which are repayable on demand. However, the Company has not granted loans or advances without specifying any terms or period of repayment during the year. Details of loans repayable on demand are as below.
 - a) Aggregate amount of loans repayable on demand outstanding as at March 31, 2023 - Rs. 214,741 lakhs
 - b) % of above loans amounts mentioned in (a) above to the total gross loans outstanding - 98.71%
 - c) Aggregate amount of loans granted to promoters (included in (a) above) - Rs. Nil
 - d) Aggregate amount of loans to related parties (included in (a) above) - Rs. 2,761 lakhs
- (iv) In our opinion and according to information and explanation given to us, there are no loans, investments or guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits from public 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) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues which were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
 - c) There were no dues referred in sub clauses (a) above which have not been deposited on account of disputes as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
 - d) On an overall examination of the maturity profile of financial assets and financial liabilities provided in Note 45 to the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
 - f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- b) We have considered, the internal audit reports issued to the Group for Company's operation during the year and covering the period upto March 31, 2023.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi)(a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company. Hence, reporting under clauses 3(xvi) b and c of the Order is not applicable.
- As per information provided to us during the course of audit, the Group to which Company belongs does not have any Core Investment Company as defined under the Regulations by the Reserve Bank of India (the 'RBI') and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) During the year, there has been no resignation of the Statutory Auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For Shah & Savla LLP
Chartered Accountants
 FRN :109364W/W100143

Sd/-
CA Miral H. Nagda
 Partner
 Membership No.: 108135

UDIN : 23108135BGXKPC7915
Place : Mumbai
Date : 25th April, 2023

BALANCE SHEET

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Financial Assets			
a) Cash and cash equivalents	4	1,28,715	81,128
b) Receivable			
Trade receivables	5	149	663
c) Loans	6	2,13,801	58,822
d) Investments	7	1,39,467	1,21,504
e) Other financial assets	8	20	261
Sub - Total Financial Assets (A)		4,82,152	2,62,378
2 Non-Financial Assets			
a) Property, plant and equipment	9 (A)	73	91
b) Intangible assets	9 (B)	1	1
c) Goodwill	9 (C)	405	405
d) Other non-financial assets	10	108	420
Sub - Total Non- Financial Assets (B)		587	917
Total Assets (A+B)		4,82,739	2,63,295
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Payables			
(I) Other Payables			
(i) total outstanding dues of micro and small enterprises	11	-	-
(ii) total outstanding dues of other than micro and small enterprises		132	524
b) Debt securities	12	3,61,141	1,45,512
c) Borrowings (other than debt securities)	13	4,062	4,015
d) Other financial liabilities	14	513	253
Sub - Total Financial Liabilities (A)		3,65,848	1,50,304
2 Non-Financial Liabilities			
a) Current tax liabilities (net)	15	339	508
b) Deferred tax liabilities (net)	16	125	866
c) Provisions	17	146	114
d) Other non-financial liabilities	18	77	117
Sub - Total Non-Financial Liabilities (B)		687	1,605
3 Equity			
a) Equity share capital	19	7,619	7,619
b) Other equity	20	1,08,585	1,03,767
Sub - Total Equity (C)		1,16,204	1,11,386
Total Liabilities and Equity (A+B+C)		4,82,739	2,63,295

The accompanying notes 1 to 56 form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date

For Shah & Savla LLP
Chartered Accountants
Firm Registration No.: 109364W/W100143

Sd/-
Miral H. Nagda
Partner
Membership.No : 108135

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
CIN : U65100MH2006PLC165469

Sd/-
Harsh Joshi
Whole-time Director
DIN: 02951058

Sd/-
Pankaj Purohit
Director
DIN: 09613227

Sd/-
Vijay Bansal
Chief Financial Officer

Sd/-
Akash Anchan
Company Secretary

Place : Mumbai
Date : 25 April 2023

Place : Mumbai
Date : 25 April 2023

STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
(i) Interest income	21	26,972	17,061
(ii) Dividend income	22	365	166
(iii) Fees and commission income	23	170	143
(iv) Net gain on fair value changes	24	2,676	9,599
(v) Other operating income	25	158	192
1) Total Revenue from operations		30,341	27,161
2) Other income	26	1,913	1,524
3) Total income (1+2)		32,254	28,685
Expenses			
(i) Finance cost	27	19,832	9,590
(ii) Impairment on financial instruments	28	780	74
(iii) Employee benefits expense	29	1,537	949
(iv) Depreciation and amortisation	9	22	11
(v) Other expenses	30	1,494	1,602
(4) Total expenses		23,665	12,226
(5) Profit before tax (3-4)		8,589	16,459
Tax expense			
(a) Current tax		2,537	2,169
(b) Deferred tax (credit)/expense		(509)	657
(c) Short/(excess) provision for earlier years		62	(11)
6) Total tax expenses	31	2,090	2,815
7) Profit for the year after tax (5 - 6)		6,499	13,644
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined employee benefit plans		(7)	(18)
(b) Changes in fair value gain/(loss) of FVOCI equity instruments		(1,491)	2,166
(c) Deferred tax impact on the above		231	(243)
8) Other Comprehensive Income/(Loss)		(1,267)	1,905
Total comprehensive income for the year (7 + 8)		5,232	15,549
Basic and Diluted Earning per share (amount in Rs.)	32	8.53	19.41

The accompanying notes 1 to 56 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 Shah & Savla LLP
Chartered Accountants
Firm Registration No.: 109364W/W100143

Sd/-
Miral H. Nagda
Partner
Membership.No : 108135

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
CIN : U65100MH2006PLC165469

Sd/-
Harsh Joshi
Whole-time Director
DIN: 02951058

Sd/-
Pankaj Purohit
Director
DIN: 09613227

Sd/-
Vijay Bansal
Chief Financial Officer

Sd/-
Akash Anchan
Company Secretary

Place : Mumbai
Date : 25 April 2023

Place : Mumbai
Date : 25 April 2023

STATEMENT OF CASH FLOW

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before taxation	8,589	16,459
Adjustment for:		
Net gain on fair value changes	(2,676)	(9,599)
Impairment on financial instruments	780	74
Depreciation and amortisation	22	11
Actuarial gain	29	17
Dividend received	(365)	(166)
Interest expense pertaining to lease liability	7	4
Operating profit	6,386	6,800
Adjustment for working capital changes:		
Decrease/(increase) in receivables	514	3
Decrease/(increase) in loans	(1,55,759)	(28,607)
Decrease/(increase) in other financial assets	241	(256)
Decrease/(increase) in other non financial assets	312	350
Increase/(decrease) in payables	(393)	(546)
Increase/(decrease) in other financial liabilities	277	2
Increase/(decrease) in provisions	(4)	(3)
Increase/(decrease) in other non-financial liabilities	(40)	61
Cash generated used in operations	(1,48,466)	(22,196)
Direct taxes paid (net)	(2,768)	(1,556)
Net cash generated used in operating activities	(1,51,234)	(23,752)
B. Cash flow from investing activities		
Purchase of investments	(33,867)	(43,345)
Proceeds of sale of investments	17,089	14,389
Purchase of Property, plant & equipment	(4)	(0)
Dividend received	365	166
Net cash flow from used in investing activities	(16,417)	(28,790)
C. Cash flow from financing activities		
Issue of share capital	-	23,500
Proceeds / (repayment) of short-term borrowings (net of interest)	1,39,298	72,761
Proceeds from issuance of debt securities	1,08,230	-
Repayment of debt securities	(31,851)	-
Payment of lease liability including interest	(24)	(12)
Dividend and dividend distribution tax paid	(415)	(152)
Net cash flow generated from financing activities	2,15,238	96,097
Net increase in cash & cash equivalents during the year (A+B+C)	47,587	43,555
Cash on Hand	0	0
Scheduled Bank - In Current Account	41,128	37,573
Fixed Deposit with Banks (lien with stock exchange)	40,000	-
Cash & cash equivalents as at beginning of the year	81,128	37,573
Cash and cheques in hand	0	0

STATEMENT OF CASH FLOW

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Scheduled bank - In current account	1,28,715	41,128
Fixed Deposit with Banks	-	40,000
Cash & Cash Equivalents at the end of the year	1,28,715	81,128

Notes:

- (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- (ii) Figures in brackets indicate cash outflows.

The accompanying notes 1 to 56 form an integral part of the financial statements
This is the Cash Flow Statement referred to in our report of even date.

For Shah & Savla LLP
Chartered Accountants
Firm Registration No.: 109364W/W100143

Sd/-
Miral H. Nagda
Partner
Membership.No : 108135

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
CIN : U65100MH2006PLC165469

Sd/-
Harsh Joshi
Whole-time Director
DIN: 02951058

Sd/-
Vijay Bansal
Chief Financial Officer

Place : Mumbai
Date : 25 April 2023

Sd/-
Pankaj Purohit
Director
DIN: 09613227

Sd/-
Akash Anchan
Company Secretary

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

Particulars	Equity share capital		Total
	Number of shares	Amount in Rupees	
Issued, subscribed and paid up			
As at 01 April 2021	5,89,28,703	10	5,893
Add/Less: Changes due to prior period errors	-	-	-
Restated as at 01 April 2021	5,89,28,703	10	5,893
Add: issue of capital	1,72,65,446	10	1,727
As at 31 March 2022	7,61,94,149	10	7,619
Add/Less: Changes due to prior period errors	-	-	-
Restated as at 01 April 2022	7,61,94,149	10	7,619
Add: issue of capital	-	-	-
As at 31 March 2023	7,61,94,149	10	7,619

(B) Other equity

Particulars	Reserves and surplus					Items of other comprehensive income		Total other equity
	Capital redemption reserve	Securities premium	Statutory reserve u/s 45 IC of RBI Act 1934	Retained earning	Impairment reserve	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 1 April 2021	90	61,142	701	1,839	62	2,775	(10)	66,598
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01 April 2021	90	61,142	701	1,839	62	2,775	(10)	66,598
Addition during the year	-	21,773	-	13,644	-	-	-	35,417
Transfer from retained earning	-	-	-	(28)	28	-	-	-
Transfer to Statutory Reserve from retained earnings	-	-	2,729	(2,729)	-	-	-	-
Interim Dividend	-	-	-	(153)	-	-	-	(153)
Total other comprehensive income for the year	-	-	-	-	-	1,918	(14)	1,904
Balance as at 31 March 2022	90	82,915	3,430	12,573	90	4,693	(24)	1,03,767
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01 April 2022	90	82,915	3,430	12,573	90	4,693	(24)	1,03,767
Addition during the year	-	-	-	6,499	-	-	-	6,499
Transfer to Statutory Reserve from retained earnings	-	-	1,300	(1,300)	-	-	-	-
Interim Dividend	-	-	-	(415)	-	-	-	(415)
Total other comprehensive income for the year	-	-	-	-	-	(1,262)	(5)	(1,267)
Balance as at 31 March 2023	90	82,915	4,730	17,358	90	3,431	(29)	1,08,585

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

For Shah & Savla LLP
Chartered Accountants
Firm Registration No.: 109364W/W100143

Sd/-
Miral H. Nagda
Partner
Membership.No : 108135

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
CIN : U65100MH2006PLC165469

Sd/-
Harsh Joshi
Whole-time Director
DIN: 02951058

Sd/-
Vijay Bansal
Chief Financial Officer
Place : Mumbai
Date : 25 April 2023

Sd/-
Pankaj Purohit
Director
DIN: 09613227

Sd/-
Akash Anchan
Company Secretary

NOTES TO FINANCIAL STATEMENT

1. Corporate information

Motilal Oswal Finvest Limited ("MOFL" or the "Company") is a Non-Banking Financial Company registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI effective 01 October 2018, enabling the Company to carry on business as a Non-banking Finance Company. The Company's registered office is at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund and every year transfers an amount equal to 20% of the profit after tax to the Reserve Fund.

The financial statements were approved for issue by the Company's Board of Directors on 25 April 2023.

2. Significant accounting policies

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

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2023 based on the 'Press Release' issued by the Ministry of Company Affairs on 18 January 2016. Any application guidance/ clarifications/ directions issued by the RBI or other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 47.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iv) Use of estimates and judgements

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

2.2. Revenue Recognition

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

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

(i) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets {i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance ('ECL')}. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(ii) 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.

(iii) Fees and commission income

The Company recognizes service and commission charges towards pledging its investments for the borrowing facility availed by its holding or group companies over a period of time in accordance with the terms of the contract.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iv) Other revenue from operations

a. Training fee

Performance obligations are satisfied over a period of time and training fee is recognized in accordance with the terms of the contract with the clients.

b. Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognizes gains on fair value change of financial assets measured at FVTPL and realized gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

c. Other income

The Company provides business support to its subsidiaries, fellow subsidiaries for activities like finance, accounting, human resources, information technology, back office operations, corporate planning, administrative services and various other services for which it recovers business support charges.

(v) Taxes

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

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

Current Tax

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

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.3. Leases

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

2.4. Cash and cash equivalents

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

2.5. Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

Expected credit loss allowance (ECL)

Manner in which forward looking assumptions has been incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current and forward situations with available data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

Bucketing of loans

The management shall evaluate the bucketing of loans every year based on the relevant years loan portfolio.

Management overlay

ECL provision is calculated as per IND-AS 109. However, in case the IND AS provision is less than RBI mandatory provisioning norms, then differential provisioning between mandatory RBI norms and Ind AS 109 shall be treated as a management overlay.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 50.

Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

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

3. Investments in mutual funds

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when:

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

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

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

Financial liabilities

(i) Initial recognition and measurement

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

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.6. Offsetting financial instruments

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

2.7. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Office Equipment's	5 years
Computers	3 years

Derecognition

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.8. Intangible assets

Measurement at recognition

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

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

Asset	Useful life
Computer Software	5 years

Derecognition

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

2.9. Goodwill

Goodwill is initially recognised based on the accounting policy for business combinations. These assets are not amortised but are tested for impairment annually.

2.10. Impairment of non-financial assets

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

2.11. Provisions and contingencies:

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

2.12. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on operating lease, to the extent they are regarded as an adjustment to interest costs. Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Share-based payments

The Employee Stock Option Scheme (the Scheme) of the Holding Company, Motilal Oswal Financial Services Limited, provides for grant of options to acquire equity shares of the Holding Company to eligible employees of the Company. The options vest in a graded manner and may be exercised within

NOTES TO FINANCIAL STATEMENT (Contd..)

a specified period. The Company reimburses the fair value of the options to the Holding Company and recognises the same as an expense in the Statement of Profit and Loss.

(iv) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

Functional and presentation currency

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

2.14. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.15. Segment Reporting

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

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

Operating segments of the Company comprises as under

- Lending and related activities
- Fund based

NOTES TO FINANCIAL STATEMENT (Contd..)

2.16. Rounding of amounts

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

2.17. Events after reporting date

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

3. Key accounting estimates and judgements

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

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

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the ageing of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- (e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and impairment 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

3A. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0	0
Balances with bank		
In current accounts	1,28,715	41,128
Fixed deposit with bank (maturity within 3 months)	-	40,000
	1,28,715	81,128

Note 5 : Receivable

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivable		
Considered good - unsecured	149	663
Receivables which have significant increase in credit risk	-	5
Less: impairment loss allowance	-	(5)
	149	663

- (i) Trade receivables and other 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 in measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year except receivables outstanding for more than 90 days which are considered to be under significant increase in credit risk and full credit loss is booked.
- (ii) Concentration of credit risk with respect to receivables are limited, due to the Company's customer base largely being related parties.
- (iii) Trade and other receivable Rs. Nil (31 March 2023 - Rs. Nil) are due from director or other officer of the Company either severally or jointly with any other person.
- (iv) Trade and other receivable Rs. Nil (31 March 2023 - Rs. Nil) are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 5 (i) : Receivable ageing schedule For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Loss allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	149	-	-	-	-	-	149
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	149	-	-	-	-	-	149

For the year ended March 2022

Particulars	Outstanding for following periods from due date of payment					Loss allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	663	-	-	-	-	-	663
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	5	-	-5	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	663	-	-	5	-	-5	663

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 6 :Loans(At amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
Loan to related parties*	2,761	2,741
Term loan	-	744
Loan repayable on demand	2,11,980	55,491
Total (A) gross	2,14,741	58,976
Less : impairment loss allowance	(940)	(155)
Total (A) Net	2,13,801	58,822
(B)		
(i) Secured by tangible assets	14,340	11,095
(ii) Secured by intangible assets	-	-
(iii) Unsecured	2,00,401	47,882
Total (B) gross	2,14,741	58,976
Less : impairment loss allowance	(940)	(155)
Total (B) Net	2,13,801	58,822
(C) Loans in India		
(i) Public sector	-	-
(ii) Other than public sector	2,14,741	58,976
Total (C) Gross	2,14,741	58,976
Less : Impairment loss allowance	(940)	(155)
Total (C) Net	2,13,801	58,822

*Break-up of loans made to related parties:

Particulars	31 March 2023	31 March 2022
<u>Loan repayable on demand:</u>		
Directors	-	2,001
Other related parties	2,761	741
	2,761	2,742
<u>% of total loans</u>		
Directors	-	3%
Other related parties	1%	1%

(i) Analysis of changes in the gross carrying amount of loan book Loan book movement

Particulars	31 March 2023	31 March 2022
Opening	58,976	30,375
Origination of new loan	3,41,32,382	1,48,77,496
Write-offs during the year	-	(5)
Repayments received during the year	(3,39,76,617)	(1,48,48,889)
Closing	2,14,741	58,976

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Break - up of loans under

Particulars	31 March 2023	31 March 2022
Low credit risk (Stage1)	2,14,660	58,883
Significant increase in credit risk (Stage2)	-	-
Credit impaired (Stage3)	81	94
Closing	2,14,741	58,976

Reconciliation of ECL balance

Particulars	31 March 2023	31 March 2022
Opening	155	91
ECL impact due to Write-offs	-	(5)
Addition during the year	785	69
Closing	940	155

Break - up of ECL under

Particulars	31 March 2023	31 March 2022
Low credit risk (Stage1)	859	146
Significant increase in credit risk (Stage2)	-	-
Credit impaired (Stage3)	81	9
Closing	940	155

Note 7 : Investments

Particulars		Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
			Units	Amount		Units	Amount
I.	Investments At Amortised Cost						
	Investments At Equity Instruments						
	Investments In Fellow Subsidiaries - Unquoted						
	Motilal Oswal Home Finance Limited (Formerly Known As Aspire Home Finance Corporation Limited)	1	60,00,00,000	15000	1	60,00,00,000	15,000
	Investment In Debenture						
	Shriprop Projects Private Limited	-	-	-	10,00,000	25	250
	Casagrand Millenia Private Limited	-	-	-	5,00,000	200	538
	Terrapolis Assets Private Limited	10,00,000	29	287	10,00,000	30	300
	Radiance Realty Developer India Limited	-	-	-	10,00,000	40	400

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
			Units	Amount		Units	Amount
	Rajapushpa Properties Private Limited	10,00,000	80	800	10,00,000	80	800
	Casa Grande Milestone Private Limited	1,00,000	525	525	-	-	-
	Casa Grande Milestone Private Limited	1,00,000	610	610	-	-	-
	Skyscape Developers Private Limited	10,00,000	100	1,000	-	-	-
	Ativa Real Estate Developers Private Limited	10,00,000	100	1,000	-	-	-
	Pelagus Infrastructures Private Limited	10,00,000	41	405	-	-	-
	Squarespace Infra City Private Limited	10,00,000	50	500	-	-	-
	Total		1,535	5,127		375	2,288
	Total I		60,00,01,535	20,127		60,00,00,375	17,288
II.	Investment At Fair Value Through Profit And Loss Account At FVTPL						
	Investments In Mutual Funds (Equity) - Fully Paid Up - Unquoted						
	Motilal Oswal Midcap 30 Fund - Growth	10	1,49,89,899	8,277	10	1,49,89,899	7,438
	Motilal Oswal Focused 25 Fund - Growth	10	8,36,077	300	10	8,36,077	294
	Motilal Oswal Nifty 50 Index Fund	10	6,15,438	90	10	6,15,438	90
	Motilal Oswal Nifty Next 50 Index Fund	10	1,79,254	24	10	1,79,254	26
	Motilal Oswal S&P BSE Low Volatility Index Fund	-	-	-	10	19,99,900	201
	Motilal Oswal Flexi Cap Fund - Growth (Formerly Known As Motilal Oswal Most Focused Multicap 35 Fund - Growth)	10	5,58,04,414	18,920	10	5,58,04,414	19,395
	Motilal Oswal Nifty G-Sec May 2029 Index Fund	10	19,99,900	203	-	-	-
	Motilal Oswal S&P BSE Enhanced Value Index Fund	10	9,99,950	117	-	-	-
	Motilal Oswal S&P BSE Quality Index Fund - Direct	10	6,99,965	71	-	-	-
	Total		7,61,24,898	28,002		7,44,24,984	27,444
	Investments In Mutual Funds (Debt) - Fully Paid Up						
	Nippon India Overnight Fund Subscription	10	16,61,908	2,000	-	-	-
	Kotak Overnight Fund	10	1,67,278	2,000	-	-	-
	Sundaram Overnight Fund	10	1,67,907	2,000	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Mirae Asset Overnight Fund Collection	10	1,74,055	2,000	-	-	-
L And T Mutual Fund Pool Collection A/C	10	1,70,530	2,000	-	-	-
Mahindra Manulife MF Collection Pool A/C	10	86,179	1,000	-	-	-
Axis Overnight Fund Collection A/C	10	1,68,723	2,000	-	-	-
ICICI Prudential Overnight Fund Direct	10	1,65,524	2,000	-	-	-
Total		27,62,105	15,002		-	-
Investments In Exchange Traded Fund (Equity) - Fully Paid Up - Quoted						
Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	10	17,889	74	10	17,889	66
Motilal Oswal Mutual Fund- Motilal Oswal Most Shares Midcap 100 ETF	10	2,27,920	73	10	2,27,920	71
Motilal Oswal Mutual Fund- Motilal Oswal Most Shares Nasdaq 100 ETF	10	3,78,201	84	10	3,78,201	90
Motilal Oswal S&P BSE Low Volatility ETF	100	1,42,295	35	100	88,459	100
Nippon India ETF Gold Bees	100	67,500	34	100	67,500	30
SBI-ETF Nifty Next 50	10	44,978	81	10	44,978	80
Motilal Oswal Gold And Silver ETFs Fund Of Funds	10	23,09,962	274	-	-	-
Total		31,88,745	655		8,24,947	437
Investment In Private Equity						
Investment In IREF IV	100	95,93,703	9,958	100	69,07,466	7,301
Investment In IREF V	100	75,03,919	5,771	100	18,68,421	1,994
Investment In IBEF IV	100	3,50,666	1,781	100	23,50,000	2,350
Total		1,74,48,288	17,510		1,11,25,887	11,645
Investment In Debenture						
Ativa Real Estate Developers Private Limited	10,00,000	15	150	-	-	-
Casa Grande Milestone Private Limited	1,00,000	175	175	-	-	-
Casa Grande Milestone Private Limited	1,00,000	90	90	-	-	-
Pelagus Infrastructures Private Limited	10,00,000	4	45	-	-	-
Squarespace Infra City Private Limited	10,00,000	185	1850	-	-	-
Radiance Realty Developer India Limited	-	0	0	10,00,000	80	836

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Rajapushpa Properties Private Limited	10,00,000	316	3160	10,00,000	720	7,200
Total		785	5,470		800	8,036
Investment In Equity Shares						
National Stock Exchange Ltd	1	5,00,000	16,365	1	5,00,000	16,252
Fincare Small Finance Bank Ltd	10	11,94,369	1,534	10	11,94,369	2,024
Fincare Business Services Ltd	1	12,81,767	779	1	12,81,767	1,128
Radiant Cash Management Services Ltd	1	2,52,450	244	-	-	-
Total		32,28,586	18,921		29,76,136	19,404
Investment In Security Receipts						
Phoenix Trust FY 20-9	476	22,10,000	7,461	576	22,10,000	10,217
Phoenix Trust-FY20-21	544	2,84,750	1,065	699	2,84,750	1,106
Phoenix Trust-FY21-16	644	2,08,250	944	838	2,08,250	1,435
Phoenix Trust-FY21-2	596	1,53,000	641	756	1,53,000	827
Phoenix Trust-FY21-6	569	2,75,740	1,129	722	2,75,740	1,431
Phoenix Trust-FY21-14	711	4,76,000	2,438	911	4,76,000	4,336
Phoenix Trust-FY22-22	697	2,55,000	1,257	939	2,55,000	2,394
Phoenix Trust-FY23-6	893	3,05,490	2,718	-	-	-
Phoenix Trust-FY23-32	1000	1,99,300	1,993	-	-	-
Total		43,67,530	19,646		38,62,740	21,746
Total II		10,71,20,937	1,05,206		9,32,15,493	88,712
III. Investment At Fair Value Through Other Comprehensive Income FVOCI:						
Quoted Equity Instruments-Fully Paid-Up						
Investment Through Portfolio Management Services (PMS)						
A I A Engineering Limited	2	505	15	2	53	1
Aarti Drugs Ltd	-	-	-	10	181	1
Aarti Industries Ltd	-	-	-	5	106	1
Adani Ports & Special Economic Zone Ltd	2	60	0	2	136	1
Advanced Enzyme Technologies Ltd	-	-	-	2	280	1
Aegis Logistics Ltd	1	1,02,183	387	1	1,02,183	210
Ajanta Pharma Ltd	2	2,343	28	2	646	12
Alembic Pharmaceuticals Ltd	2	97	0	2	227	2
Alkem Laboratories Ltd	2	7,157	243	2	7,511	272
Alkyl Amines Chemicals Ltd	-	-	-	2	31	1
APL Apollo Tubes Ltd	2	360	4	2	111	1
Ashok Leyland Ltd	-	-	-	1	15,076	18
Asian Paints Ltd	-	-	-	1	223	7

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Astral Ltd	1	66	1	1	95	2
Atul Ltd	-	-	-	10	75	8
AU Small Finance Bank Ltd	10	2,245	13	10	172	2
Aurobindo Pharma Ltd	-	-	-	1	146	1
Avanti Feeds Ltd	1	660	2	1	174	1
Axis Bank Ltd	2	2,903	25	2	1,532	12
Bajaj Auto Ltd	-	-	-	10	27	1
Bajaj Finance Ltd	2	86	5	2	16	1
Bajaj Finserv Ltd	-	-	-	5	6	1
Balaji Amines Ltd	-	-	-	2	32	1
Balkrishna Industries Ltd	-	-	-	2	42	1
Bandhan Bank Ltd	-	-	-	10	326	1
Bata India Ltd	5	60	1	5	60	1
Bayer Cropscience Ltd	10	4,239	173	10	4,007	199
Bharat Forge Ltd	2	42,431	327	2	44,575	312
Bharti Airtel Ltd	5	230	2	5	4,568	34
Birla Corporation Ltd	10	17,973	160	10	19,639	232
Birlasoft Ltd	-	-	-	2	5,663	26
Blue Star Ltd	2	373	5	2	-	-
Bosch Ltd	10	2,111	409	10	2,111	305
Britannia Industries Ltd	1	162	7	1	181	6
Cipla Ltd	-	-	-	2	111	1
Caplin Point Laboratories Ltd	2	475	3	2	117	1
Cholamandalam Financial Holdings Ltd	-	-	-	1	143	1
Cholamandalam Investment And Finance Company Ltd	-	-	-	10	156	1
Clean Science And Technology Ltd	1	17,033	216	1	17,033	339
Coal India Ltd	-	-	-	10	3,808	7
Coforge Ltd	-	-	-	10	19	1
Colgate Palmolive (India) Ltd	1	722	11	1	-	-
Container Corporation Of India Ltd	5	51,578	299	5	51,578	347
Coromandel International Ltd	1	1,369	12	1	107	1
Crisil Ltd	-	-	-	1	488	16
Cummins India Ltd	2	7,283	119	2	29,919	335
Cyient Ltd	-	-	-	5	91	1
Deepak Nitrite Ltd	-	-	-	2	43	1
Dhanuka Agritech Ltd	-	-	-	2	128	1
Dixon Technologies (India) Ltd	2	21	1	2	40	2
Divis Laboratories Ltd	-	-	-	2	21	1
Dr. Lal Pathlabs Ltd	10	30	1	10	58	2
Dr. Reddy's Laboratories Ltd	5	10	0	5	120	5
Eclerx Services Ltd	-	-	-	10	42	1
Eicher Motors Ltd	10	21,200	625	10	21,770	535
Emami Ltd	1	69,211	248	1	70,451	315
Eris Lifesciences Ltd	1	492	3	1	-	-
Federal Bank Limited	2	18,033	24	2	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Fine Organic Industries Ltd	5	94	4	5	30	1
Finolex Industries Ltd	2	2,164	4	2	447	1
Firstsource Solutions Ltd	-	-	-	10	559	1
Galaxy Surfactants Ltd	-	-	-	10	191	5
Garware Technical Fibres Ltd	-	-	-	10	29	1
Gland Pharma Ltd	1	31,765	403	1	20,913	684
Glenmark Pharmaceuticals Ltd	-	-	-	2	194	1
Godrej Industries Ltd	-	-	-	1	66,449	308
Godrej Properties Ltd	-	-	-	5	525	9
Granules India Ltd	-	-	-	1	315	1
Grindwell Norton Ltd	-	-	-	5	761	14
Gujarat State Petronet Ltd	10	3,624	10	10	2,128	6
Happiest Minds Technologies Ltd	-	-	-	2	77	1
HCL Technologies Ltd	2	180	2	2	3,074	36
HDFC Asset Management Company Ltd	5	297	5	5	71	2
HDFC Bank Ltd	2	704	11	2	1,277	19
HDFC Life Insurance Company Ltd	10	140	1	10	2,744	15
Hero Motocorp Ltd	2	200	5	2	188	4
Hindustan Petroleum Corporation Ltd	-	-	-	10	98,205	265
Hindustan Unilever Ltd	1	80	2	1	200	4
Hinduja Global Solutions Ltd	-	-	-	10	70	1
Hindustan Zinc Ltd	-	-	-	2	2,074	6
Honeywell Automation India Ltd	10	2	1	10	4	2
Housing Development Finance Corporation Ltd	2	11,357	298	2	34	1
ICICI Bank Ltd	2	1,39,155	1,221	2	1,94,953	1,424
ICICI Lombard General Insurance Company Ltd	10	321	3	10	127	2
ICICI Securities Ltd	5	151	1	5	1,826	11
IIFL Finance Ltd	-	-	-	2	295	1
Indiamart InterMesh Ltd	10	14	1	10	27	1
Indian Energy Exchange Ltd	-	-	-	1	5,100	11
Info Edge (India) Ltd	-	-	-	10	80	4
Infosys Technologies Ltd	5	360	5	5	1,371	26
Intellect Design Arena Ltd	-	-	-	5	135	1
Indusind Bank Ltd	10	2,099	22	10	-	-
Iol Chemicals And Pharmaceutical Ltd	-	-	-	10	181	1
Ipca Laboratories Ltd	2	56,085	454	2	52,488	559
ITC Ltd	1	1,83,658	704	1	1,82,701	458
JB Chemicals & Pharmaceuticals Ltd	-	-	-	2	60	1
JK Lakshmi Cement Ltd	-	-	-	5	3,200	15
Jubilant Foodworks Ltd	-	-	-	10	26	1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Jubilant Pharmova Ltd	1	834	2	1	163	1
Kajaria Ceramics Ltd	1	591	6	1	1,075	11
KPIT Technologies Ltd	-	-	-	10	248	1
Kotak Mahindra Bank Ltd	5	82,607	1,431	5	82,656	1,450
L&T Technology Services Ltd	2	26,323	889	2	26,804	1,368
Larsen & Toubro Infotech Ltd	-	-	-	1	5,701	351
Larsen & Toubro Ltd	2	18,794	407	2	12,682	224
Laurus Labs Ltd	-	-	-	2	216	1
LIC Housing Finance Ltd	-	-	-	2	4,140	15
Mahindra & Mahindra Ltd	-	-	-	5	2,792	23
Manappuram General Finance & Leasing Ltd	-	-	-	2	461	1
Marico Ltd	-	-	-	1	2,483	13
Maruti Suzuki India Ltd	5	2,330	193	5	544	41
MAS Financial Services Ltd	-	-	-	10	131	1
Mastek Ltd	-	-	-	5	36	1
Max Financial Services Ltd	2	86,293	548	2	88,382	666
Metropolis Healthcare Ltd	-	-	-	2	269	5
Mindtree Consulting Ltd	-	-	-	10	311	13
Motherson Sumi Systems Limited	-	-	-	1	3,668	5
Motherson Sumi Wiring India Ltd	-	-	-	1	3,668	2
Motilal Oswal Liquid Fund - Growth	-	-	-	10	87,390	10
Mphasis Ltd	10	46	1	10	76	3
Multi Commodity Exchange Of India Ltd	-	-	-	10	451	6
Muthoot Finance Ltd	10	65	1	10	524	7
Navin Fluorine International Ltd	-	-	-	2	28	1
Nippon Life India Asset Management Ltd	-	-	-	10	238	1
Oracle Financial Services Software Ltd	-	-	-	5	170	6
P I Industries Ltd	-	-	-	1	36	1
Page Industries Ltd	10	1,871	709	10	1,871	808
Persistent Systems Ltd	-	-	-	10	856	41
Petronet Lng Ltd	10	5,381	12	10	-	-
Poly Medicure Ltd	-	-	-	5	108	1
Prince Pipes And Fittings Ltd	-	-	-	10	120	1
Privi Speciality Chemicals Ltd	-	-	-	10	58	1
Procter & Gamble Health Ltd	10	17	1	10	17	1
Procter & Gamble Hygiene & Healthcare Ltd	10	41	5	10	44	6
Relaxo Footwears Ltd	-	-	-	1	1,047	11
Reliance Industries Ltd	-	-	-	10	1,400	37
Rossari Biotech Ltd	-	-	-	2	72	1
Route Mobile Ltd	-	-	-	10	51	1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
SBI Cards And Payment Services Ltd	10	3,008	22	10	1,225	10
SBI Life Insurance Company Ltd	-	-	-	10	667	7
Schaeffler India Ltd	-	-	-	2	885	17
Sequent Scientific Ltd	-	-	-	2	543	1
Shriram City Union Finance Ltd	-	-	-	10	48	1
Sheela Foam Ltd	-	-	-	5	256	9
SKF Bearing Ltd	-	-	-	10	414	15
Sonata Software Ltd	1	708	6	1	115	1
SRF Ltd	-	-	-	10	47	1
State Bank Of India	1	1,41,675	742	1	90,101	445
Sudarshan Chemicals Industries Ltd	-	-	-	2	167	1
Sundaram Fasteners Ltd	-	-	-	1	121	1
Supreme Industries Ltd	-	-	-	2	555	11
Suven Pharmaceuticals Ltd	-	-	-	1	193	1
Sun Pharmaceuticals Ltd	1	3,254	32	1	-	-
Sundaram Finance Ltd	-	-	-	10	241	5
Syngene International Ltd	10	164	1	10	347	2
Tanla Platforms Ltd	-	-	-	1	82	1
Tasty Bite Eatables Ltd	-	-	-	10	6	1
Tata Consultancy Services Ltd	1	7,563	242	1	8,912	333
Tata Consumer Products Ltd	-	-	-	1	800	6
Tata Elxsi Ltd	-	-	-	10	15	1
Tata Motors Ltd	2	160	1	2	1,200	5
Teamlease Services Ltd	-	-	-	10	199	9
Tech Mahindra Ltd	5	47,570	524	5	48,076	721
Thyrocare Technologies Ltd	-	-	-	10	89	1
Titan Company Ltd	-	-	-	1	316	8
Torrent Pharmaceuticals Ltd	5	1,005	15	5	35	1
Triveni Turbine Ltd	-	-	-	1	452	1
TTK Prestige Ltd	-	-	-	1	560	5
UltraTech Cement Ltd	10	10	1	10	182	12
United Spirits Ltd	-	-	-	2	1,000	9
Valiant Organics Ltd	-	-	-	10	77	1
Varun Beverages Ltd	10	198	3	10	132	1
Vedant Fashions Ltd	1	22,973	262	1	22,973	222
Vaibhav Global Ltd	-	-	-	2	182	1
Vinati Organics Ltd	-	-	-	1	51	1
VST Industries Ltd	-	-	-	10	30	1
Voltas Ltd	1	33,280	272	1	76,319	950
Whirlpool Of India Ltd	10	43	1	10	43	1
Wipro Ltd	-	-	-	2	3,652	22
Wockhardt Lt	-	-	-	5	220	1
Zensar Technologies Ltd	-	-	-	2	214	1
ZF Commercial Vehicle Control Sstems India Ltd	-	-	-	5	100	8
Zydus Lifesciences Ltd	-	-	-	1	203	1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Abbott India Ltd	10	54	12	-	-	-
Action Construction Equipment Ltd	2	846	3	-	-	-
Akzo Nobel India Ltd	10	161	4	-	-	-
Amara Raja Batteries Ltd	1	710	4	-	-	-
Asahi India Glass Ltd	1	540	2	-	-	-
Automotive Axles Ltd	10	132	3	-	-	-
Bharat Dynamics Ltd	10	496	5	-	-	-
Bharat Electronics Ltd	1	33,346	33	-	-	-
Bombay Burmah Trading Corporation Ltd	2	384	3	-	-	-
Castrol India	5	3,027	3	-	-	-
Century Plyboards (India) Ltd	1	560	3	-	-	-
Chalet Hotels Ltd	10	4,685	17	-	-	-
Cochin Shipyard Ltd.	10	721	3	-	-	-
Craftsman Automation Ltd	5	120	4	-	-	-
DCX Systems Limited	2	5,670	8	-	-	-
Equitas Small Finance Bank Ltd	10	21,589	14	-	-	-
Finolex Cables Limited	2	780	6	-	-	-
Global Health Limited	2	6,880	36	-	-	-
Godfrey Phillips India Ltd	2	194	4	-	-	-
Godrej Agrovet Ltd	10	653	3	-	-	-
Godrej Consumer Products Ltd.	1	419	4	-	-	-
Greenlam Industries Ltd	1	840	3	-	-	-
Greenpanel Industries Ltd	1	630	2	-	-	-
ICICI Prudential Gold ETF	1	48,369	25	-	-	-
Indraprastha Gas Ltd	2	2,773	12	-	-	-
JK Paper Ltd	10	990	4	-	-	-
Jyothy Laboratories Ltd	1	1,894	4	-	-	-
Ltimindtree Ltd	1	5,585	266	-	-	-
M R F Ltd	10	8	7	-	-	-
Mahanagar Gas Ltd	10	477	5	-	-	-
Maharashtra Seamless Ltd	5	880	3	-	-	-
Marico Ltd.	1	1,116	5	-	-	-
Metro Brands Ltd	5	1,332	11	-	-	-
MTAR Technologies Ltd	10	1,077	17	-	-	-
NMDC Steel Ltd	10	2,562	1	-	-	-
Oberoi Realty Ltd	10	360	3	-	-	-
One 97 Communications Ltd	1	3,611	23	-	-	-
Praj Industries Ltd	2	790	3	-	-	-
R*Shares Liquid Bees - N	10	19	0	-	-	-
Ratnamani Metals & Tubes Ltd	2	170	3	-	-	-
Religare Enterprises Ltd	10	60,931	88	-	-	-
Rites Ltd	10	1,017	4	-	-	-
SJVN Ltd	10	12,406	4	-	-	-
Sun Tv Ltd	5	2,136	9	-	-	-
Symphony Ltd	2	755	8	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Face value (In Rs.)	31 March 2023		Face value (In Rs.)	31 March 2022	
		Units	Amount		Units	Amount
Tata Steel Ltd	1	700	1	-	-	-
TCPL Packaging Ltd	10	248	3	-	-	-
V-Guard Industries Ltd	1	1,471	4	-	-	-
Zomato Ltd	1	4,65,811	238	-	-	-
Motilal Oswal 5 Yr G Sec ETF	10	49,244	25	-	-	-
Motilal Oswal Nasdaq 100 ETF	1	24,441	26	-	-	-
Aditya Birla Sun Life AMC Ltd	5	892	3	-	-	-
Affle (India) Ltd	2	381	4	-	-	-
BLS International Services Ltd	1	2,347	4	-	-	-
Blue Dart Express Ltd	10	68	4	-	-	-
CG Power And Industrial Solutions Ltd	2	10,811	32	-	-	-
Gillette India Ltd	10	67	3	-	-	-
Krishna Institute Of Medical Sciences Ltd	10	271	4	-	-	-
National Mineral Development Corporation Ltd	1	2,562	3	-	-	-
Pfizer Ltd	10	133	5	-	-	-
Security & Intelligence Services (India) Ltd	5	839	3	-	-	-
Shyam Metalics & Energy Ltd	10	1,249	3	-	-	-
Solar Industries India Ltd	2	156	6	-	-	-
Supreme Petrochem Ltd	2	914	3	-	-	-
Unichem Laboratories Ltd	2	4,614	13	-	-	-
VRL Logistics Ltd	10	685	4	-	-	-
Cash And Cash Equivalents		-	204		-	27
Total (III)		20,93,554	14,134		16,42,615	15,504
Total (I)+(II)+(III)			1,39,467			1,21,504
Aggregate Amount Of Quoted Investments And Market Value Thereof			14,789			15,941
Aggregate Amount Of Unquoted Investments			1,24,678			1,05,563
(I) Investment Outside India			-			-
(II) Investment In India			1,39,467			1,21,504
Total			1,39,467			1,21,504

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 8 : Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits (Unsecured, considered good)	20	258
Accrued interest on fixed deposit	-	3
	20	261

Current Year

Note 9 (A) : Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Computer	7	3	-	10	7	1	-	8	2	0
Mobile	0			0	0		-	0	0	0
Sub-Total (a)	7	3	-	10	7	1	-	8	2	0
Right of use (office premises)	100	-	-	100	9	20	-	29	71	91
Sub-Total (b)	100	-	-	100	9	20	-	29	71	91
Total (A) = (a) + (b)	107	3	-	110	16	21	-	37	73	91

Note 9(B) : Intangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Computer Software	5	1	-	6	4	1	-	5	1	1
Total (B)	5	1	-	6	4	1	-	5	1	1

Note 9 (C) Goodwill

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Goodwill	405	-	-	405	-	-	-	-	405	405
Total (C)	405	-	-	405	-	-	-	-	405	405
Total Net	517	4	-	521	20	22	-	42	479	497

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Previous Year

Note 9 (A) : Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Computer	7	0	-	7	7	0	-	7	0	0
Mobile	0	-	-	0	0	0	-	0	0	0
Sub-Total (a)	7	0	-	7	7	0	-	7	0	0
Right of use (office premises)	-	100	-	100	-	9	-	9	91	-
Sub-Total (b)	-	100	-	100	-	9	-	9	91	-
Total (A) = (a) + (b)	7	100	-	107	7	9	-	16	91	0

Note 9 (B) Intangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Computer Software	5	-	-	5	3	1	-	4	1	2
Total (B)	5	-	-	5	3	1	-	4	1	2

Note 9 (C) Goodwill

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Goodwill	405	-	-	405	-	-	-	-	405	405
Total (C)	405	-	-	405	-	-	-	-	405	405
Total Net	417	100	-	517	10	10	-	20	497	407

Note: There has been no acquisitions through business combinations and no change of amount due to revaluation to Property, plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022.

Note 10 : Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	103	402
Indirect tax credit receivable	1	4
Advance against expenses	4	14
	108	420

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 11 : Payables

Particulars	As at 31 March 2023	As at 31 March 2022
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than Micro and small enterprises	132	524
	132	524

Note 11 (i) : Trade Payable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	132	-	-	-	132
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	132	-	-	-	132

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	524	-	-	-	524
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	524	-	-	-	524

Note 12 : Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		
(i) Commercial paper (unsecured) [Net off unamortised discount Rs. 4,359 Lakhs (Previous year Rs. 115 Lakhs)]	2,48,479	1,09,229
(ii) Non-convertible debentures (secured)	1,12,662	36,283
Total (A)	3,61,141	1,45,512

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Debt securities in India	3,61,141	1,45,512
Debt securities outside India	-	-
Total (B)	3,61,141	1,45,512

Note 13 : Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		
Term loans		
(i) from other parties (secured)	35	42
Demand loans		
(i) from other parties (secured)*	4,027	3,973
Total (A)	4,062	4,015
Borrowings in India	4,062	4,015
Borrowings outside India	-	-
Total (B)	4,062	4,015

*Borrowings from Non-Banking Financial Company is secured against shares and securities.

It consists of loan of Rs. 4,027 lakhs from Tata Capital Limited carrying floating interest rate of 9% p.a. which are repayable on demand.

Note 14 : Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Book overdraft	10	-
Accrued salaries and benefits	318	161
Other payables	110	-
Lease liability (refer note 40)	75	92
	513	253

Note 15 : Current tax liabilities (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for tax [net of advance tax and tax deducted at source Rs.4,460 lakhs (Previous year Rs. 2,120 lakhs)]	339	508
	339	508

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 16 : Deferred tax (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets		
Difference between tax depreciation and book depreciation	(2)	(0)
Provision for post retirement benefits and other employee benefits	(37)	(29)
Provision for doubtful debts and advances	(237)	(40)
Fair value gain/(loss) on investments	401	935
Net deferred tax (asset)/ liability	125	866
Net deferred tax assets	-	-
Net deferred tax liability	125	866

Note 17 : Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for Employee Benefits		
Gratuity obligation (unfunded) (refer note 41)	101	84
Heritage club Benefit (refer note 41)	8	2
Compensated absences (refer note 41)	37	28
	146	114

Note 18 : Other non-financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance received from customers	11	-
Withholdings and other tax payables	66	117
	77	117

Note 19 : Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital :		
Equity shares of Rs.10 each	12,000	12,000
	12,000	12,000
Issued, Subscribed and Paid Up :		
Equity shares of Rs.10 each Fully paid up	7,619	7,619
(All the above shares are held by holding company Motilal Oswal Financial Services Limited)		
	7,619	7,619

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Rights, preferences and restrictions attached to shares

1 Equity shares :

The Company has one class of equity shares having a par value of Rs. 10 each (previous year: having a par value of Rs. 10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Rs in lakhs	Number of shares	Rs in lakhs
At beginning of the year	7,61,94,149	7,619	5,89,28,703	5,893
Additions during the year	-	-	1,72,65,446	1,726
At the end of the year	7,61,94,149	7,619	7,61,94,149	7,619

3. Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Rs in lakhs	Number of shares	Rs in lakhs
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	100.00%	7,61,94,149	100.00%

4. Shares held by holding company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	100.00%	7,61,94,149	100.00%

5. Shares held by promoters in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	100.00%	7,61,94,149	100.00%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 6 The company has neither issued equity shares pursuant to contract without payment received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

Note 20 : Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Capital redemption reserve		
Balance at the beginning of the year	90	90
Add: Additions during the year	-	-
Balance at the end of the year	90	90
b) Securities premium		
Balance at the beginning of the year	82,915	61,142
Add: Additions during the year	-	21,773
Balance at the end of the year	82,915	82,915
c) Statutory reserves		
Balance at the beginning of the year	3,430	701
Add: Transferred from statement of profit and loss	1,300	2,729
Balance at the end of the year	4,730	3,430
d) Retained earnings		
Balance at the beginning of the year	12,573	1,839
Add: Profit during the year	6,499	13,644
Less: Interim Dividend	(415)	(153)
Less: Transfer to statutory reserves	(1,300)	(2,729)
Less: impairment reserve	-	(28)
Closing Balance	17,358	12,573
e) Impairment reserve		
Balance at the beginning of the year	90	62
Add: Transferred from statement of profit and loss	-	28
	90	90
f) Other comprehensive income		
Balance at the beginning of the year	4,669	2,765
Add: Other comprehensive income during the year	(1,267)	1,904
Balance as at end of the year	3,402	4,669
	1,08,585	1,03,767

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature and purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with the provisions of the Act.

Securities Premium

Security premium account is used to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has transferred an amount of Rs.1,300 lakhs. (Previous year Rs. 2,729 Lakhs)

Retained earnings

Retained earnings represents accumulated profits of the company.

Impairment reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

Other comprehensive income

Other comprehensive income consists of cumulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains/loss on defined benefit plan.

Note 21 : Interest income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at amortised cost		
Interest on loans	26,972	17,061
	26,972	17,061

Note 22 : Dividend income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend income	365	166
	365	166

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 23 : Fees and commission Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees and commission Income	170	143
	170	143

Note 24 : Net gain/(loss) on fair value changes

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
Realised	3,683	1,780
Unrealised	(1,007)	7,819
	2,676	9,599

Note 25 : Other operating income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other operating income	158	192
	158	192

Note 26 : Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on deposit with banks	14	48
Business support income	1,276	1,276
Miscellaneous income	623	200
	1,913	1,524

Note 27 : Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial liabilities measured at amortised cost		
Interest on debt securities	19,227	8,632
Interest on borrowings	511	782
Other borrowing cost	87	172
Interest on lease (refer note 40)	7	4
	19,832	9,590

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 28 : Impairment on financial instrument (measured at amortised cost)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Impairment loss allowance on Loan and receivables	780	74
b) Loan written off	-	-
	780	74

Note 29: Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, bonus and allowance	1,325	871
Contribution to provident fund (refer note 41)	37	25
Expenses on employee stock option scheme (refer note 43)*	81	5
Staff welfare expenses	71	32
Gratuity (refer note 41)	23	16
	1,537	949

*The employees of the Company have been provided with the Stock Option Scheme of the holding company i.e. Motilal Oswal Financial Services Limited and the reserve in respect to the same is created in the holding company. The same is classified as related party under Ind AS 24 - "Related Party Disclosures" refer note 43.

Note 30: Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates & Taxes	60	224
Bank charges	14	57
Printing stationery expenses	3	2
Power and fuel	2	1
Business Support Charges	29	26
Remuneration to auditors (refer note 33)	13	10
Legal & professional fees	1,068	1,145
Rent (refer note 40)	4	15
Advertisement and Brand promotion expenses	149	61
Mobile charges	2	6
Travelling & conveyance	6	2
Insurance	13	11
Corporate social responsibility expenses {refer note 30(i)}	70	15
Miscellaneous expenses	61	27
	1,494	1,602

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 30(i) : Corporate social responsibility

The Ministry of Corporate Affairs has notified section on 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23.

(a) Break-up of various heads of expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
Donation for the school support project	-	6
Donation for the education program and scholarship	16	9
Donation for medical aid	2	-
Donation for skill & community development	52	-
	70	15
(b) Shortfall/(excess) contribution	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Gross amount required to be spent during the year	70	15
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	60	-
(ii) On purposes other than (i) above	10	15
	70	15
c. Amount of shortfall/(excess) at the end of year	-	-
d. Total of previous years shortfall/(excess)	-	-
e. Reasons for shortfall, if any	NA	NA

The Company during the year has spent Rs. 70 lakhs through Motilal Oswal Foundation towards promoting education including special education. Motilal Oswal Foundation is classified as related party under Ind AS 24 - "Related Party Disclosures" refer note 43.

Note : 31 Tax expense

- A. The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the balance sheet method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax

NOTES TO FINANCIAL STATEMENT (Contd..)

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

asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

B. Component of income tax expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
I. Tax expense recognised in the statement of profit and loss		
Current tax expense		
Current tax for the year	2,537	2,169
Tax adjustment in respect of earlier years	62	(11)
Total current tax expense	2,599	2,158
Deferred tax (credit)		
Origination and reversal of temporary differences	(509)	657
Net deferred tax (credit)	(509)	657
	2,090	2,815
II. Tax on other comprehensive income		
Deferred tax charge / (credit)		
(Gain)/loss on equity instruments through other comprehensive income	(229)	248
(Gain)/loss on remeasurement of net defined benefit plans	(2)	(5)
	(231)	243

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income tax expense	8,589	16,459
Tax at the rate of 25.17%	2,162	4,143
Differences due to:		
Temporary tax difference		
Exempt income	(92)	(42)
Tax adjustment of previous years	62	(11)
Tax at different rate	(60)	(1,287)
Expenses disallowed under income tax	18	12
Income tax expense	2,090	2,815

NOTES TO FINANCIAL STATEMENT (Contd..)

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

D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 2023

Particulars	As at 01 April 2022	(Credit) in the Statement of Profit and Loss	(Credit) in Other Comprehensive Income	As at 31 March 2023
Deferred tax (assets) / liabilities				
Difference between tax depreciation and book depreciation	(0)	(2)	-	(2)
Provision for post retirement benefits and other employee benefits	(29)	(6)	(2)	(37)
Provision for credit loss allowance	(40)	(196)	-	(237)
Fair value gain/(loss) on investments	935	(305)	(229)	401
	866	(509)	(231)	125

Movement during the year ended 31 March 2022

Particulars	As at 01 April 2021	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at 31 March 2022
Deferred tax (assets) / liabilities				
Difference between tax depreciation and book depreciation	0	(0)	-	(0)
Provision for post retirement benefits and other employee benefits	(20)	(4)	(5)	(29)
Provision for credit loss allowance	(23)	(18)	-	(40)
Fair value gain/(loss) on investments	8	679	248	935
	(35)	657	243	866

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 32 : Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders [A]	6,499	13,644
Weighted average number of equity shares issued [B]	762	703
Nominal value per share	10	10
Earning per share (Basic and diluted) [A]/[B] (Rupees)	8.53	19.41

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 33 : Remuneration to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditors:		
Payment to Auditor		
Statutory audit	10	7
For certification work	2	3
Reimbursement of expenses	-	-
GST	1	0
Total*	13	10

*Amount includes Goods and service tax for which Input credit has been disallowed

Note 34 : Contingent Liabilities and Commitments

Contingent Liabilities and Commitments

- a) Contingent liability is Rs. 15,000 lakhs (previous year : Rs. 15,000 Lakhs) on account of equity shares and mutual fund pledged against the borrowing facilities availed by the holding company i.e. Motilal Oswal Financial Services Limited with margin of two times cover.
- b) Capital commitments:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Uncalled liability on shares and other investments partly paid:		
1) India Realty Excellence Fund IV	-	2,686
2) India Business Excellence Fund IV	1,894	21,150
3) India Realty Excellence Fund V	1,951	5,635
	3,845	29,471

Note 35 : Due to Micro and Small Enterprises

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
The balance of MSMED parties as at the year end	-	-

Note 36: Provisions made comprises of :- For the year ended 31 March 2023

Particulars	Opening balance as on 01 April 2022	For the F.Y. 2022-23	Reversed / paid for the FY 2022- 23	Closing balance as of 31 March 2023
Provision for gratuity	84	30	13	101
Heritage club Benefit	2	23	17	8
Compensated absences	28	9	-	37
Total	114	62	30	146

For the year ended 31 March 2022

Particulars	Opening balance as on 01 April 2021	For the F.Y. 2021-22	Reversed / paid for the FY 2021- 22	Closing balance as of 31 March 2022
Provision for gratuity	54	43	13	84
Heritage club Benefit	3	-	1	2
Compensated absences	24	4	-	28
Total	81	47	14	114

Note 37 : Assets pledged as security

The carrying amounts of assets pledged are:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
Loans	1,21,902	16,275
Cash & Cash equivalents	1,28,715	-
Investments :		
Mutual funds	28,900	27,881
Security receipts	19,646	21,746
Private equity	-	8,266
Equity shares	14,134	10,415
Total assets pledged as security	3,13,297	84,583

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Terms and conditions:

1. Loans are hypothecated against the market-linked debentures with minimum cover of one times of outstanding balance including interest. Further, non-convertible debentures are secured by pari passu charge over all present & future receivables (Margin Funding Book, cash & cash equivalents, loans, Other Receivables etc) with minimum cover of 1.1 times of outstanding balance including interest.
2. Investments are pledged with Banks and NBFCs against borrowing facilities taken by the Company with margin of two times cover.
3. Equity shares and mutual funds worth of Rs. 30,000 lakhs have been pledged against the borrowing facilities availed by the holding company i.e. Motilal Oswal Financial Services Limited with margin of two times cover. The Company earns commission on the pledged shares at the rate of 75 bps on facility amount of Rs. 15,000 lakhs availed by Motilal Oswal Financial Services Limited.
4. The quarterly returns or statements of current assets filed by the Company with Banks and NBFC's are in agreement with the books of accounts.

Note 38 : Ratings assigned by credit rating agencies

During the year, CRISIL has reaffirmed its rating on the Non-Convertible Debentures to "CRISIL AA/Stable" "and for Long Term Principal Protected Market Linked Debentures to "CRISIL PPMLD AA /Stable" . Rating on Commercial Paper of the Company has been reaffirmed at "CRISIL A1+".

Further, India Ratings & Research Private Limited, has maintained the credit rating of "IND AA/Stable" on Non-Convertible Debentures and "IND PP-MLD AA/Stable" on Principal Protected Market Linked Debentures. Rating on the Commercial Paper of the Company has been reaffirmed at "IND A1+".

Note 39 : Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Note 40 : Lease

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.

The weighted average incremental borrowing rate applied to lease liabilities is 7.50%.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

A. Right of use Assets (ROU)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	91	-
Adjustment on transition to Ind AS	-	-
Movement during the year	-	100
Depreciation on ROU assets	(20)	(9)
Balance at the end of the year	71	91

B. Lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	92	-
Adjustment on transition to Ind AS	-	-
Movement during the year	-	100
Interest cost accrued during the period	7	4
Payment of lease liabilities	(24)	(12)
Balance at the end of the year	75	92

C. Amount recognised in statement of profit & loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on ROU assets	20	9
Interest cost accrued during the period	7	4
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	4	15

D. Amount recognised in statement of cash flows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash payment of lease liabilities	24	12
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	4	15

E. Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
upto one year	20	18
one to 5 years	55	74
more than 5 years	-	-
Total	75	92

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 41 : Employee benefits

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

(a) Defined contribution plan

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to provident fund (including Admin charges)	37	25

(b) Defined benefit plan

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS -19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Assumptions as at				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	7.11%	3.73%	6.79%	3.92%
Rate of increase in compensation	6.50%	8.35%	-	-
Rate of return (expected) on plan assets				
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 26%	PS: 0 to 37 : 16.3%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 54.43%
Expected average remaining service	2.8	4.93	0.29 to 0.52	0.29 to 0.52
I) Changes in present value of obligations				
PVO at beginning of period	84	54	2	3
Interest cost	3	2	-	-
Current service cost	20	14	6	(1)
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Transfer in Liability	-	8	-	-
Transfer out Liability	-	-	-	-
Benefits paid	(13)	(13)	-	-
Contributions by plan participants	-	-	-	-
Business combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (gain)/loss on obligation	7	18	-	-
PVO at end of period	101	84	8	2

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Heritage club (unfunded)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
II)	Interest expense				
	Interest cost	3	2	-	-
III)	Fair value of plan assets				
	Fair Value of Plan Assets at beginning of period	-	-	-	-
	Interest income	-	-	-	-
IV)	Net Liability				
	PVO at beginning of period	84	54	2	3
	Fair value of the assets at beginning report	-	-	-	-
	Net Liability	84	54	2	3
V)	Net Interest				
	Interest expenses	3	2	-	-
	Interest income	-	-	-	-
	Net interest	3	2	-	-
VI)	Actual return on plan assets				
	Less Interest income included above	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-
VII)	Actuarial (gain)/loss on obligation				
	Due to demographic assumption	(2)	(28)	-	-
	Due to financial assumption	(18)	22	-	-
	Due to experience	26	25	-	-
	Total actuarial (gain)/loss	7	18	-	-
VIII)	Fair value of plan assets				
	Opening fair value of plan asset	-	-	-	-
	Adjustment to opening fair value of plan asset	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-
	Interest income	-	-	-	-
	Contributions by employer	13	13	-	-
	Contributions by employee	-	-	-	-
	Benefits paid	(13)	(13)	-	-
	Fair value of plan assets at end	-	-	-	-
IX)	Past service cost recognised				
	Past service cost- (non vested benefits)	-	-	-	-
	Past service cost- (vested benefits)	-	-	-	-
	Average remaining future service till vesting of the benefit	-	-	-	-
	Recognised past service cost- non vested benefits	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Heritage club (unfunded)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Recognised past service cost- vested benefits	-	-	-	-
	Unrecognised past service cost- non vested benefits	-	-	-	-
X)	Amounts to be recognized in the balance sheet and statement of profit & loss account				
	PVO at end of period	101	84	8	2
	Fair value of plan assets at end of period	-	-	-	-
	Funded Status	(101)	(84)	(8)	(2)
	Unrecognised past service cost- non vested benefits	-	-	-	-
	Net asset/(liability) recognized in the balance sheet	(101)	(84)	(8)	(2)
XI)	Expense recognised in the statement of profit and loss				
	Current service cost	20	14	6	(1)
	Net interest	3	2	-	-
	Past service cost - (non vested benefits)	-	-	-	-
	Past service cost - (vested benefits)	-	-	-	-
	Curtailment effect	-	-	-	-
	Settlement effect	-	-	-	-
	Unrecognised past service cost - non vested benefits	-	-	-	-
	Expense recognized in the statement of profit and loss	23	16	6	(1)
XII)	Other Comprehensive Income (OCI)				
	Actuarial (gain)/loss recognized for the period	7	18	-	-
	Asset limit effect	-	-	-	-
	Return on plan assets excluding net interest	-	-	-	-
	Unrecognized actuarial (gain)/loss from previous period	-	-	-	-
	Total actuarial (gain)/loss recognized in OCI	7	18	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Heritage club (unfunded)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
XIII)	Movement in liability recognized in balance sheet				
	Opening net liability	84	54	2	3
	Adjustment to opening balance		-		-
	Transfer in liability	-	8	-	-
	Transfer out liability	-	-	-	-
	Expenses as above	23	16	6	(1)
	Contribution paid	(13)	(13)	-	-
	Other Comprehensive Income(OCI)	7	18	-	-
	Closing net liability	101	84	8	2
XIV)	Schedule III of The Companies Act 2013				
	Current liability	25	9	6	1
	Non - current liability	76	75	2	1
XV)	Projected service cost 31 March 2024	21	20	-	-
XVI)	Asset information				
	Cash and cash equivalents	-	-	-	-
	Gratuity fund	-	-	-	-
	Debt security - government bond	-	-	-	-
	Equity securities - corporate debt securities	-	-	-	-
	Other insurance contracts	-	-	-	-
	Property	-	-	-	-
	Total itemized assets	-	-	-	-

Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	98	105	104	99

XIX) Expected payout

Year	Expected	Expected	Expected	Expected	Expected	Expected Outgo
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Six to ten years
Payouts	25	21	18	14	12	31

NOTES TO FINANCIAL STATEMENT (Contd..)

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

XX) Asset liability comparisons

Year	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023
PVO at end of period	8	7	54	84	101
Plan assets	-	-	-	-	-
Surplus / (deficit)	(8)	(7)	(54)	(84)	(101)
Experience adjustments on plan assets	-	-	-	-	-

Note 42 : Segment Reporting

The primary business of the Company comprises of "Lending" and "Fund based activities". The Company does not have operations outside India and hence, there are no reportable geographical segments. The business segment has been considered as the primary segment for disclosure. The segment reporting will be included in the consolidated segment disclosure of the Holding Company i.e. Motilal Oswal Financial services Limited.

Note 43 : Related Party Disclosure

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

(i) List of related parties and their relationship

Holding Company:

Motilal Oswal Financial Services Limited

Fellow subsidiaries:

1. Motilal Oswal Commodities Broker Private Limited
2. Motilal Oswal Investment Advisors Limited
3. Motilal Oswal Wealth Limited
4. MO Alternate Investment Advisors Private Limited. (formerly knowns as Motilal Oswal Fincap Private Limited)
5. Motilal Oswal Asset Management Company Limited
6. Motilal Oswal Trustee Company Limited
7. Motilal Oswal Securities International Private Limited
8. Motilal Oswal Capital Markets (Hongkong) Private Limited
9. Motilal Oswal Capital Markets (Singapore) Pte. Limited
10. Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)
11. India Business Excellence Management Company
12. Motilal Oswal Asset Management (Mauritius) Private Limited
13. Motilal Oswal Capital Limited
14. Glide Tech Investment Advisors Private Limited
15. Motilal Oswal Finsec IFSC Limited
16. TM Investment Technologies Private Limited
17. MO Alternative IFSC Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Key Management Personnel (KMP)

1. Mr. Harsh Joshi - Whole time Director (From 4 August 2022)
2. Mr. Nikunj Pugalía - Chief Financial Officer (From 20 October 2022 till 24 January 2023)
3. Mr. Akash Anchan - Company Secretary (From 20 October 2022)
4. Mr. Motilal Oswal - Whole time Director (Till 4 August 2022)
5. Mr. Ajay Menon - Whole time Director & Chief Financial Officer (Till 4 August 2022)
6. Mr. Kailash Purohit - Company Secretary (Till 20 October 2022)
7. Mr. Sanjaya Shrikrishna Kulkarni - Additional Director (From 24 January 2023)
8. Mr. Divya Sameer Momaya - Independent director (from 4 August 2022)
9. Mr. Pankaj Purohit - Whole time Director (from 4 August 2022)
10. Mr. Shalibhadra Shah - Director (Till 4 August 2022)

Enterprises in which Key Management Personnel and their relatives exercises Significant Influence

1. Like Minded Wealth Creation Trust
2. Motilal Oswal Foundation

(ii) Transactions with related parties for the year ended 31 March 2023 and 31 March 2022

Particulars	Name of the related Party	Holding Company		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Business Support Income	Motilal Oswal Financial Services Limited	1,276	1,276	-	-	-	-	1,276	1,276
Business Support Expenses	Motilal Oswal Financial Services Limited	29	26	-	-	-	-	29	26
Fees and commission income	Motilal Oswal Financial Services Limited	113	113	-	-	-	-	113	113
Employee stock option expense	Motilal Oswal Financial Services Limited	81	5	-	-	-	-	81	5
Reimbursement of common cost	Motilal Oswal Financial Services Limited	4	-	-	-	-	-	4	-
Dividend	Motilal Oswal Financial Services Limited	415	153	-	-	-	-	415	153
Advisory & other fees	Motilal Oswal Asset Management Company Limited	-	-	89	-	-	-	89	-
Miscellaneous expenses	Motilal Oswal Asset Management Company Limited	-	-	2	-	-	-	2	-
Donation	Motilal Oswal Foundation	-	-	-	-	70	15	70	15
Interest Expense	Motilal Oswal Wealth Limited	-	-	-	140	-	-	-	140
	Motilal Oswal Home Finance Limited	-	-	210	542	-	-	210	542

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related Party	Holding Company		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Interest Income	Motilal Oswal Home Finance Limited	-	-	16	65	-	-	16	65
	Motilal Oswal Finsec IFSC Limited	-	-	0	0	-	-	0	0
	Glide Tech Investment Advisors Private Limited	-	-	55	9	-	-	55	9
	Motilal Oswal Asset Management Company Limited	-	-	5	2	-	-	5	2
	Motilal Oswal Commodities Broker Private Limited	-	-	0	2	-	-	0	2
	Motilal Oswal Investment Advisors limited	-	-	13	165	-	-	13	165
	Motilal Oswal Wealth Limited	-	-	1,284	269	-	-	1,284	269
	Motilal Oswal Capital Limited	-	-	-	1	-	-	-	1
	TM Investment Technologies Private Limited	-	-	8	17	-	-	8	17
	Like Minded Wealth Creation Trust	-	-	-	-	6	6	6	6
	Mr. Shalibhadra Shah	-	-	-	-	3	93	3	93
	MO Alternate Investment Advisors Private Limited	-	-	53	5	-	-	53	5
Managerial remuneration	Mr. Harsh Joshi	-	-	-	-	189	-	189	-
	Mr. Nikunj Rajeev Pugalia	-	-	-	-	15	-	15	-
	Mr. Akash Ganesh Anchan	-	-	-	-	8	-	8	-
Rent Expense	Motilal Oswal Financial Services Limited	28	27	-	-	-	-	28	27
Loan given / (taken)	Motilal Oswal Home Finance Limited	-	-	85,500	23,000	-	-	85,500	23,000
	Motilal Oswal Home Finance Limited	-	-	(16,500)	(1,41,000)	-	-	(16,500)	(1,41,000)
	Motilal Oswal Asset Management Company Limited	-	-	2,070	800	-	-	2,070	800
	Motilal Oswal Asset Management Company Limited	-	-	(97)	-	-	-	(97)	-
	Motilal Oswal Commodities Broker Private Limited	-	-	10	13	-	-	10	13

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related Party	Holding Company		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Loan given / (taken)	Motilal Oswal Investment Advisors limited	-	-	819	638	-	-	819	638
	Motilal Oswal Wealth Limited	-	-	11,14,300	2,91,850	-	-	11,14,300	2,91,850
	Motilal Oswal Wealth Limited	-	-	-	(1,16,600)	-	-	-	(1,16,600)
	Glide Tech Investment Advisors Private Limited	-	-	733	308	-	-	733	308
	MO Alternate Investment Advisors Private Limited	-	-	2,821	2,056	-	-	2,821	2,056
	Mr. Shalibhadra Shah	-	-	-	-	-	89,279	-	89,279
	Like Minded Wealth Creation Trust	-	-	-	-	43	7	43	7
	TM Investment Technologies Private Limited	-	-	-	351	-	-	-	351
	Motilal Oswal Capital Limited	-	-	-	20	-	-	-	20
	Motilal Oswal Finsec IFSC Limited	-	-	36	1	-	-	36	1
Repayment of loan given / (taken)	Motilal Oswal Home Finance Limited	-	-	85,500	23,000	-	-	85,500	23,000
	Motilal Oswal Home Finance Limited	-	-	(16,500)	(1,41,000)	-	-	(16,500)	(1,41,000)
	Motilal Oswal Asset Management Company Limited	-	-	970	1,185	-	-	970	1,185
	Motilal Oswal Asset Management Company Limited	-	-	(97)	-	-	-	(97)	-
	Motilal Oswal Commodities Broker Private Limited	-	-	-	21	-	-	-	21
	Motilal Oswal Investment Advisors limited	-	-	819	2,094	-	-	819	2,094
	Motilal Oswal Wealth Limited	-	-	11,13,200	2,91,850	-	-	11,13,200	2,91,850
	Motilal Oswal Wealth Limited	-	-	-	(1,16,600)	-	-	-	(1,16,600)
	Motilal Oswal Capital Limited	-	-	-	20	-	-	-	20
	Glide Tech Investment Advisors Private Limited	-	-	450	121	-	-	450	121
	Mr. Shalibhadra Shah	-	-	-	-	-	87,279	-	87,279
	Mr. Ajay Menon	-	-	-	-	-	0	-	0
	TM Investment Technologies Private Limited	-	-	351	-	-	-	351	-
	Like Minded Wealth Creation Trust	-	-	-	-	-	79	-	79

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related Party	Holding Company		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Repayment of loan given / (taken)	Motilal Oswal Finsec Limited	-	-	36	3	-	-	36	3
	MO Alternate Investment Advisors Private Limited	-	-	2,823	2,056	-	-	2,823	2,056

*Other related parties includes Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/significant influence.

(iii) Outstanding balances of/with related parties :

Nature of transactions	Name of the Related party	Holding Company / Fellow Subsidiary / Other related parties*	
		As at 31 March 2023	As at 31 March 2022
Investments	Motilal Oswal Home Finance Limited	15,000	15,000
Loan & Advances receivables/ (payable)	Motilal Oswal Commodities Broker Private Limited	10	-
	Motilal Oswal Asset Management Company Limited	1,100	-
	Motilal Oswal Wealth Limited	1,100	-
	Like Minded Wealth Creation Trust	61	18
	MO Alternate Investment Advisors Private Limited	-	1
	Glide Tech Investment Advisors Private Limited	470	187
	Mr. Shalibhadra Shah	-	2,001
	TM Investment Technologies Private Limited	-	351
Trade receivables/ (Payables)	Motilal Oswal Financial Services Limited	38	152
	Motilal Oswal Home Finance Limited	-	469
Interest receivables/ (Payables)	Motilal Oswal Asset Management Company Limited	1	-
	Motilal Oswal Commodities Broker Private Limited	0	0
	Motilal Oswal Home Finance Limited	(36)	(42)
	TM Investment Technologies Private Limited	-	3
	Motilal Oswal Investment Advisors limited	-	2
	MO Alternate Investment Advisors Private Limited	-	2
	Glide Tech Investment Advisors Private Limited	4	1
	Like Minded Wealth Creation Trust	1	0
	Motilal Oswal Wealth Limited	14	175

*Other related parties includes Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/significant influence.

Note 44 : Financial risk management

The company is exposed primarily to fluctuations in credit, liquidity and market risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of

NOTES TO FINANCIAL STATEMENT (Contd..)

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

the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, receivables, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk is the risk that the Company will 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, investment in mutual fund units and trade receivables.

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

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

Expected Credit Loss (ECL):

The Expected Credit Loss Allowance is the present value of difference between the contractual cash flows that are due to the entity under the contract and the cash flows that the entity is expected to receive discounted at original effective interest rate. The cash flows that are considered shall include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms. Further we have identified widely used methodology for calculation of ECL where Exposure at default (EAD), Probability of Default (PD), Loss on given default (LGD) is calculated using historical data which results in the % of ECL to be provided for on loan accounts. ECL provision is calculated as per IND-AS 109. However, in case the IND AS provision is less than RBI mandatory provisioning norms, then differential provisioning between mandatory RBI norms and Ind AS 109 shall be treated as a management overlay.

Stage wise break - up of ECL on loan

Particulars	As at 31 March 2023	As at 31 March 2022
Low credit risk (Stage1)	859	146
Significant increase in credit risk (Stage2)	-	-
Credit impaired (Stage3)	81	9
Closing	940	155

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Age of Loans:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 12 months	2,13,801	58,822
More than 12 months	-	-
Total	2,13,801	58,822

Age of receivables:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	149	663
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	149	663

B Liquidity risk

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

Liquidity risk management

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

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023	As at 31 March 2022
- Expiring within one year (working capital demand loan sanctioned)	30,000	30,000

The credit facilities may be drawn at any time and may be terminated by the NBFC/bank. Subject to the continuance of satisfactory credit ratings.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Maturities of non – derivative financial liabilities

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Payables	132	-	-	132
Debt securities	2,52,360	1,08,781	-	3,61,141
Borrowing	4,062	-	-	4,062
Other financial liabilities	458	55	-	513
Total	2,57,012	1,08,836	-	3,65,848

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Payables	524	-	-	524
Debt securities	1,29,237	16,275	-	1,45,512
Borrowing	4,015	-	-	4,015
Other financial liabilities	179	74	-	253
Total	1,33,955	16,349	-	1,50,304

(C) Market risk

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

(i) Foreign currency risk

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

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

Unhedged foreign currency exposure

The company has no foreign currency exposure.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(ii) Interest rate risk

The company's main interest rate risk arises from variable rates borrowings, which expose the company to interest rate risk. The company eliminates the risk by having short term borrowing and providing demand loans on variable interest rates.

a) Interest rate risk exposure

The exposure of the Company's loans and borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Demand loans	2,14,741	58,232
Term loans	-	744
Total loans	2,14,741	58,976
Variable rate borrowing	23,290	1,14,897
Fixed rate borrowing	3,41,913	34,630
Total Borrowing	3,65,203	1,49,527

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	31 March 2023	31 March 2022
Loans		
Interest rates – increase by 100 basis points	1,607	436
Interest rates – decrease by 100 basis points	(1,607)	(436)
Borrowings		
Interest rates – increase by 100 basis points	(174)	(860)
Interest rates – decrease by 100 basis points	174	860

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, equity shares, exchange traded funds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

The Investments held by the Company are ancillary to the Investment management business objective.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Exposure to price risk	1,24,467	1,06,504

Sensitivity to price risk

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

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/price	12,447	10,650
Impact on profit before tax for 10% decrease in NAV/price	(12,447)	(10,650)

Note 45 : Maturity analysis of assets and liabilities

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

Assets	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,28,715	-	1,28,715	81,128	-	81,128
Receivables:						
Trade receivables	149	-	149	663	-	663
Other receivables	-	-	-	-	-	-
Loans	2,13,801	-	2,13,801	58,822	-	58,822
Investments	59,037	80,430	1,39,467	33,406	88,098	1,21,504
Other financial assets	-	20	20	261	-	261
Non-financial assets						
Current tax assets (net)	-	-	-	-	-	-
Deferred tax assets (net)	-	-	-	-	-	-
Property, plant and equipment	-	73	73	-	91	91
Intangible assets	-	1	1	-	1	1
Goodwill	-	405	405	-	405	405
Other non-financial assets	-	108	108	420	-	420
Total assets	4,01,702	81,037	4,82,739	1,74,700	88,595	2,63,295

Liabilities	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables	132	-	132	524	-	524
Debt securities	2,52,360	1,08,781	3,61,141	1,29,237	16,275	1,45,512
Borrowings	4,062	-	4,062	4,015	-	4,015
Other financial liabilities	458	55	513	179	74	253

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Liabilities	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Liabilities						
Current tax liabilities (net)	339	-	339	508	-	508
Deferred tax liabilities (net)	-	125	125	-	866	866
Provisions	146	-	146	38	76	114
Other non-financial liabilities	66	11	77	117	-	117
Total liabilities	2,57,563	1,08,972	3,66,535	1,34,618	17,291	1,51,909

Note 46: As per RBI Master Direction DNBR.PD.008/03.10.119/ 2016-17 dated 01 September 2016, additional disclosures are required in the Annual Financial Statements as follows:

A. Capital and Risk Assets Ratio (CRAR)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022	Variance %
i)	CRAR (%)	27.84%	47.81%	-42%
ii)	CRAR - Tier I Capital (%)	27.60%	47.73%	-42%
iii)	CRAR - Tier II Capital (%)	0.24%	0.08%	202%
iv)	Liquidity coverage ratio	122.03%	203.05%	-40%
v)	Amount of subordinated debt raised as Tier-II capital	-	-	-
vi)	Amount raised by issue of Perpetual Debt Instruments	-	-	-

B. Investments

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
(1) Value of investments			
(i)	Gross value of investments		
(a)	In India	1,46,020	1,26,108
(b)	Outside India	-	-
(ii)	Provisions for depreciation*		
(a)	In India	6,553	4,605
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	1,39,467	1,21,504
(b)	Outside India	-	-
(2) Movement of provisions held towards depreciation on investments			
(i)	Opening balance	4,605	3,127
(ii)	Add : Provisions made during the year	1,948	1,478
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	6,553	4,605

*Provision for depreciation includes provision for diminution in value of Investment.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

C. Derivatives

The Company has no transactions/exposure in derivative during the current and previous year.

The Company has no unhedged foreign currency exposure as on 31 March 2023.

D. Disclosures relating to securitization

(i) The Company has not entered into securitization transactions during the current and previous year.

(ii) **Details of financial assets sold to securitization/reconstruction company for asset reconstruction:**
The Company has not sold any financial assets to securitization/reconstruction company for asset reconstruction in the current year.

(iii) **Details of assignment transactions:** There are no assignment transaction during the current year

(iv) **Details of non-performing financial assets purchased/sold** - The Company has not purchased/sold any non-performing financial asset during the current year.

E. Exposures

E.1 Exposure to real estate sector

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Direct exposure		
(i)	Residential mortgages -		
	Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial real estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	71	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	-	-
	b. Commercial real estate	19,646	-
b)	Indirect exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	15,000	15,000
	Others	26,326	32,070
	Total exposure to real estate sector	61,043	47,070

NOTES TO FINANCIAL STATEMENT (Contd..)

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

E.2 Exposure to capital market

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	61,713	62,789
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,12,046	39,316
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15,000	15,000
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;	-	1,469
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds/ Alternative Investment Funds (both registered and unregistered)	17,510	11,645
(ix)	other fund based advance to Capital Market	98,320	17,469
Total exposure to capital market		3,04,589	1,47,688

E.3 Details of financing of parent Company products: Nil

E.4 Details of Single borrower limits (SBL) / Group borrower limit (GBL) exceeded by the applicable NBFC

As on March 31, 2023 all loans given and investments made by the Company are within the concentration limits as per the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank Direction) 2016 (RBI Master direction) read with Scale Based Regulation (SBR) dated October 22, 2021. The Company's Single borrower limit (SBL) was Rs. 146.85 Crore (being 15% of the Owned funds as at March 31, 2022). And vide notification no. RBI/2021- 22/112 DOR.CRE.REC.No. 60/03.10.001/2021-22 issued by the RBI on October 22, 2021, the said SBL has been changed from 15% of Owned funds to 25% of Tier-I Capital, thereby effective from October 1, 2022 revised SBL for the Company was Rs. 225.13 Crore (being 25% of the Tier-I capital as at March 31, 2022). On September 30, 2022 the Company purchased equity shares of a listed entity from a recognised stock exchange worth Rs. 200.63 crore. On trade date of September 30, 2022 investment in equity shares of the investee Company was exceeding the then applicable SBL ie. Rs. 146.85 Crore for a single day only, as from October 1st, the said investment was within the revised limit of Rs. 225.13 crore as per scale based regulation.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

E.5 Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

F Miscellaneous

F.1 Registration obtained from other financial sector regulators

No registration has been obtained from other financial sector regulators.

F.2 Penalties or Fines imposed by Reserve Bank of India

During the Financial year 2022-23, no penalties or fines have been imposed by Reserve Bank of India. (Previous year : Nil)

F.3 Related Party Transactions

Refer note no. 43 for transaction with related parties

F.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Refer note no. 38 for ratings assigned by credit rating agencies and migration of ratings during the year

F.5 Remuneration of Directors (Non-executive)

During the Financial year 2022-23, Rs. Nil remuneration paid to the directors (Non executive).

G Additional disclosures

G.1 Provisions

Provisions shown under the head expenditure in profit and loss account	For the year ended 31 March 2023	For the year ended 31 March 2022
Provisions for depreciation on Investment	1,948	1,478
Provision towards NPA	72	5
Provision made towards Income tax	2,090	2,815
Other provision (with details)*	62	47
Provision for standard assets	713	59
*Other provisions		
Provision for gratuity	30	43
Compensated absences	9	-
Heritage club Benefit	23	4
	62	47

NOTES TO FINANCIAL STATEMENT (Contd..)

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

G.2 Drawn down from reserve

No draw down from reserve during the year.

G.3 Concentration of advances

Particulars	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	1,02,676	35,228
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	48%	60%

G.4 Concentration of exposures

Particulars	As at 31 March 2023	As at 31 March 2022
Total Exposure to twenty largest borrowers	1,02,676	35,228
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	29%	20%

G.5 Concentration of NPAs

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts	81	94

G.6 Sector - wise NPAs

Sectors	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0%	-	-	0%
2. Industry						
i. Capital Markets	2,10,366	81	0%	56,785	94	0.17%
3. Services	-	-	0%	-	-	0%
4. Personal Loans	-	-	0%	-	-	0%
5. others	4,375	-	0.00%	2,191	-	0%

Note

- The above disclosures shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- ii. In the above disclosures, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of the company, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

G.7 Movement of NPAs

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	Net NPAs to Net Advances (%)	0%	0%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	94	5
(b)	Additions during the year	17	94
(c)	Reductions during the year	(30)	(5)
(d)	Closing balance	81	94
(iii)	Movement of Net NPAs		
(a)	Opening balance	84	-
(b)	Additions during the year	-	84
(c)	Reductions during the year	(84)	-
(d)	Closing balance	-	84
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	9	5
(b)	Provisions made during the year	72	9
(c)	Write-off / (write-back) of excess provisions	-	(5)
(d)	Closing balance	81	9

G.8 Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have overseas assets.

G.9 Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored.

H) Disclosures of Compliant

Customer Complaints.

Summary information on complaints received by the company from customers and from the Offices of Ombudsman

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Complaints received by the company from its customers		
1) No. of complaints pending at the beginning of the year	0	0
2) No. of complaints received during the year	7	17
3) No. of complaints redressed during the year	6	17
3.1) Of which, number of complaints rejected by the company	0	0
4) No. of complaints pending at the end of the year	1	0
Maintainable complaints received by the company from Office of Ombudsman		
5) Number of maintainable complaints received by the company from Office of Ombudsman	0	0
5.1) Of 5, number of complaints resolved in favour of the company by Office of Ombudsman	0	0
5.2) Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	0	0
5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the company	0	0
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

NOTE:

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme. It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

Top five grounds of complaints received by the company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2023					
Service related	0	7	0%	1	0
Non-receipt of documents	0	0	-100%	0	0
Others	0	0	-100%	0	0
Total	0	7	-59%	1	0
As at 31 March 2022					
Service related	0	7	100%	0	0
Non-receipt of documents	0	1	100%	0	0
Others	0	9	100%	0	0
Total	0	17	100%	0	0

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- I) Schedule to the Balance Sheet of "Motilal Oswal Finvest Limited" as at 31 March 2023 (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

Liabilities side :	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	1,12,662	-	36,283	-
Unsecured:	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	2,48,479	-	1,09,229	-
(f) Other loans (Borrowings)	4,062	-	4,015	-

Assets side :	As at 31 March 2023	As at 31 March 2022
	Amount outstanding	Amount outstanding
2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		
(a) Secured	14,340	11,095
(b) Unsecured	2,00,401	47,882
	2,14,741	58,976
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

4) Break-up of Investments :	As at 31 March 2023	As at 31 March 2021
Current Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares : (a) equity	-	-
(b) preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	15,002	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
Long term Investments :		
1. Quoted		
(i) Shares : (a) Equity	14,134	15,504
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - Exchange traded funds	655	438
2. Unquoted		
(i) Shares : (a) Equity	33,921	34,404
(b) Preference		
(ii) Debentures and bonds	10,597	10,324
(iii) Units of mutual funds	28,002	27,444
(iv) Government Securities	-	-
(v) Others (Investment in security receipts and private equity funds)	37,156	33,391
Total	1,39,467	1,21,504

NOTES TO FINANCIAL STATEMENT (Contd..)

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

5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Amount net of provision (Refer Note No. 3)			
Category	As at 31 March 2023		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	2,699	2,699
(c) Other related parties	-	62	62
2. Other than related parties	14,340	1,97,640	2,11,980
Total	14,340	2,00,401	2,14,741

Amount net of provision (Refer Note No. 3)			
Category	As at 31 March 2022		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	722	722
(c) Other related parties	-	2,019	2,019
2. Other than related parties	11,095	45,141	56,235
Total	11,095	47,882	58,976

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2023		As at 31 March 2022	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries			-	-
(b) Companies in the same group (Refer note 1)	15,000	15,000	17,288	17,288
(c) Other related parties			-	-
2. Other than related parties (Refer note 2)	1,24,467	1,24,467	1,04,216	1,04,216
Total	1,39,467	1,39,467	1,21,504	1,21,504

NOTES TO FINANCIAL STATEMENT (Contd..)

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

7) Other Information

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Gross non- performing assets		
(a) Related parties	-	-
(b) Other than related parties	81	94
(ii) Net non- performing assets		-
(a) Related parties	-	-
(b) Other than related parties	-	84
(iii) Assets acquired in satisfaction of debt	-	-

Notes:

1. In respect of investment in companies in same group, fair value is computed on the basis of book value.
2. In respect of investment in mutual funds, NAV has been taken for calculation of fair value.
3. The figures are not netted with provision against standard assets as it is not a specific provision.

J) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at 31 March 2023

Particulars	Upto 31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Loan	4,527	25,905	26,102	47,714	65,823	44,670	-	-	2,14,741
Investments	15,391	9,348	33,054	-	1,244	1,436	8,160	70,834	1,39,467
Foreign currency assets	-	-	-	-	-	-	-	-	-
Liabilities									
Borrowings	35	-	-	-	4,027	-	-	-	4,062
Debt securities	2,111	33,158	64,612	86,996	65,483	1,08,781	-	-	3,61,141
Deposits (Refer note 2)	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

As at 31 March 2022

Particulars	Upto 31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Loan	26,878	2,915	17,484	10,216	1,483	-	-	-	58,976
Investments	1,682	650	2,199	8,711	20,164	13,566	23,407	51,125	1,21,504
Foreign currency assets	-	-	-	-	-	-	-	-	-
Liabilities									
Borrowings	-	-	-	-	4,015	-	-	-	4,015
Debt securities	50,000	-	59,229	20,008	-	16,275	-	-	1,45,512
Deposits (Refer note 2)	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Notes

1. The above maturity pattern is determined on management estimation.
2. The Company does not accept public deposits.
3. Terms and conditions of the advances does not have any repayment schedule. They are repayable on demand. Hence the categorization of advances over various maturity pattern as shown above is as per the past trends, which has been identified by the management and relied upon by the auditors.

K) Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2021 pertaining to Asset Classification as per RBI Norms

As at 31 March 2023

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(6)-(4)
Performing Assets						
Standard	Stage 1	2,14,660	859	2,13,801	859	(0)
	Stage 2	-	-	-	-	-
Subtotal		2,14,660	859	2,13,801	859	(0)
Non-performing Assets (NPA)						
Sub-standard	Stage 3	10	10	-	3	(7)
Doubtful - upto 1 year	Stage 3	71	71	-	71	0
Doubtful - 1 to 3 year	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss asset	Stage 3	-	-	-	-	-
Subtotal		81	81	-	74	(7)
		2,14,741	940	2,13,801	933	(7)

The above table discloses the provisions amounts as per IRAC norms, where the Company has made a provision of non-performing assets of Rs. 940 lacs as per IndAs 109 which is in excess of provision as per IRACP norms.

As at 31 March 2022

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(6)-(4)
Performing Assets						
Standard	Stage 1	58,883	145	58,738	236	90

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
	Stage 2	-	-	-	-	-
Subtotal		58,883	145	58,738	236	90
Non-performing Assets (NPA)						
Sub-standard	Stage 3	94	9	84	9	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
Doubtful - 1 to 3 year	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss asset	Stage 3	-	-	-	-	-
Subtotal		94	9	84	9	-
		58,976	155	58,822	245	90

The above table discloses the provisions amounts as per IRAC norms, while the Company has made a provision of non-performing assets of Rs. 155 lacs as per IndAs 109. The difference between Ind-AS 109 provisions and IRACP norms of Rs. 90 lakhs.

- L) Disclosure pursuant to Reserve Bank of India circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies pertaining to public disclosure on Liquidity Risk

As at 31 March 2023

L.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits / borrowings	% of Total Liabilities
Commercial Paper - 13	2,48,479	68%	164%
Non Convertible Debenture - 94	1,12,662	31%	74%
Demand Loan - 1	4,027	1%	3%

L.2 Top 20 large deposits (amount and % of total deposits) – Not Applicable

L.3 Top 10 borrowings (amount in Rs. lacs and % of total borrowings) - Rs.2,38,825.34 lacs and 65.40 %

L.4 Stock Ratios

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Number of Significant Counterparties	% of Total deposits / borrowings	% of total public funds	% of total liability	% of total assets
Commercial Paper - 13	68%	68%	68%	51%
Non Convertible Debenture - 94	31%	31%	31%	23%
Demand Loan - 1	1%	1%	1%	1%

L.5 Institutional set-up for liquidity risk management

The company has an Asset Liability Management Committee (ALCO) to handle liquidity risk management. The ALCO meetings are held at periodic intervals and minutes of the ALCO are presented to the Board.

M. Intra-group exposures

Particulars	Amount	
	As at 31 March 2023	As at 31 March 2022
i) Total amount of intra-group exposures	17,798	18,362
ii) Total amount of top 20 intra-group exposures	17,798	18,362
iii) Percentage of intra-group exposures to total exposure of the company on borrowers/customers	5.02%	10.17%

N. Breach of covenant

The is no breach of financial covenant with respect to any term loan & debt security issued.

Note 47 : Revenue from contracts with customers

The application of Ind AS 115 has had no impact on the cash flows of the Company. The Company determines revenue recognition through the following steps:

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

The Company derives revenue primarily from the lending business. Its other major revenue sources are training, support services and treasury income.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	2022-23			2021-22		
	Type of service			Type of service		
	Interest income	Training and referral income	Business support and miscellaneous income	Interest income	Training and referral income	Business support and miscellaneous income
Total Revenue from contracts with customers	26,972	635	1,588	17,061	205	1,577
Geographical Markets						
India	26,972	635	1,588	17,061	205	1,577
Outside India	-	-	-	-	-	-
Total Revenue from contracts with customers	26,972	635	1,588	17,061	205	1,577
Timing of revenue recognition						
Services transferred at a point in time	-	-	-	-	-	-
Services transferred over time	26,972	635	1,588	17,061	205	1,577
Total Revenue from contracts with customers	26,972	635	1,588	17,061	205	1,577

b) Performance obligations

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Training fees are received on subscription but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

Income from referral is recognised upon rendering of the services.

Note 48 : Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	1,28,715	-	-	81,128
Receivables						
Trade receivables	-	-	149	-	-	663
Other receivables	-	-	-	-	-	-
Loans	-	-	2,13,801	-	-	58,822
Investments	1,05,206	14,134	20,127	88,712	15,504	17,288

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Other financial assets	-	-	20	-	-	261
Total financial assets	1,05,206	14,134	3,62,812	88,712	15,504	1,58,162
Financial liabilities						
Payables	-	-	132	-	-	524
Debt securities	-	-	3,61,141	-	-	1,45,512
Borrowings	-	-	4,062	-	-	4,015
Other financial liabilities	-	-	513	-	-	253
Total financial liabilities	-	-	3,65,848	-	-	1,50,304

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the quoted market prices.

The fair values for investment in security receipt and unlisted equity shares are based on the fair valuation report based on discounted cashflow approach given by independent valuer.

The fair values for investment in non convertible debentures are based on the current redemption value.

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

Mutual fund, ETF and listed equity instrument investment have been categorised into level 1 of fair value hierarchy.

Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

III. Fair value of financial instrument measured at amortised cost

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

Note:

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

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVTPL						
- Mutual funds	43,004	-	-	27,444	-	-
- Exchange traded funds	655	-	-	437	-	-
- Investment in security receipt	-	-	19,646	-	-	21,746
- Investment in unlisted equity	-	-	18,678	-	-	19,404
- Investment in listed equity	244	-	-	-	-	-
- Investment in private equity	-	-	17,510	-	-	11,645
- Investment in NCD	-	-	5,470	-	-	8,036
Financial investments at FVOCI						
- Equity instruments held through portfolio management schemes	14,134	-	-	15,504	-	-
Total	58,037	-	61,304	43,385	-	60,831

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2023 and 31 March 2022:

Particulars	Security receipts	Private equity	NCD	Unlisted equity
As at 1 April 2021	21,617	6,371	3,013	-
Additions	7,310	5,887	16,781	11,463
Disposals	(5,711)	(480)	(11,781)	-
Gains/(losses) recognised in statement of profit and loss	(1,470)	(133)	23	7,941
As at 31 March 2022	21,746	11,645	8,036	19,404
Additions	5,048	17,339	2,310	-
Disposals	(5,618)	(11,704)	(4,876)	(626)
Gains/(losses) recognised in statement of profit and loss	(1,530)	230	-	(100)
As at 31 March 2023	19,646	17,510	5,470	18,678

NOTES TO FINANCIAL STATEMENT (Contd..)

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

d) Transfers between levels 2 and 3

There are no transfers between Level 2 and Level 3 during the year.

e) Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

i) Sensitivity analysis

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of Private Equity fund, unlisted equity shares and Security Receipts	55,834	52,795
Significant unobservable inputs		
Net Worth of Fund at fair value		
- increase by 100 bps	558	528
- decrease by 100 bps	(558)	(528)
Fair value of NCD	5,470	8,036
Significant unobservable inputs		
Net Asset Value of the investment		
- increase by 100 bps	55	80
- decrease by 100 bps	(55)	(80)

Note 49 : Business support

The Company provides business support to its subsidiaries, fellow subsidiaries for activities like finance, accounting, human resources, information technology, back office operations, corporate planning, administrative services and various other services for which it recovers business support charges.

Note 50 : The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

Note 51 : The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52 : The Company have no satisfaction of charges which are pending to be filed with ROC.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 53 : The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Note 54 : Interim dividend

The Board of Directors at its meeting held on 12 May 2022 has declared and paid an interim dividend of Rs. 0.02/- per equity share & at its meeting held on 27 March 2023 has declared and paid an interim dividend of Rs. 0.525/- per equity share (on face value of Rs.10/- per equity share) for the Financial year 2022-23.

Note 55 : Amounts below 0.50 lakhs are rounded off and shown as "0".

Note 56: Previous year amounts/figures have been regrouped/reclassified wherever necessary to confirm to the current year presentation.

For Shah & Savla LLP
Chartered Accountants
Firm Registration No.: 109364W/W100143

Sd/-
Miral H. Nagda
Partner
Membership.No : 108135

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
CIN : U65100MH2006PLC165469

Sd/-
Harsh Joshi
Whole-time Director
DIN: 02951058

Sd/-
Vijay Bansal
Chief Financial Officer

Place : Mumbai
Date : 25 April 2023

Sd/-
Pankaj Purohit
Director
DIN: 09613227

Sd/-
Akash Anchan
Company Secretary

Motilal Oswal Wealth Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

To,
The Members Motilal Oswal Wealth Limited,

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Motilal Oswal Wealth Limited which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, and its cash flows for the year ended on March 31, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate.

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report has not been made available to us.

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

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act,

INDEPENDENT AUDITORS' REPORT (Contd..)

read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (Contd..)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

INDEPENDENT AUDITORS' REPORT (Contd..)

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) Based on the audit procedures and representation received from the management, Nothing has come to our notice that has caused us to believe that there is material misstatement under the sub-clause (i) and (ii) of the Rule
- (v) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/ entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary has, whether directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (vi) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person/ entity, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries "
- (vii) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanation provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- (viii) The Company has not declared and paid any dividend during the year.
- (ix) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For PGS & Associates

Chartered Accountants

Firm Registration No.: 0122384W

UDIN: 23111592BGXFCQ1543

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 26th April 2023

INDEPENDENT AUDITORS' REPORT (Contd..)

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment.
- (b) The Property Plant and Equipment of the Company have been physically verified by the Management once in every three years period and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. The Company has not granted any loans to companies and which are outstanding at year end, which covered in the register maintained under Section 189 of the Companies Act.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, direct and indirect taxes and other material statutory dues as applicable with the appropriate authorities in India and no such dues are outstanding for a period of more than six month from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of direct and indirect taxes as March 31, 2023 which have not been deposited on account of any dispute.
8. The Company does not have any Loans or borrowings from any financial institution, banks, government during the year. Accordingly, Paragraph 3(viii) of the Order is not applicable.
9. The Company has not raised any money by way of Initial Public Offer and Term Loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.

INDEPENDENT AUDITORS' REPORT (Contd..)

11. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
12. In our opinion, and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.
14. The Company has an internal audit system due to size and nature of its business and the same is reviewed and considered for the statutory audit.
15. According to the information and explanations given to us, and the records of the Company examined by us, The Company has not entered into any non-cash transaction with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
17. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. According to the information and explanations given to us, and the records of the Company examined by us, there is no resignation of statutory auditor during the year.
19. According to the information and explanations given to us, and the records of the Company examined by us, there is no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. According to the information and explanations given to us, and the records of the Company examined by us and in reference to note no. 37 to the Financial statements, The Company has spent the amount applicable towards CSR however balance shortfall in the required CSR amount will be transfer to a Fund specified in schedule VII of the Companies Act within the time frame given in the Companies Act 2013.
21. The Companies (Auditor's Report) Order (CARO) has been issued for Standalone Financial Statement. Accordingly, Paragraph 3 (xxi) of the Order is not applicable.

For PGS & Associates

Chartered Accountants

Firm Registration No.: 0122384W

UDIN: 23111592BGXFCQ1543

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 26th April 2023

INDEPENDENT AUDITORS' REPORT (Contd..)

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Wealth Limited ('the Company') as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT (Contd..)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PGS & Associates

Chartered Accountants

Firm Registration No.: 0122384W

UDIN: 23111592BGXFCQ1543

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 26th April 2023

BALANCE SHEET

(All amounts are in INR, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
a) Cash and cash equivalents	4	4,33,71,952	4,52,01,637
b) Other bank balances	5	13,50,000	13,50,000
c) Receivables	6		
(i) Trade receivables		41,68,86,128	29,11,41,934
(ii) Other receivables		1,63,257	10,000
d) Loans	7	77,42,855	83,31,04,314
e) Investments	8	2,16,38,71,532	94,11,67,945
f) Other financial assets	9	2,25,52,748	1,42,96,087
Sub - total financial assets (A)		2,65,59,38,472	2,12,62,71,917
2. Non - financial assets			
a) Current tax assets (net)	10	1,47,44,497	-
b) Deferred tax asset (net)	11	24,75,551	-
c) Property, plant and equipment	12(a)	4,02,07,534	3,42,28,573
d) Intangible assets	12(b)	1,04,60,650	1,34,54,764
e) Other non - financial assets	13	1,00,84,417	1,68,31,118
Sub - total non - financial assets (B)		7,79,72,649	6,45,14,455
Total Assets (A+B)		2,73,39,11,121	2,19,07,86,372
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
a) Trade Payable	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		98,65,291	2,27,68,460
b) Borrowings (Other than debt securities)	15	11,00,00,000	-
c) Other financial liabilities	16	4,37,60,746	3,97,92,343
Sub - total financial liabilities (A)		16,36,26,037	6,25,60,803
2. Non - financial liabilities			
a) Current tax liabilities (net)	10	-	4,15,77,205
b) Provisions	17	24,89,80,709	20,93,53,164
c) Deferred tax liability (net)	11	-	12,80,104
d) Other non - financial liabilities	18	3,77,88,555	4,43,11,015
Sub - total non - financial liabilities (B)		28,67,69,264	29,65,21,488
3. Equity			
(a) Equity share capital	19	8,13,200	8,13,200
(b) Other equity	20	2,28,27,02,620	1,83,08,90,881
Sub - total equity (C)		2,28,35,15,820	1,83,17,04,081
Total Liabilities and Equity (A+B+C)		2,73,39,11,121	2,19,07,86,372

The accompanying notes 1 to 48 form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFCQ1543

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

Premal H. Gandhi
Partner
Membership No. : 111592
Place : Mumbai
Date : 26th April, 2023

Ashish Shanker
Managing Director and Chief Executive Officer
DIN No: 09307764
Place : Mumbai
Date : 26th April, 2023

Ajay Menon
Director
DIN No: 00024589

STATEMENT OF PROFIT AND LOSS

(All amounts are in INR, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
(i) Fees and commission income	21	1,92,69,72,952	1,82,16,66,652
(ii) Interest Income	22	18,01,65,751	50,75,61,056
(iii) Rental Income	23	1,09,53,900	1,09,53,900
(iv) Net gain on fair value changes	24	4,73,08,414	8,57,76,896
1) Total Revenue from operations		2,16,54,01,017	2,42,59,58,504
2) Other Income	25	8,07,016	2,24,038
3) Total Income (a+b)		2,16,62,08,033	2,42,61,82,542
Expenses			
(i) Employee benefit expenses	26	1,08,12,73,147	84,78,77,434
(ii) Finance Cost	27	12,83,63,836	21,63,05,681
(iii) Depreciation	12	1,33,40,146	1,26,25,981
(iv) Fees and commission expense	28	5,31,72,151	3,84,51,281
(v) Other expenses	29	27,19,51,074	21,77,52,640
4) Total Expenses		1,54,81,00,354	1,33,30,13,017
5) Profit before tax (3-4)		61,81,07,679	1,09,31,69,525
Tax expense/(credit):			
(i) Current tax		16,02,58,367	26,88,15,675
(ii) Deferred tax expense/(credit)		(40,38,331)	25,16,611
(iii) Short/(excess) provision for earlier years		1,11,65,716	-
6) Total tax expenses	30	16,73,85,752	27,13,32,286
7) Profit after tax (5 - 6)		45,07,21,927	82,18,37,239
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		11,23,159	57,07,966
(b) Deferred tax impact on the above		(2,82,677)	(14,36,581)
8) Other comprehensive income/(loss)		8,40,482	42,71,385
Total comprehensive income for the year (7 + 8)		45,15,62,409	82,61,08,624
Earnings per share (Face value per share Re.1/-)	32		
Basic & Diluted		554.26	1,010.62

The accompanying notes 1 to 48 form an integral part of the financial statements

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

For PGS & Associates

Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFCQ1543

Premal H. Gandhi

Partner
Membership No. : 111592
Place : Mumbai
Date : 26th April, 2023

For and on behalf of the Board of Directors of

Motilal Oswal Wealth Limited

Ashish Shanker

Managing Director and Chief Executive Officer
DIN No: 09307764
Place : Mumbai
Date : 26th April, 2023

Ajay Menon

Director
DIN No: 00024589

CASH FLOW STATEMENT

(All amounts are in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
A. Cash flow from Operating Activities :		
Profit before taxation	61,81,07,679	1,09,31,69,525
Adjustments for :		
Esop Expenditure	2,49,330	10,76,568
(Profit)/ Loss on Sale of Investment-Realised	(5,32,87,999)	(4,52,41,258)
(Profit)/ Loss on Sale of Investment-Unrealised	59,79,585	(4,05,35,638)
Depreciation	1,33,40,146	1,26,25,981
Gratuity	1,27,00,183	1,41,15,434
Operating profit before Working Capital changes	59,70,88,924	1,03,52,10,612
Adjustments for Working Capital changes		
(Increase)/Decrease in receivables	(12,57,44,194)	(4,86,47,732)
(Increase)/Decrease in other receivables	(1,53,257)	43,04,327
(Increase)/Decrease in loans	82,53,61,459	(82,16,93,879)
(Increase)/Decrease in financial assets	(82,56,661)	(99,47,143)
(Increase)/Decrease in non-financial assets	67,46,701	(87,90,773)
Increase/(Decrease) in payables	(1,29,03,170)	2,27,68,460
Increase/(Decrease) in borrowings	11,00,00,000	-
Increase/(Decrease) in other financial liabilities	39,68,403	(4,28,998)
Increase/(Decrease) in provisions	2,80,50,521	5,58,99,484
Increase/(Decrease) in other non-financial liabilities	(65,22,460)	(1,48,11,377)
Cash generated from / (used in) Operations	1,41,76,36,266	21,38,62,981
Direct taxes paid net	(22,77,45,785)	(23,94,44,962)
Net cash generated from /(used in) operating activities (A)	1,18,98,90,481	(2,55,81,981)
B. Cash flow from Investing Activities :		
(Purchase) of Investments	(13,43,36,55,661)	(8,50,00,000)
Proceeds of sale of Investments	12,25,82,60,489	11,93,14,090
(Purchase) of Fixed Assets	(1,63,24,994)	(1,52,87,713)
Net Cash generated from /(used in) Investing Activities (B)	(1,19,17,20,166)	1,90,26,377
C. Cash flow from financing activities		
Interim dividend paid	-	-
Net cash from /(used in) financing activities (C)	-	-
D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(18,29,685)	(65,55,604)
E. Cash and cash equivalents at the beginning of the year		
Cash in hand	35,000	98,354
Scheduled bank - In Current Account	4,51,66,637	5,16,58,887
Total (E)	4,52,01,637	5,17,57,241
F. Cash and cash equivalents at the end of the year (D+E)	4,33,71,952	4,52,01,637
Cash and cash equivalents at the end of the year :		
Cash in hand	78,602	35,000
Scheduled bank - In Current Account	4,32,93,350	4,51,66,637
Total (G)	4,33,71,952	4,52,01,637

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

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFCQ1543

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

Premal H. Gandhi
Partner
Membership No. : 111592
Place : Mumbai
Date : 26th April, 2023

Ashish Shanker
Managing Director and Chief Executive Officer
DIN No: 09307764
Place : Mumbai
Date : 26th April, 2023

Ajay Menon
Director
DIN No: 00024589

STATEMENT OF CHANGES IN EQUITY

(All amounts are in INR, unless otherwise stated)

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1st April 2021	8,13,200	8,13,200
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2021	8,13,200	8,13,200
Changes during the year	-	-
As at 31 March 2022	8,13,200	8,13,200
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2022	8,13,200	8,13,200
Changes during the year	-	-
As at 31 March 2023	8,13,200	8,13,200

(B) Other Equity

Particulars	Reserve and surplus			Items of other comprehensive income	Total
	Securities premium	Share option outstanding Reserve	Retained earnings	Remeasurements of net defined benefit plans	
Balance as at 01 April 2021	5,02,73,108	96,61,544	94,19,76,854	17,94,183	1,00,37,05,689
Add/Less: Changes due to prior period errors	-	-	-	-	-
Restated balance as at 01 April 2021	5,02,73,108	96,61,544	94,19,76,854	17,94,183	1,00,37,05,689
Addition during the year	-	10,76,568	-	-	10,76,568
Profit during the year	-	-	82,18,37,239	-	82,18,37,239
Actural gain/(loss) during the year (net of tax)	-	-	-	42,71,385	42,71,385
Balance as at 31 March 2022	5,02,73,108	1,07,38,112	1,76,38,14,093	60,65,568	1,83,08,90,881
Add/Less: Changes due to prior period errors	-	-	-	-	-
Restated balance as at 01 April 2022	5,02,73,108	1,07,38,112	1,76,38,14,093	60,65,568	1,83,08,90,881
Addition during the year	-	2,49,330	-	-	2,49,330
Profit during the year	-	-	45,07,21,927	-	45,07,21,927
Actural gain/(loss) during the year (net of tax)	-	-	-	8,40,482	8,40,482
Balance as at 31 March 2023	5,02,73,108	1,09,87,442	2,21,45,36,020	69,06,050	2,28,27,02,620

The accompanying notes 1 to 48 form an integral part of the financial statements.

This is the Statement of Changes in Equity Capital referred to in our report of even date

For PGS & Associates

Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFCQ1543

For and on behalf of the Board of Directors of

Motilal Oswal Wealth Limited

Premal H. Gandhi

Partner
Membership No. : 111592
Place : Mumbai
Date : 26th April, 2023

Ashish Shanker

Managing Director and Chief Executive Officer
DIN No: 09307764
Place : Mumbai
Date : 26th April, 2023

Ajay Menon

Director
DIN No: 00024589

NOTES TO FINANCIAL STATEMENT

1. Corporate information

Motilal Oswal Wealth Limited (MOWL) was incorporated on March 6, 2002. The principal shareholder of the Company as at March 31, 2023 is Motilal Oswal Financial Services Limited (MOFSL). The company has license from SEBI Motilal Oswal Wealth Management Limited (Reg. No. INP000004409 date of Reg. Nov 29, 2012) for doing business of portfolio management services.

Company is carrying the business of distribution of all kinds of financial instruments including portfolio management services, mutual funds, alternative investment funds, private equity funds, unit linked policies, insurance policies and providing financial and investment advisory services and wealth management services in accordance with the applicable laws.

2. Basis of Preparation

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

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2023 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOWL's functional and presentation currency.

(iv) Use of estimates and judgments

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (a) **Provision and contingent liability:** On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.
- (c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.
- (d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- (e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.
- (f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.
- (g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects

NOTES TO FINANCIAL STATEMENT (Contd..)

how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of significant accounting policies

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair

NOTES TO FINANCIAL STATEMENT (Contd..)

value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOWML are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

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

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognized as a collateralized borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognized amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

NOTES TO FINANCIAL STATEMENT (Contd..)

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Dividend income

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

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

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

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognized for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more

NOTES TO FINANCIAL STATEMENT (Contd..)

subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

3.4 Leases

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

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognized 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. Includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(iv) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

NOTES TO FINANCIAL STATEMENT (Contd..)

3.8 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of the company, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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

3.10 Provisions and Contingent Liabilities:

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

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

3.11 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows

NOTES TO FINANCIAL STATEMENT (Contd..)

from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortization is provided on the revised carrying amount of the assets over its remaining life.

3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognized in the statement of profit and loss.

3.13 Recent Accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4: Cash And Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	78,602	35,000
Balance with bank		
In current accounts	4,32,93,350	4,51,66,637
	4,33,71,952	4,52,01,637

Note 5: Other Bank Balances

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed Deposits with Bank (maturity more than 3 months)	13,50,000	13,50,000
	13,50,000	13,50,000

Note 6: Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Trade receivables		
Unsecured, Considered Good	41,68,86,128	29,06,72,870
Significant increase in credit risk	-	4,69,064
	41,68,86,128	29,11,41,934
(ii) Other receivables		
Unsecured, Considered Good	1,63,257	10,000
	41,70,49,385	29,11,51,934

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6 (i) : Receivable ageing schedule For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	41,58,82,654	9,34,134	1,90,392	42,205	-	41,70,49,385
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	29,10,86,892	22,838	42,204	-	-	29,11,51,934
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 7: Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Others		
Loans to employees	67,35,405	2,90,889
Interest accrued	7,450	2,01,87,227
Loans to related parties (subsidiaries)	-	81,26,26,198
Loans to other parties	10,00,000	-
	77,42,855	83,31,04,314

Loan repayable on demand including Interest accrued

Type of Borrowers	31 March 23		31 March 22	
	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties (FY 2021-22 : Loan - Rs 16,26,198, Interest Accrued- Rs 13,363)	-	-	16,39,561	0.20%
Holding company (FY 2021-22 : Loan - Rs 81,00,000,00 Interest Accrued- Rs 2,01,66,411)	-	-	83,01,66,411	99.68%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 8: Investments

Particulars	Quoted / Unquoted	31 March 2023		31 March 2022	
		Units	Amount	Units	Amount
I. Investments at amortised cost(A)					
Investments in equity instruments					
Investments in fellow subsidiaries					
Motilal Oswal Home Finance Limited	Unquoted	48,21,62,594	1,70,00,00,000	19,23,07,692	50,00,00,010
II. Investment - at Fair value through profit and loss(B)					
Investments in Mutual Funds					
Motilal Oswal MOST Focused Multicap 35 Fund	Unquoted	16,99,433	5,76,16,400	16,99,433	5,90,62,788
Motilal Oswal Most Focused Multicap 25 Fund	Unquoted	48,03,867	17,21,84,533	48,03,867	16,90,93,245
Motilal Oswal Large And Midcap Fund	Unquoted	47,50,000	8,49,50,900	47,50,000	7,77,68,900
Motilal Oswal Nifty 50 Index Fund	Unquoted	35,00,000	5,11,18,550	35,00,000	5,09,12,400
Motilal Oswal Nifty Next 50 Index Fund	Unquoted	-	-	37,50,000	5,42,43,375
Motilal Oswal S&P BSE Low Volatility Index Fund	Unquoted	7,42,295	1,81,15,784	19,99,900	2,00,87,795
Motilal Oswal S&P BSE Low Volatility ETF DP	Quoted	-	-	88,459	99,99,432
Motilal Oswal S&P BSE QUALITY ETF	Quoted	1,08,000	1,24,43,015	-	-
Motilal Oswal S&P BSE Enhanced Value Index Fund	Unquoted	9,99,950	1,17,17,114	-	-
Motilal Oswal Liquid Fund	Unquoted	25,24,261	3,02,85,585	-	-
Motilal Oswal Nifty Gsec May 2029 Index Fund	Unquoted	19,99,900	2,02,94,585	-	-
Motilal Oswal S&P Quality Index Fund	Unquoted	4,99,975	50,71,596	-	-
Investment in Equity Instruments					
Divis Laboratories Ltd	Quoted	26	73,470	-	-
Total Gross (A+B)			2,16,38,71,532		94,11,67,945
(I) Investment outside India			-		-
(II) Investment in India			2,16,38,71,532		94,11,67,945
C) Total (I+II)			2,16,38,71,532		94,11,67,945
D) Less : Allowance for Impairment loss			-		-
E) Total net (C-D)			2,16,38,71,532		94,11,67,945

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 9: Other Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Rent deposits	82,89,800	42,86,800
Margin money	1,42,55,020	99,99,999
Accrued interest	7,928	9,288
	2,25,52,748	1,42,96,087

Note 10: Current Tax Asset/(Liability) (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax asset/ (liability) (net of advance tax)	1,47,44,497	(4,15,77,205)
	1,47,44,497	(4,15,77,205)

Note 11: Deferred Tax Asset/(Liabilities) (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets(A)		
Gratuity	1,45,77,003	1,28,38,601
Short term Capital loss	6,92,861	-
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	12,67,277	9,92,880
	1,65,37,141	1,38,31,481
Deferred tax liabilities(B)		
Unrealised gain	1,40,61,590	1,51,11,585
	1,40,61,590	1,51,11,585
Net deferred tax assets/(liabilities) (A-B)	24,75,551	(12,80,104)

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 12: Property, Plant & Equipments Current Year

Particulars	Gross Block			Accumulated Depreciation		Net Block	
	Balance as at 01 April 2022	Additions	Deductions	Balance as at 01 April 2022	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
(A) Tangible Assets							
Office Premises	4,47,76,849	-	-	2,48,38,277	2,59,80,195	1,87,96,654	1,99,38,572
Renovation of Leased Office Premises	1,47,02,208	-	-	90,51,937	1,14,55,053	32,47,155	56,50,271
Computer	2,02,32,476	69,16,615	-	1,46,93,065	1,85,81,939	86,67,152	55,39,411
Furniture	7,49,550	-	-	2,63,239	3,35,331	4,14,219	4,86,311
Electrical Equipment	2,63,510	6,079	-	87,004	1,12,362	1,57,227	1,76,506
Air Conditioner	14,88,786	-	-	8,94,438	1,16,295	3,19,491	5,94,348
Mobile	92,499	-	-	87,802	72	4,625	4,697
Office Equipments	15,06,486	32,400	-	12,22,263	14,39,778	99,108	2,84,222
Television	39,990	-	-	38,480	-	1,510	1,510
Network Equipments	1,02,360	95,419	-	55,352	81,601	1,16,178	47,008
Projector	38,800	-	-	16,577	23,949	14,851	22,223
Car	82,52,006	77,46,394	-	69,10,812	76,48,644	83,49,756	13,41,194
Scooter	2,31,083	-	-	88,791	1,11,481,71	1,19,601	1,42,292
Total (A)	9,24,76,603	1,47,96,907	-	5,82,48,037	6,70,65,982	4,02,07,534	3,42,28,573
(B) Intangible Assets							
Commercial Rights	5,00,000	-	-	4,99,851	-	149	149
Computer Software	2,89,21,023	15,28,087	-	1,54,77,085	1,99,99,286	1,04,49,824	1,34,43,938
Pms Licence	1,00,000	-	-	89,323	-	10,677	10,677
Total (B)	2,95,21,023	15,28,087	-	1,60,66,259	45,22,201	1,04,60,650	1,34,54,764
Total (A+B)	12,19,97,626	1,63,24,994	-	7,43,14,296	8,76,54,442	5,06,68,185	4,76,83,337

Previous Year

Particulars	Gross Block			Accumulated Depreciation		Net Block	
	Balance as at 01 April 2021	Additions	Deductions	Balance as at 01 April 2021	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
(A) Tangible Assets							
Office Premises	4,47,76,849	-	-	2,36,96,359	2,48,38,277	1,99,38,572	2,10,80,490
Renovation of Leased Office Premises	1,26,37,705	20,64,503	-	64,12,299	90,51,937	56,50,271	62,25,406
Computer	1,57,88,351	44,44,125	-	1,22,44,666	1,46,93,065	55,39,411	35,43,685
Furniture	7,49,550	-	-	1,91,147	2,63,239	4,86,311	5,58,403
Electrical Equipment	2,63,510	-	-	62,080	24,924	1,76,506	2,01,430
Air Conditioner	14,24,486	64,300	-	6,11,435	8,94,438	5,94,348	8,13,051
Mobile	92,499	-	-	83,460	87,802	4,697	9,039
Office Equipments	15,02,706	3,780	-	9,69,069	12,22,263	2,84,222	5,33,637
Television	39,990	-	-	38,480	-	1,510	1,510
Network Equipments	1,02,360	-	-	39,145	55,352	47,008	63,215
Projector	38,800	-	-	9,205	16,577	22,223	29,595
Car	82,52,006	-	-	57,18,500	69,10,812	13,41,194	25,33,506
Scooter	2,31,083	-	-	66,100	88,791	1,42,292	1,64,983
Total (A)	8,58,99,895	65,76,708	-	5,01,41,945	5,82,48,036	3,42,28,573	3,57,57,952
(B) Intangible Assets							
Commercial Rights	5,00,000	-	-	4,99,851	-	149	149
Computer Software	2,02,10,023	87,11,000	-	1,09,57,196	1,54,77,085	1,34,43,938	92,52,827
Pms Licence	1,00,000	-	-	89,323	-	10,677	10,677
Total (B)	2,08,10,023	87,11,000	-	1,15,46,370	1,60,66,259	1,34,54,764	92,63,653
Total (A+B)	10,67,09,918	1,52,87,708	-	6,16,88,315	7,43,14,296	4,76,83,337	4,50,21,605

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 13: Other Non - Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Advances	5,00,000	78,13,943
Prepaid Expenses	48,34,248	63,15,690
Advance for expenses	47,50,169	27,01,485
	1,00,84,417	1,68,31,118

Note 14: Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Due to micro and small enterprise	-	-
Due to other than micro and small enterprise	98,65,291	2,27,68,460
	98,65,291	2,27,68,460

Note 14 (i) : Trade Payables ageing schedule

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	97,76,565	88,726	-	-	98,65,291
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,27,68,460	-	-	-	2,27,68,460
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Note 15: Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		-
Unsecured- From Related Party	11,00,00,000	-
	11,00,00,000	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 16: Other Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit (Against premises given on lease)	54,76,950	54,76,950
Other Payables	2,98,77,954	3,02,50,415
Other provisions (includes provision for expenses)	84,05,842	40,64,978
	4,37,60,746	3,97,92,343

Note 17: Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for Gratuity	5,79,18,798	5,10,11,606
Ex-Gratia	17,37,09,120	14,47,03,587
Compensated absences	1,73,52,791	1,36,37,971
	24,89,80,709	20,93,53,164

Note 18: Other Non - Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory Dues Payable	3,77,88,555	4,43,11,015
	3,77,88,555	4,43,11,015

Note 19: Share Capital

Authorised	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Number of shares	In Rupees	Number of shares	In Rupees
Equity Shares of Re. 1/- each (previous year Re. 1 each)	15,00,000	15,00,000	15,00,000	15,00,000
	15,00,000	15,00,000	15,00,000	15,00,000
Issued, Subscribed & Paid Up				
Equity Shares of Re. 1/- each (previous year Re. 1 each)	8,13,200	8,13,200	8,13,200	8,13,200
Changes in Equity Share capital during the year	-	-	-	-
	8,13,200	8,13,200	8,13,200	8,13,200

NOTES TO FINANCIAL STATEMENT (Contd..)

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

19.1 Rights, preferences and restrictions attached to shares

Equity Shares :

All the Equity shares are held by Motilal Oswal Financial Services Limited, the holding company (including 60 share held jointly with nominee)

The Company has one class of equity shares having a par value of 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.

19.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Number of shares	In Rupees	Number of shares	In Rupees
Number of share at beginning	8,13,200	8,13,200	8,13,200	8,13,200
Addition During the Year	-	-	-	-
At the end of the year	8,13,200	8,13,200	8,13,200	8,13,200

19.3 Shareholders having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding company)	8,13,140	99.99	8,13,140	99.99

19.4 Shares held by holding/promoter company

Shareholding pattern as on March 31, 2023			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial Services Limited and its nominees	8,13,200	100.00	0.00
Total A	8,13,200	100.00	

Shareholding pattern as on March 31, 2022			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial Services Limited and its nominees	8,13,200	100.00	0.00
Total A	8,13,200	100.00	

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 20: Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Securities Premium		
Balance at the beginning of the year	5,02,73,108	5,02,73,108
Add: Addition during the year	-	-
Balance at the end of year	5,02,73,108	5,02,73,108
b) Share option outstanding reserve		
Balance at the beginning of the year	1,07,38,112	96,61,544
Add: Addition during the year	2,49,330	10,76,568
Balance at the end of year	1,09,87,442	1,07,38,112
c) Retained earnings		
Balance at the beginning of the year	1,76,38,14,093	94,19,76,854
Add: Transfer from Statement of Profit and Loss	45,07,21,927	82,18,37,239
Less: Interim dividend	-	-
Balance at the end of year	2,21,45,36,020	1,76,38,14,093
d) Other comprehensive income		
Balance at the beginning of the year	60,65,568	17,94,183
Add: Transfer from Statement of Profit and Loss	8,40,482	42,71,385
Balance at the end of year	69,06,050	60,65,568
	2,28,27,02,620	1,83,08,90,881

Nature and purpose of Reserves

Securities Premium

Security premium account is used to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Share option outstanding account

Share option outstanding account is used to recognise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the company.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 21 : Fees and commission income

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Brokerage Mutual Fund	31,02,66,692	29,18,13,940
AIF Fees Income	54,50,96,873	41,99,15,410
Portfolio Management Commission	52,82,42,237	54,71,17,171
Placement fee - Private equity funds	11,61,94,359	26,53,44,761
Commission and Referral Income	40,00,04,994	26,84,01,319
Advisory Fees	2,71,67,797	2,90,74,051
	1,92,69,72,952	1,82,16,66,652

Note 22: Interest Income

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Interest income at amortised cost	18,01,65,751	50,75,61,056
	18,01,65,751	50,75,61,056

Note 23: Rental Income

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Rent Income	1,09,53,900	1,09,53,900
	1,09,53,900	1,09,53,900

Note 24: Net Gain /(Loss) On Fair Value Change

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Net gain on financial instruments at fair value:		
Realised	5,32,87,999	4,52,41,258
Unrealised	(59,79,585)	4,05,35,638
	4,73,08,414	8,57,76,896

Note 25: Other Income

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Miscellaneous Income	8,07,016	2,24,038
	8,07,016	2,24,038

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 26: Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Salary and Bonus	88,78,61,493	76,60,09,368
Contribution to provident & other funds	2,26,05,793	1,69,72,665
Staff Welfare	6,12,60,910	36,37,486
Employee Stock option expense (Refer note 42)	9,68,44,768	4,71,42,481
Gratuity (Refer note 41)	1,27,00,183	1,41,15,434
	1,08,12,73,147	84,78,77,434

Note 27: Finance Cost

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Interest on borrowings	12,83,63,836	21,63,05,681
	12,83,63,836	21,63,05,681

Note 28: Fees And Commission Expense

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Brokerage Sharing with Intermediaries	5,31,72,151	3,84,51,281
	5,31,72,151	3,84,51,281

Note 29: Other Expenses

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Business Support	5,21,23,530	5,64,21,565
Rent Paid (Refer note 34)	6,75,25,362	6,52,72,982
Insurance	56,30,030	45,63,950
Marketing & Brand Promotion Expenses	3,07,72,201	68,67,457
Travelling Expenses and Conveyance	1,99,90,649	92,42,900
Printing & Stationery Expenses	59,17,718	64,19,667
Client Entertainment	38,41,242	23,52,042
Legal & Professional Fees	3,19,91,345	2,44,05,019
Data Processing Charges	79,96,065	66,51,229
Membership & Subscription Fees	37,65,133	12,13,425
Communication Expenses	8,13,394	7,54,518
Power and Fuel	48,91,954	38,24,608

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Software Charges	36,59,201	27,33,629
Training Expenses	20,57,030	1,34,778
Auditors Remuneration (Refer note 31)	1,25,000	1,12,500
Rates and Taxes	5,98,367	82,04,428
Repairs And Maintenance	36,91,830	31,26,016
Corporate Social Responsibility (Refer note 37)	98,37,616	49,86,989
Donation	42,00,000	-
Miscellaneous Expenses	1,25,23,407	1,04,64,938
	27,19,51,074	21,77,52,640

Note 30.1 : Tax expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense		
Current tax for the year	16,02,58,367	26,88,15,675
Tax adjustment in respect of earlier years	1,11,65,716	-
Total current tax expense	17,14,24,083	26,88,15,675
Deferred taxes		
Change in deferred tax liabilities	(40,38,331)	25,16,611
Net deferred tax expense	(40,38,331)	25,16,611
	16,73,85,752	27,13,32,286

Note 30.2 : Tax recognised through other comprehensive income:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of defined benefit plan	(2,82,677)	(14,36,581)
Total	(2,82,677)	(14,36,581)

Note 30.3 : Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	61,81,07,679	1,09,31,69,525
Tax at the rate of 25.168%	15,55,65,341	27,51,28,906
Tax effect of :		
Tax adjustment of previous years	1,11,65,716	-
Tax at different rate	(10,78,424)	(39,43,833)
Expenses not deductible for tax purposes	37,16,835	14,38,068

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Exempt Income / Deduction on income	(9,22,212)	(9,22,212)
Short term capital loss	(10,61,504)	(3,68,643)
	16,73,85,752	27,13,32,286
Income tax expense	16,73,85,752	27,13,32,286

Note 30.4 : Effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Effective tax rate	27.08%	24.82%

Note 30.5 : Items of deferred tax asset / (liability)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax assets on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	12,67,277	9,92,880
Gratuity	1,45,77,003	1,28,38,601
Short term capital loss	6,92,861	-
Total deferred tax assets (A)	1,65,37,141	1,38,31,481
Deferred tax liability on account of :		
Unrealised gain	1,40,61,590	1,51,11,585
Total deferred tax liabilities (B)	1,40,61,590	1,51,11,585
Net deferred tax Assets / (Liability) (A-B)	24,75,551	(12,80,104)

Note 31 : Remuneration to Auditors:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
As Auditors:		
Audit Fees	1,25,000	1,12,500
Total	1,25,000	1,12,500

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 32 : Basic & Diluted Earnings per share:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net Profit attributable to equity shareholders [A] (Rs.)	45,07,21,927	82,18,37,239
Weighted Average Number of equity shares issued (face value of Re. 1 each) [B] (Rs)	8,13,200	8,13,200
Basic EPS [A/B] (Rs.)	554.26	1,010.62
Net Profit attributable to equity shareholders [A] (Rs.)	45,07,21,927	82,18,37,239
Less : Impact on Net profit due to exercise of diluted potential equity shares [B]	-	-
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A - B]	45,07,21,927	82,18,37,239
Weighted average number of equity shares issued (face value of Re. 1 each) (In numbers) [D]	8,13,200	8,13,200
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	-	-
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	8,13,200	8,13,200
Diluted EPS [C/F] (Rs.)	554.26	1,010.62

Note 33 : Transactions in Foreign Currency

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from Advisory	1,59,65,248	67,58,114
Total	1,59,65,248	67,58,114

ii) Expenditure in foreign currency

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Courier Charges	1,39,218	66,946
Marketing Expenses	-	1,11,555
Total	1,39,218	1,78,501

Note 34 : Lease

The Company has taken offices on short term lease for the period which withing 12 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2023 aggregated RS. 6,75,25,362 (PY RS. 6,52,72,982/-) which has been included under the head Other Expenses - Rent in the Statement of Profit or loss.

Expected future minimum commitments during the non- cancellable period under the lease arrangements are NIL as on 31 March 2023

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 35 : Dues to micro and small enterprises

There is no amount outstanding for more than thirty days to any small scale industrial undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the Company owes the dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information provided by the vendors to the Company.

Note 36 : Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is Rs. 8,70,852 (Previous Year : Rs. 39,71,079).

Note 37 : Corporate Social Responsibility

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Total amount required to be spent during the year	1,01,90,000	44,60,989
(b) Total amount of expenditure incurred during the year	98,37,616	49,86,989
(c) Shortfall at the end of the year	3,52,384	-
(d) Total amount of previous years shortfall	-	5,25,973
(e) Reason for shortfall	Unspent amount of Rs 3,52,384 would be transferred to fund specified under Schedule VII of the Companies Act, 2013 within 6 months from the end of Financial year 2022-23.	NA

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Donation for education	29,02,616	44,29,989
Donation for medical aid	3,00,000	31,000
Donation for Skill Training	66,00,000	-
Donation for environment sustainability	35,000	-
Donation to PM care funds	-	5,26,000

Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contribution to Motilal Oswal Foundation	98,37,616	44,60,989

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 38 : Provisions made for the year ended 31st March, 2023 comprises of:

For the year ended 31 March 2023

Particulars	Opening balance as at 01 April 2022	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31 March 2023
Ex-gratia	14,47,03,587	17,12,21,938	14,22,16,406	17,37,09,120
Gratuity	4,62,46,999	1,15,77,024	44,10,846	5,34,13,177
Heritage obligation	47,64,607	-	2,58,986	45,05,621
Compensated absences	1,36,37,971	1,73,52,791	1,36,37,971	1,73,52,791

For the year ended 31 March 2022

Particulars	Opening balance as at 01 April 2021	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31 March 2022
Ex-gratia	9,87,34,749	15,19,67,197	10,59,98,359	14,47,03,587
Provision for Gratuity	4,11,58,591	84,07,468	33,19,060	4,62,46,999
Heritage obligation	51,52,871	-	3,88,264	47,64,607
Compensated absences	1,09,30,184	1,36,37,971	1,09,30,184	1,36,37,971

Note 39: Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 40 : Related Party Disclosure

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

i) List of related parties and their relationship

Holding Company

Motilal Oswal Financial Services Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Ultimate Holding company

- Motilal Oswal Financial Services Limited (Passionate Investment Management Private Limited- Ultimate holding company merged with Motilal Oswal Financial Services Limited w.e.f 1/04/2020 being appointed date of merger)

Fellow subsidiaries:

1. Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Market Limited)
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Limited
4. Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
5. Motilal Oswal Asset Management Company Limited
6. Motilal Oswal Trustee Company Limited
7. Motilal Oswal Securities International Private Limited
8. Motilal Oswal Capital Markets (Hongkong) Private Limited
9. Motilal Oswal Capital Markets (Singapore) Pte. Limited
10. Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)
11. India Business Excellence Management Company
12. Motilal Oswal Asset Management (Mauritius) Co. Limited
13. Motilal Oswal Capital Limited
14. Glide Tech Investment Advisory Private Limited
15. Motilal Oswal Finsec IFSC Limited
16. TM Investment Technologies Private Limited
17. MO Alternative IFSC Private Limited

Key managerial personnel

1. Ashish Shanker- Managing Director and Chief Executive Officer (w.e.f. 10th September, 2021)
2. Ajay Menon - Director Chairman
3. Harsh Joshi- Director

(ii) Transactions with related parties for the year ended 31 March 2023

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Rent Expense / (Income)	Motilal Oswal Financial Services Limited	(1,09,53,900)	(1,09,53,900)		-	-	-	(1,09,53,900)	(1,09,53,900)
	Motilal Oswal Financial Services Limited	5,74,91,700	5,74,91,700		-	-	-	5,74,91,700	5,74,91,700
Reimbursement of expenses	Motilal Oswal Financial Services Limited	74,94,664	64,56,061		-	-	-	74,94,664	64,56,061
Interest Expense / (Income)	Motilal Oswal Financial Services Limited	(17,81,24,595)	(6,53,92,397)		-	-	-	(17,81,24,595)	(6,53,92,397)
	Motilal Oswal Finvest Limited	-	-	-	(1,40,40,069)	-	-	-	(1,40,40,069)
	Glide Tech Investment Advisory Private Limited	-	-	(1,13,988)	(37,867)	-	-	(1,13,988)	(37,867)
	TM Investment Technologies Private Limited	-	-	-	(14,137)	-	-	-	(14,137)
	Motilal Oswal Finvest Limited	-	-	12,83,63,836	2,69,47,431	-	-	12,83,63,836	2,69,47,431

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Advisory & Placement fees (Income) / Expense	MO Alternate Investment Advisors Private Limited	-	-	(11,50,15,969)	(25,41,09,761)	-	-	(11,50,15,969)	(25,41,09,761)
	Motilal Oswal Asset Management (Mauritius) Co. Limited	-	-	(42,22,189)	-	-	-	(42,22,189)	-
	Motilal Oswal Asset Management Company Limited	-	-	(22,00,000)	(19,50,000)	-	-	(22,00,000)	(19,50,000)
Referral Fees (Income) Expense	Motilal Oswal Financial Services Limited	4,74,921	11,51,213	-	-	-	-	4,74,921	11,51,213
	Motilal Oswal Financial Services Limited	(85,96,570)	(7,61,024)	-	-	-	-	(85,96,570)	(7,61,024)
Setup Fees	MO Alternate Investment Advisors Private Limited	-	-	(10,35,000)	(1,12,35,000)	-	-	(10,35,000)	(1,12,35,000)
	Motilal Oswal Asset Management Company Limited	-	-	(17,20,000)	(6,00,000)	-	-	(17,20,000)	(6,00,000)
ESOP Expenses	Motilal Oswal Financial Services Limited	21,26,956	78,10,390	-	-	-	-	21,26,956	78,10,390
PMS Sharing (Income)	Motilal Oswal Asset Management Company Limited	-	-	(22,46,06,063)	(30,22,90,966)	-	-	(22,46,06,063)	(30,22,90,966)
AIF Distribution Income	Motilal Oswal Asset Management Company Limited	-	-	(16,04,02,720)	(21,08,60,735)	-	-	(16,04,02,720)	(21,08,60,735)

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Brokerage Commission (Income) / Expense	Motilal Oswal Financial Services Limited	(34,15,16,726)	(23,73,79,114)	-	-	-	-	(34,15,16,726)	(23,73,79,114)
	MO Alternate Investment Advisors Private Limited	-	-	3,08,122	2,02,727	-	-	3,08,122	2,02,727
Business Support Charges	Motilal Oswal Financial Services Limited	5,21,23,530	5,64,21,565	-	-	-	-	5,21,23,530	5,64,21,565
Loan Taken	Motilal Oswal Finvest Limited	-	-	(33,11,00,00,000)	(5,77,00,00,000)	-	-	(33,11,00,00,000)	(5,77,00,00,000)
Repayment of Loan Taken	Motilal Oswal Finvest Limited	-	-	33,00,00,00,000	5,77,00,00,000	-	-	33,00,00,00,000	5,77,00,00,000
Loan Given	Motilal Oswal Financial Services Limited	33,74,74,52,219	11,89,25,00,000	-	-	-	-	33,74,74,52,219	11,89,25,00,000
	Glide Tech Investment Advisory Private Limited	-	-	-	16,26,198	-	-	-	16,26,198
	TM Investment Technologies Private Limited	-	-	-	10,00,000	-	-	-	10,00,000
	Motilal Oswal Finvest Limited	-	-	-	4,45,00,00,000	-	-	-	4,45,00,00,000
Repayment of loan Given	Motilal Oswal Financial Services Limited	(34,55,74,52,219)	(11,09,25,00,000)	-	-	-	-	(34,55,74,52,219)	(11,09,25,00,000)
	Glide Tech Investment Advisory Private Limited	-	-	(16,26,198)	-	-	-	(16,26,198)	-
	TM Investment Technologies Private Limited	-	-	-	(10,00,000)	-	-	-	(10,00,000)
	Motilal Oswal Finvest Limited	-	-	-	(4,45,00,00,000)	-	-	-	(4,45,00,00,000)
Loan Taken (Maximum Balance)	Motilal Oswal Finvest Limited	-	-	(4,00,00,00,000)	(2,00,00,00,000)	-	-	(4,00,00,00,000)	(2,00,00,00,000)
Investment in Fellow subsidiary	Motilal Oswal Financial Services Limited	1,20,00,00,000	-	-	-	-	-	1,20,00,00,000	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Managerial Remuneration	Ashish Shanker	-	-	-	-	2,72,14,168	8,21,38,181	2,72,14,168	8,21,38,181
(iii) Outstanding balances of / with related parties :									
Trade Receivable / (Payables)	Motilal Oswal Asset Management Company Limited	-	-	3,28,10,979	6,12,10,397	-	-	3,28,10,979	6,12,10,397
	MO Alternate Investment Advisors Pvt. Ltd.	-	-	2,59,36,876	4,59,61,791	-	-	2,59,36,876	4,59,61,791
	Motilal Oswal Financial Services Limited	8,74,49,059	4,72,35,628	-	-	-	-	8,74,49,059	4,72,35,628
Payable for Expenses	Motilal Oswal Financial Services Limited	(1,13,42,116)	(1,55,21,934)	-	-	-	-	(1,13,42,116)	(1,55,21,934)
	Glide Tech Investment Advisory Private Limited	-	-	-	13,363	-	-	-	13,363
	Motilal Oswal Finvest Limited	-	-	(14,12,816)	(1,75,47,781)	-	-	(14,12,816)	(1,75,47,781)
Deposit Rent Receivable / (Payable)	Motilal Oswal Financial Services Limited	(54,76,950)	(54,76,950)	-	-	-	-	(54,76,950)	(54,76,950)
Loan Given / (Taken)	Motilal Oswal Financial Services Limited	-	81,00,00,000	-	-	-	-	-	81,00,00,000
	Glide Tech Investment Advisory Private Limited	-	-	-	16,26,198	-	-	-	16,26,198
	Motilal Oswal Finvest Limited	-	-	(11,00,00,000)	-	-	-	(11,00,00,000)	-

Note 41 : Disclosure pursuant to IndAS 19 - Employees benefits

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

(A) Defined contribution plan :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to provident fund	2,17,29,721	1,63,92,508
Employer's contribution to ESIC	4,845	3,767
Employer's contribution to National Pension Scheme	8,71,227	5,77,530
	2,26,05,793	1,69,73,805

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Defined benefit plan

	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
I) Assumptions as at				
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	7.13%	5.64%	6.79%	3.92%
Rate of increase in compensation	6.50%	5.31%	5.31%	5.31%
Expected rate of return on plan assets (per annum)				
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 20%	PS: 0 to 37 : 21.10%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 54.43%
Expected average remaining service	3.81	3.60	0.29 to 0.51	0.29 to 0.51
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	4,62,46,999	4,11,58,591	47,64,607	51,52,871
Interest cost	23,59,699	15,40,426	-	-
Current Service Cost	1,03,40,484	1,06,52,161	(2,58,986)	(3,88,264)
Past Service Cost- (non vested benefits)	-	-	-	-
Past Service Cost -(vested benefits)	-	-	-	-
Benefits Paid	(44,10,846)	(33,19,060)	-	-
Contributions paid	-	-	-	-
Transfer in liability	-	19,22,847	-	-
Transfer out liability	-	-	-	-
Business Combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (Gain)/Loss on obligation	(11,23,159)	(57,07,966)		
PVO at end of period	5,34,13,177	4,62,46,999	45,05,621	47,64,607
III) Interest expense				
Interest cost	23,59,699	15,40,426	-	-
IV) Fair value of plan assets				
Fair Value of Plan Assets at the beginning	-	-	-	-
Interest income	-	-	-	-
V) Net Liability				
PVO at beginning of period	4,62,46,999	4,11,58,591	-	-
Fair Value of the Assets at beginning report	-	-	-	-
Net Liability	4,62,46,999	4,11,58,591	-	-
VI) Net Interest				
Interest Expenses	23,59,699	15,40,426	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Interest Income	-	-	-	-
Net Interest	23,59,699	15,40,426	-	-
VII) Actual return on plan assets				
Less Interest income included above	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
VIII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	12,837	(86,113)	-	-
Due to Financial Assumption	(13,68,458)	(52,94,004)	-	-
Due to Experience	2,32,462	(3,27,849)	-	-
Total Actuarial (Gain)/Loss	(11,23,159)	(57,07,966)	-	-
IX) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	-	-	-	-
Adjustment to Opening Fair Value of Plan Asset	-	-	-	-
Return on Plan Assets excl. interest income	-	-	-	-
Interest Income	-	-	-	-
Contributions by Employer	44,10,846	33,19,060	-	-
Contributions by Employee	-	-	-	-
Benefits Paid	(44,10,846)	(33,19,060)	-	-
Fair Value of Plan Assets at end	-	-	-	-
X) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	-	-	-	-
Past Service Cost -(vested benefits)	-	-	-	-
Average remaining future service till vesting of the benefit	-	-	-	-
Recognised Past service Cost- non vested benefits	-	-	-	-
Recognised Past service Cost- vested benefits	-	-	-	-
Unrecognised Past Service Cost- non vested benefits	-	-	-	-
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	5,34,13,177	4,62,46,999	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(5,34,13,177)	(4,62,46,999)	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Net Asset/(Liability) recognized in the balance sheet	(5,34,13,177)	(4,62,46,999)	-	-
XII) Expense recognised in the statement of profit and loss				
Current service cost	1,03,40,484	1,06,52,161	(2,58,986)	(3,88,264)
Net Interest	23,59,699	15,40,426	-	-
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Curtailement Effect	-	-	-	-
Settlement Effect	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-
Actuarial (Gain)/Loss recognized for the period	-	-	-	-
Expense recognized in the statement of profit and loss	1,27,00,183	1,21,92,587	(2,58,986)	(3,88,264)
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(11,23,159)	(57,07,966)	-	-
Asset limit effect	-	-	-	-
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(11,23,159)	(57,07,966)	-	-
XIV) Movement in liability recognized in balance sheet				
Opening net liability	4,62,46,999	4,11,58,591	47,64,607	51,52,871
Adjustment to opening balance	-	-	-	-
Expenses as above	1,27,00,183	1,21,92,587	(2,58,986)	(3,88,264)
Transfer in liability	-	19,22,847	-	-
Transfer out liability	-	-	-	-
Contribution paid	(44,10,846)	(33,19,060)	-	-
Other Comprehensive Income(OCI)	(11,23,159)	(57,07,966)	-	-
Closing net liability	5,34,13,177	4,62,46,999	45,05,621	47,64,607

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particular	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
XV) Schedule III of The Companies Act 2013				
Current liability	1,04,50,580	88,16,735	32,77,279	28,97,259
Non - current liability	4,29,62,597	3,74,30,264	12,28,342	18,67,348
XVI) Projected Service Cost 31 March 2024	1,18,58,145	1,03,40,484	-	-
XVII) Asset Information				
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund ()	-	-	-	-
Debt Security - Government Bond	-	-	-	-
Equity Securities - Corporate debt securities	-	-	-	-
Other Insurance contracts	-	-	-	-
Property	-	-	-	-
Total Itemized Assets	-	-	-	-

XVIII) Sensitivity Analysis

	DR: Discount Rate			
	PVO DR +1%	PVO DR +1%	PVO ER +1%	PVO ER -1%
PVO	5,14,33,213	5,55,53,183	5,48,78,499	5,19,83,114

XIX) Expected Payout

Year	Expected	Expected	Expected	Expected Outgo	Expected Outgo	Expected Outgo
	Outgo First	Outgo Second	Outgo Third	Fourth	Fifth	Six to Ten years
Payouts	1,04,50,580	94,43,725	90,58,524	70,78,737	67,49,762	1,98,92,146

XX) Asset Liability Comparisons

Year	3/31/2019	3/31/2020	3/31/2021	3/31/2022	3/31/2023
PO at End of period	3,08,57,622	3,82,57,602	4,11,58,591	4,62,46,999	5,34,13,177
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(3,08,57,622)	(3,82,57,602)	(4,11,58,591)	(4,62,46,999)	(5,34,13,177)
Experience adjustments on plan assets		-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 42 : Disclosure relating to Employee Stock Option Scheme

Details of Stock options

The company has One Stock option Schemes

Motilal Oswal Wealth Management Company Limited -Employees' Stock Option Scheme - I (ESOS - I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each. Pursuant to approval of the members at its meeting dated February 20, 2017 for sub-division of face value of equity shares from Rupees 10 to Rupee 1 each, the total number of options allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each.

The activity in the (ESOS-I) during the year ended March 2023 and March 2022 is set below:

Particulars	For the Year Ended 31 March 2023		For the Year Ended 31 March 2022	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
The MOWML (ESOS-I) : (Face value of Re. 1/- each)				
Option outstanding, beginning of the year	-	-	6,000	815.00
Add: Granted	-	NA	-	NA
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	-	-	6,000	815.00
Option outstanding, end of the year	-	-	-	-
Exercisable at the end of the period	-	-	-	-

Employees' Stock Options Scheme (ESOS) :

During the year NIL Employee Stock Options (Previous Year NIL) have been granted to the employees of the company.

Particulars	Scheme I
Date of grant	Various dates
Date of Board Approval	22-Apr-16
Date of Shareholder's approval	29-Apr-16
Method of Settlement	Equity Shares
Vesting Period	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life	
Granted but not Vested	NIL (Previous year : Nil)
Vested but not exercised	NIL (Previous year : Nil)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Scheme I
Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA
Exercise Period	1 year to 3 years from the date of vesting and as per terms and conditions of scheme and grant
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/ subsidiary, and thus the options would vest on passage of time. MOWML does not have any remuneration/ compensation committee. Also no such performance based vesting is mentioned in the ESOP-1 Scheme
Weighted Average Fair Value of options as on grant date	NA

Exercise Pricing Formula

Scheme I

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

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2022-23	2021-22
ESOP Expenses	9,68,44,768	4,71,42,481
Reserve and surplus - Share option outstanding account	1,09,87,442	1,07,38,112

Impact on the income statement of a change in leaver assumptions	2022-23	2021-22
(+)5%	-	-
(-)5%	12,467	4,44,348

The employees of the company also have been allotted a ESOP of its holding company under various schemes. The impact of its expenses have been accounted for in the company during the year as per the requirement of IND AS 102.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 43 : Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	4,33,71,952	-	4,52,01,637
Bank balance other than cash and cash equivalents	-	13,50,000	-	13,50,000
Receivables	-	41,70,49,385	-	29,11,51,934
Loans	-	77,42,855	-	83,31,04,314
Investments	46,38,71,532	1,70,00,00,000	44,11,67,935	50,00,00,010
Other financial assets	-	2,25,52,748	-	1,42,96,087
Total financial assets	46,38,71,532	2,19,20,66,940	44,11,67,935	1,68,51,03,982
Financial liabilities				
Trade payables	-	98,65,291	-	2,27,68,460
Borrowings	-	11,00,00,000	-	-
Other financial liabilities	-	4,37,60,746	-	3,97,92,343
Total financial liabilities	-	16,36,26,037	-	6,25,60,803

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in mutual fund are based on the quoted market prices.

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

Mutual fund investment have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

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

Note:

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

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31 March 23		As at 31 March 22	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
- Mutual funds	46,37,98,062	-	44,11,67,935	-
- Equity Shares	73,470	-	-	-
- Alternative investment funds	-	-	-	-
Total	46,38,71,532	-	44,11,67,935	-

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

Note 44 : Segment Reporting

The primary business of the Company comprises of "Asset management and advisory", "Lending Activity" and "Fund based activities". The Company does not have operations outside India and hence, there are no reportable geographical segments. The business segments has been considered as the primary segments for disclosure. The segment reporting will be included in the consolidated segment disclosure of the Holding Company i.e. Motilal Oswal Financials Services Limited.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 45 : Financial risk management

The company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

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

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	31-Mar-23	31-Mar-22
Upto 3 months	41,58,82,654	29,10,86,892
3 - 6 months	-	-
6 - 12 months	9,34,134	22,837
More than 12 months	2,32,597	42,205
Total	41,70,49,385	29,11,51,934

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Maturities of non – derivative financial liabilities

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	98,65,291	-	-	98,65,291
Borrowings	11,00,00,000	-	-	11,00,00,000
Other financial liabilities	3,82,83,796	54,76,950	-	4,37,60,746
Total	15,81,49,087	54,76,950	-	16,36,26,037

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	2,27,68,460	-	-	2,27,68,460
Other financial liabilities	3,43,15,393	54,76,950	-	3,97,92,343
Total	5,70,83,853	54,76,950	-	6,25,60,803

C) Market Risk

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

(i) Foreign currency risk

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

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

(ii) Cash flow and fair value interest rate risk

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

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

(iii) Price risk

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

The Investments held by the Company are ancillary to the Investment management business objective.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sensitivity to price risk

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

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 1% increase in NAV/price	46,38,715	44,11,679
Impact on profit before tax for 1% decrease in NAV/Price	(46,38,715)	(44,11,679)

Note 46 : 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 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4,33,71,952	-	4,33,71,952	4,52,01,637	-	4,52,01,637
Other bank balances	13,50,000	-	13,50,000	13,50,000	-	13,50,000
Receivables						
(i) Trade receivables	41,68,86,128	-	41,68,86,128	29,06,72,870	4,69,064	29,11,41,934
(ii) Other receivables	1,63,257	-	1,63,257	10,000	-	10,000
Loans	77,42,855	-	77,42,855	83,31,04,314	-	83,31,04,314
Investments	3,03,59,054	2,13,35,12,478	2,16,38,71,532	-	94,11,67,945	94,11,67,945
Other financial assets	1,42,62,948	82,89,800	2,25,52,748	1,00,09,287	42,86,800	1,42,96,087
Non-financial assets						
Current tax assets (net)	-	1,47,44,497	1,47,44,497	-	-	-
Deferred tax assets (net)	-	24,75,551	24,75,551	-	-	-
Property, plant and equipment	-	4,02,07,534	4,02,07,534	-	3,42,28,573	3,42,28,573
Other intangible assets	-	1,04,60,650	1,04,60,650	-	1,34,54,764	1,34,54,764
Other non-financial assets	1,00,84,417	-	1,00,84,417	1,68,31,118	-	1,68,31,118
Total assets	52,42,20,611	2,20,96,90,510	2,73,39,11,121	1,19,71,79,226	99,36,07,146	2,19,07,86,372
Financial liabilities						
Trade payables	98,65,291	-	98,65,291	2,27,68,460	-	2,27,68,460
Borrowings (Other than debt securities)	11,00,00,000	-	11,00,00,000	-	-	-
Other financial liabilities	3,82,83,796	54,76,950	4,37,60,746	3,43,15,393	54,76,950	3,97,92,343
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	4,15,77,205	-	4,15,77,205
Provisions	20,47,89,770	4,41,90,939	24,89,80,709	17,00,55,552	3,92,97,612	20,93,53,164
Deferred tax liabilities (net)	-	-	-	12,80,104	-	12,80,104
Other non-financial liabilities	3,77,88,555	-	3,77,88,555	4,43,11,015	-	4,43,11,015
Total liabilities	40,07,27,412	4,96,67,889	45,03,95,301	31,43,07,729	4,47,74,562	35,90,82,291

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 47 : Contingent liabilities and commitments to the extent not provided for :

Demand of Rs. 20,43,426/- with respect to Service tax matters for which appeal has been filed and order is pending (Previous year: Rs Nil). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid an amount of Rs. 1,53,257/- by way of mandatory pre-deposit till date.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Note 48 : Previous year figures have been regrouped / reclassified wherever necessary.

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN: 23111592BGXFCQ1543

For and on behalf of the Board of Directors of

Motilal Oswal Wealth Limited

Premal H. Gandhi

Partner

Membership No. : 111592

Ashish Shanker

Managing Director and Chief Executive Officer

DIN No: 09307764

Ajay Menon

Director

DIN No: 00024589

Place : Mumbai

Date : 26th April, 2023

Place : Mumbai

Date : 26th April, 2023

MO Alternate Investment Advisors Private Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To
The Members of MO Alternate Investment Advisors Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Financial Statements of MO Alternate Investment Advisors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

INDEPENDENT AUDITOR'S REPORT (Contd..)

performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

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

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company 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.
- v. 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

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

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

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

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
 - g. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- h. 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 has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note 40 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Company has not declared and paid any dividend during the year, thus reporting under this clause is not applicable to the Company.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAP7762

Place: Mumbai

Date: April 24, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure A to the Independent Auditors' Report of even date on the financial statements of MO Alternate Investment Advisors Private Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) The Company has a program of physical verification of property, plant and equipment whereby all the items of property, plant and equipment are verified once in three years and no verification was done during the year as the same was not due. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification carried out in earlier year.
- c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- e) According to the information, explanations and representations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company's business does not involve inventory and accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has provided loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

Amount (Rs. In lakhs)

Particulars	Balance as on 01.04.22	Given during the year	Repayment during the year	Balance as on 31.03.23
Holding Company	Nil	4,300	4,300	Nil

- a) In our opinion, the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. Further, according to the information and explanations provided to us, the Company has not provided any guarantees during the year.
- b) In respect of the loans given and advances in the nature of loans, the Company has granted loans which are repayable on demand. The Company has not granted advances in the nature of loans during the year

INDEPENDENT AUDITOR'S REPORT (Contd..)

to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on this is not applicable to the Company.

- c) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet as on March 31, 2023.
- d) Basis the information and explanations provided to us, no loan which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- e) Basis the information and explanations provided to us, the company has granted loans to holding company Motilal Oswal Financial Services Limited which are repayable on demand. Details of the same are mentioned below:

Particulars	Amount (Rs. In lakhs)
Balance outstanding as at balance sheet date as on 01.04.2022	Nil
Loan given during the year	4,300
Loan payment received during the year	4,300
Balance outstanding as at balance sheet date as on 31.03.2023	Nil

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to loans and investments.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.
 - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of direct and indirect taxes as on March 31, 2023 which have not been deposited on account of any dispute.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) The Company has not availed any term loans accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate during the year.
- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) According to the information, explanation and representations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc., as required by the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (xiv) Internal Audit is not mandatory for the Company as it does not fulfil the related criteria prescribed under Companies Act 2013. Thus, reporting for paragraph 3 (xiv) is not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- b) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There is no resignation of statutory auditor during the year.
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) There are no unspent amounts towards Corporate Social Responsibility ('CSR'). Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- b) The Company does not have any ongoing projects in accordance with the requirements of CSR guidelines and hence, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us and based on our examination, the Company does not prepare consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAP7762

Place: Mumbai

Date: April 24, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure B to the Independent Auditors' Report of even date on the financial statements of MO Alternate Investment Advisors Private Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of MO Alternate Investment Advisors Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting 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.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAP7762

Place: Mumbai

Date: April 24, 2023

BALANCE SHEET

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

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	535	1,894
(b) Receivables			
(l) Trade receivables	5	5,743	3,928
(c) Loans	6	4	314
(d) Investments	7	251	236
(e) Other financial assets	8	41	43
Sub - total financial assets (A)		6,574	6,415
2. Non - financial assets			
(a) Current tax asset (net)	9	2,513	2,593
(b) Property, plant and equipment	10(A)	194	108
(c) Other intangible assets	10(B)	0	0
(d) Other non - financial assets	11	13,760	10,121
Sub - total non - financial assets (B)		16,467	12,822
Total Assets (A+B)		23,041	19,237
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial Liabilities			
(a) Payables			
(l) Trade payables	12		
(i) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		619	2,752
(b) Borrowings (Other than debt securities)	13	-	1
(c) Other financial liabilities	14	517	634
Sub - total financial liabilities (A)		1,136	3,387
2. Non - financial Liabilities			
(a) Deferred tax liabilities (net)	15	2,757	2,173
(b) Provisions	16	4,098	2,521
(c) Other non - financial liabilities	17	2,795	3,255
Sub - total non - financial liabilities (B)		9,650	7,949
3. Equity			
(a) Equity share capital	18	300	300
(b) Other equity	19	11,955	7,601
Sub - total equity (C)		12,255	7,901
Total Liabilities and Equity (A+B+C)		23,041	19,237

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

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

For Singhi & co

Chartered Accountants

Firm Registrartion No : 302049E

For and on behalf of the Board of Directors

MO Alternate Investment Advisors Private Limited

(Formerly known as Motilal Oswal Fincap Private Limited)

S. Chandrasekhar

Partner

Membership No : 007592

Place : Mumbai

Date : 24 April 2023

Vishal Tulsyan

Managing Director and Chief Executive Officer

DIN : 00139754

Place : Mumbai

Date : 24 April 2023

Motilal Oswal

Director

DIN : 00024503

STATEMENT OF PROFIT AND LOSS

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

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
(i) Fees and commission income	20	15,548	14,300
(ii) Training Fees Income	21	-	91
(iii) Dividend income	22	-	7,016
(iv) Net gain on fair value change	23	(34)	7
1) Total revenue from operations		15,514	21,414
2) Other income	24	759	383
3) Total Income (1 + 2)		16,273	21,797
Expenses			
(i) Finance cost	25	53	5
(ii) Fees and commission expense	26	1,746	3,048
(iii) Employee benefits expense	27	6,664	5,959
(iv) Depreciation and amortisation expense	10	21	25
(v) Other expenses	28	1,694	1,297
4) Total expenses		10,178	10,334
5) Profit before tax (3-4)		6,095	11,463
Tax expense/(credit):	29		
(i) Current tax		1,186	125
(ii) Deferred tax expense/(credit)		577	749
(iii) Short/(excess) provision for earlier years		0	-
6) Total tax expenses		1,763	874
7) Profit after tax (5 - 6)		4,332	10,589
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		29	19
(b) Deferred tax impact on the above		(7)	(1)
8) Other comprehensive income/(loss)		22	18
Total comprehensive income for the year (7 + 8)		4,354	10,607
Earnings per share (Rs. 10 each)			
Basic & Diluted (Refer Note 37)		144.42	352.95

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

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

For Singhi & co

Chartered Accountants
Firm Registration No : 302049E

S. Chandrasekhar

Partner
Membership No : 007592

Place : Mumbai

Date : 24 April 2023

For and on behalf of the Board of Directors

MO Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

Vishal Tulsyan

Managing Director and Chief Executive Officer
DIN : 00139754

Place : Mumbai

Date : 24 April 2023

Motilal Oswal

Director
DIN : 00024503

STATEMENT OF CASH FLOW

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from Operating Activities :		
Profit before taxation	6,095	11,463
Adjustments for :		
Depreciation, amortisation and impairment	21	25
Dividend income	-	(7,016)
Loss on sale of investment- realised	50	9
Unrealised (gain)/loss	(16)	(16)
Interest Income	(33)	(90)
Interest Expense	53	5
Gratuity	48	41
	123	(7,042)
Operating profit before Working Capital changes	6,218	4,421
Adjustments for Working Capital changes		
(Increase)/decrease in trade receivables	(1,815)	(3,650)
(Increase)/decrease in other financial assets	1	(23)
(Increase)/decrease in other non financial asset	(3,638)	(4,847)
Increase / (Decrease) in Trade Payables	(2,133)	2,657
Increase/ (Decrease) in other financial liabilities	(117)	(6)
Increase / (Decrease) in other non financial liabilities	(460)	2,224
Increase / (Decrease) in Provisions	1,569	505
Net change in working capital	(6,593)	(3,140)
Cash generated from / (used in) Operations	(375)	1,281
Direct taxes paid net (including MAT credit utilised)	(1,116)	(1,920)
Net cash generated from /(used in) operating activities (A)	(1,491)	(639)
B. Cash flow from Investing Activities :		
Sale of investments	1,790	29,449
Purchase of Investment	(1,840)	(29,160)
Purchase of fixed assets	(107)	(16)
Dividend income	-	7,016
Loan Given	(4,300)	(8,400)
Repayment of Loan Given	4,610	8,400
Interest received on Loans	33	75
Net Cash generated from /(used in) Investing Activities (B)	186	7,364
C. Cash flow from financing activities		
Proceeds from borrowings other than debt securities	2,822	2,256
Repayment of Borrowings other than debt securities	(2,823)	(2,256)
Interest paid on borrowings	(53)	(3)
Dividend paid	-	(7,016)
Net cash from /(used in) financing activities (C)	(54)	(7,019)

STATEMENT OF CASH FLOW

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(1,359)	(294)
E. Cash and cash equivalents at the beginning of the year		
Cash in hand	13	10
Scheduled bank - In current account	1,881	2,178
Total (E)	1,894	2,188
F. Cash and cash equivalents at the end of the year (D+E)	535	1,894
Cash and cash equivalents at the end of the year :		
Cash in hand	1	13
Scheduled bank - In current account	534	1,881
Total (G)	535	1,894

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	1	1
Proceeds from borrowings (other than debt securities)	2,822	2,256
Proceeds from issuance of debt securities		
Repayment of borrowings	(2,823)	(2,256)
Repayment of debt securities		
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	0	1

Notes :

- (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- (ii) Figures in brackets indicate cash outflows.

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

For Singhi & co

Chartered Accountants
Firm Registrartion No : 302049E

For and on behalf of the Board of Directors

MO Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

S. Chandrasekhar

Partner
Membership No : 007592

Place : Mumbai
Date : 24 April 2023

Vishal Tulsyan

Managing Director and Chief Executive Officer
DIN : 00139754

Place : Mumbai
Date : 24 April 2023

Motilal Oswal

Director
DIN : 00024503

STATEMENT OF CHANGES IN EQUITY

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

A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1st April 2021	30,00,000	300
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2021	30,00,000	300
Changes during the year	-	-
As at 31 March 2022	30,00,000	300
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2022	30,00,000	300
Changes during the year	-	-
As at 31 March 2023	30,00,000	300

B) Other equity

Particulars	Reserves and Surplus					Total
	Capital redemption reserve	Other reserve- Preference share equity component	Retained Earnings	Deemed Equity Contribution	General Reserve	
Balance as at 01 April 2021	495	97	3,509	13	-	4,114
Add/Less: Changes due to prior period errors	-	-	-	-	-	-
Restated balance as at 01 April 2021	495	97	3,509	13	-	4,114
Impact of scheme of merger	-	-	(104)	-	-	(104)
Profit during the year	-	-	10,589	-	-	10,589
Actuarial gains/(losses) on post retirement benefit plans	-	-	18	-	-	18
Dividend paid during the year	-	-	(7,016)	-	-	(7,016)
Balance as at 31 March 2022	495	97	6,996	13	-	7,601
Add/Less: Changes due to prior period errors	-	-	-	-	-	-
Restated balance as at 01 April 2022	495	97	6,996	13	-	7,601
Transfer during the year	-	-97	-	-	97	-
Profit during the year	-	-	4,332	-	-	4,332
Actuarial gains/(losses) on post retirement benefit plans	-	-	22	-	-	22
Balance as at 31 March 2023	495	-	11,350	13	97	11,955

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

This is the Statement of Changes in Equity Capital referred to in our report of even date

For Singhi & co

Chartered Accountants
Firm Registration No : 302049E

For and on behalf of the Board of Directors

MO Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

S. Chandrasekhar

Partner
Membership No : 007592

Place : Mumbai
Date : 24 April 2023

Vishal Tulsyan

Managing Director and Chief Executive Officer
DIN : 00139754

Place : Mumbai
Date : 24 April 2023

Motilal Oswal

Director
DIN : 00024503

NOTES TO FINANCIAL STATEMENT

1A. Corporate information

MO Alternate Investment Advisors Private Limited ('the Company') is an Investment Manager managing various funds including Business Excellence Funds, Realty Excellence Fund, etc. The Company is also engaged in providing financial, investment advisory services, management & facilitation services and identifying investment opportunities etc.

The Company holds license of Portfolio manager issued by SEBI Reg. No. for same is INP000004920. Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

2. Significant accounting policies

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

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016] and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 31.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and

NOTES TO FINANCIAL STATEMENT (Contd..)

could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

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

(i) Management fee income

Performance obligations are satisfied over a period of time and management fees in respect of private equity funds are recognized on monthly basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(ii) Advisory, setup fee and referral fee

Performance obligations are satisfied over a period of time and advisory, setup fee and referral fee of private equity fund are recognized on monthly basis in accordance with the terms of contracts entered into between the Company and the counter party.

(iii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

(iv) Dividend income

Dividend income is recognized in the Statement of profit and 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

Distribution cost paid is amortised over the contractual period. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged to the Statement of Profit and Loss over the life of the fund.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Current tax:

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

Deferred tax:

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

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

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

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

2.5. Leases

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

Measurement and recognition of leases as a lessee

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

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

2.6. 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. Outstanding bank overdrafts are not considered integral part of the Company's cash management.

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 the Statement of profit and 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 the Statement of profit and loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

Financial assets

(i) Classification and subsequent measurement

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

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

a. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified date 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.

b. Equity instruments

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

c. Investment in Subsidiary

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

d. Investments in mutual funds and private equity funds

Investments in mutual funds and private equity 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 probable within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(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. A) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

B) Intangible assets

Intangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below.

Assets	Useful life
Computer software	3 years

Derecognition:

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

2.10. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.11. Provisions and Contingent Liabilities:

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

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.12. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.13. 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.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit obligations

Heritage club benefit:

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

2.14. 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 MO Alternate's functional and presentation currency.

(ii) Translation and balances

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.15. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.16. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements under Division III of Schedule III to the Companies Act, 2013.

2.17. Events after reporting date

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

2.18. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset** - The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, Company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- (c) **Recognition of deferred tax assets** - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Property, plant and equipment and Intangible Assets** - Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Note : 4 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	1	13
Balance with banks		
In current accounts	534	1,881
	535	1,894

Note : 5 Trade receivables

	As at 31 March 2023	As at 31 March 2022
a) Considered good - unsecured (Refer Note 5(i))	5,743	3,928
	5,743	3,928

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 5 (i) : Receivable ageing schedule For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,708	19	16	-	-	5,743
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,898	24	6	-	-	3,928
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 6 Loans

	As at 31 March 2023	As at 31 March 2022
Others		
Loan to Employees	4	299
Interest accrued from related party	0	15
less : Impairment loss allowance	-	-
Total Net	4	314

Loan repayable on demand

Type of Borrowers	31 March 23		31 March 22	
	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-
Holding Company	-	-	15	5%

Note 7 : Investments

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Investment - at Fair value through profit and loss (A)						
Investments in Mutual Funds						
SBI Savings Fund - Direct Plan - Growth	Others	Unquoted	449,669	169	449,669	160
						-
Investment in Equity Instruments						
Adani Enterprises Ltd	Others	Quoted	-	-	13	0
Ashok Leyland Ltd.	Others	Quoted	812	1	812	1
Asian Paints Ltd	Others	Quoted	8	0	-	-
Axis Bank Ltd.	Others	Quoted	169	1	140	1
Bajaj Finance Limited	Others	Quoted	9	1	9	1
Bharti Airtel Ltd.	Others	Quoted	72	1	-	-
Birlasoft Ltd	Others	Quoted	245	1	245	1
Colgate-Palmolive (India) Ltd.	Others	Quoted	42	1	42	1
Delhivery Ltd	Others	Quoted	73	0	-	-
Dif Ltd	Others	Quoted	-	-	67	0
Dr Reddys Laboratories Ltd	Others	Quoted	5	0	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Escorts Kubota Ltd	Others	Quoted	48	1	-	-
Gail (India) Ltd.	Others	Quoted	351	0	-	-
Glenmark Pharmaceuticals Ltd.	Others	Quoted	41	0	41	0
Godrej Consumer Products Ltd	Others	Quoted	26	0	-	-
Granules India Ltd.	Others	Quoted	194	1	194	1
Gujarat Gas Ltd	Others	Quoted	152	1	152	1
Hcl Technologies Ltd.	Others	Quoted	114	1	45	1
Hindustan Petroleum Corporation Ltd.	Others	Quoted	35	0	35	0
Housing Development Finance Corp.Ltd.	Others	Quoted	32	1	32	1
ICICI Bank Ltd.	Others	Quoted	266	2	229	2
ICICI Securities Ltd	Others	Quoted	157	1	157	1
IndusInd Bank Ltd	Others	Quoted	23	0	-	-
Infosys Ltd.	Others	Quoted	51	1	-	-
Interglobe Aviation Ltd	Others	Quoted	13	0	-	-
Ipca Laboratories Ltd	Others	Quoted	48	0	11	0
Jk Lakshmi Cement Ltd.	Others	Quoted	189	1	189	1
Jsw Steel Ltd	Others	Quoted	-	-	33	0
Just Dial Ltd.	Others	Quoted	91	1	91	1
KPIT Technologies Ltd	Others	Quoted	27	0	-	-
LTI Mindtree Ltd	Others	Quoted	5	0	-	-
Macrotech Developers Ltd	Others	Quoted	-	-	22	0
Mahindra & Mahindra Ltd	Others	Quoted	21	0	-	-
Minda Industries Ltd.	Others	Quoted	-	-	113	1
Mtar Technologies Ltd	Others	Quoted	-	-	14	0
Nmdc Ltd	Others	Quoted	-	-	155	0
Oil & Natural Gas Corpn Ltd	Others	Quoted	157	0	-	-
Pi Industries Ltd	Others	Quoted	20	1	20	1
Radico Khaitan Ltd	Others	Quoted	20	0	-	-
Ramkrishna Forgings Ltd	Others	Quoted	88	0	-	-
Siemens Ltd	Others	Quoted	7	0	-	-
Srf Ltd	Others	Quoted	10	0	9	0
State Bank Of India	Others	Quoted	266	1	266	1
Sun Pharmaceuticals Industries Ltd	Others	Quoted	-	-	27	0
Tata Chemicals Ltd.	Others	Quoted	-	-	25	0
Tata Consultancy Services Ltd	Others	Quoted	7	0	-	-
Tata Consumer Products Ltd	Others	Quoted	34	0	-	-
Tata Motors Ltd	Others	Quoted	59	0	-	-
Tata Motors Ltd - Dvr	Others	Quoted	98	0	-	-
Tata Power Co.Ltd.	Others	Quoted	-	-	104	0
Triveni Engineering and Industries Ltd	Others	Quoted	89	0	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2023		As at 31 March 2022	
			Units	Amount	Units	Amount
Uno Minda Ltd	Others	Quoted	226	1	-	-
Vaibhav Global Ltd	Others	Quoted	135	0	135	1
Vedanta Ltd	Others	Quoted	-	-	60	0
Westlife Foodworld Ltd	Others	Quoted	36	0	-	-
Zee Entertainment Enterprises Ltd	Others	Quoted	-	-	68	0
Zomato Ltd	Others	Quoted	881	0	-	-
Investment at amortised cost (B)						
Investment in subsidiaries						
Equity						
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited) (Face value of Rs 1 each)	Fellow Subsidiary	Unquoted	20	0	20	0
India Business Excellence Management Company (Face value of USD 1 each)	Subsidiary	Unquoted	40,000	58	40,000	58
Total gross (A+B)				251		236
(I) Investment outside India				58		58
(II) Investment in India				194		178
C) Total (I+II)				251		236
D) Less : Allowance for Impairment loss				-		-
E) Total net (C-D)				251		236

Note : 8 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Margin Money with holding company	41	43
Security Deposit	0	-
	41	43

Note : 9 Current tax asset (net)

	As at 31 March 2023	As at 31 March 2022
Advance Tax net of provision for tax (provision for tax till Current year Rs 42,39 lakhs , Previous year - Rs 38,51lakhs)	2,513	2,593
	2,513	2,593

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 10 : Property, plant and equipment

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Leasehold improvements	103	-	-	103	103	-	-	103	0	0
Computers	76	20	-	96	58	12	-	70	26	18
Furniture and fixtures	25	-	-	25	23	0	-	23	2	2
Electrical equipments	0	-	-	0	0	-	-	0	0	0
Office equipments	15	-	-	15	15	0	-	15	1	1
Vehicles	205	87	-	292	118	9	-	127	165	87
Total (A)	424	107	-	531	317	21	-	338	194	108

Note 10 : Intangible assets

Current Year

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Computer software	4	-	-	4	4	-	-	4	0	0
Total (B)	4	-	-	4	4	-	-	4	0	0
Total (A+B)	428	107	-	535	320	21	-	342	194	108

Note 10 : Property, plant and equipment

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Leasehold improvements	103	-	-	103	103	-	-	103	0	0
Computers	60	16	-	76	48	10	0	58	18	12
Furniture and fixtures	25	-	-	25	23	0	0	23	2	2
Electrical equipments	0	-	-	0	0	0	-	0	0	0
Office equipments	15	-	-	15	15	0	0	15	1	1
Vehicles	205	-	-	205	103	16	1	118	87	102
Total (A)	408	16	-	424	292	26	1	317	108	117

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 10 : Intangible assets

Previous Year

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Computer software	4	-	-	4	4	-	-	4	0	0
Total (B)	4	-	-	4	4	-	-	4	0	0
Total (A+B)	412	16	-	428	296	26	1	321	108	117

Note : 11 Other non - financial assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	11,294	10,103
Balances with Revenue Authority	1,947	-
Advances and other non financial assets	519	18
	13,760	10,121

Note : 12 Trade payables

	As at 31 March 2022	As at 31 March 2021
Due to micro and small enterprise	-	-
Due to other than micro and small enterprise (Refer note 12 (i))	619	2,752
	619	2,752

Note 12 (i) : Trade Payables ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	617	2	-	-	619
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	2,752	-	-	-	2,752
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 13 Borrowings (Other than Debt Securities)

	As at 31 March 2023	As at 31 March 2022
At Amortised Cost		
Unsecured- From related parties	-	1
Total (A)	-	1
Borrowings in India	-	1
Borrowings outside India	-	-
Total (B)	-	1
Unsecured	-	1
Total (C)	-	1

Note : 14 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Other payables	444	491
Interest accrued but not due on borrowings	0	2
Accrued salaries & benefits	3	4
Provision for expenses	70	137
	517	634

Note : 15 Deferred tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities(A)		
Placement fees amortisation	2,820	2,511
Unrealised gain	6	6
Others	-	0
	2,826	2,517
Deferred tax assets(B)		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	13	21
Gratuity provision	53	49
Heritage provision	3	3
Business loss	-	78
Impact of Changes in Accounting tax rate	-	193
	69	344
Net deferred tax (assets)/liabilities (A-B)	2,757	2,173

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 16 Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity obligation (Refer note 44)	212	195
Heritage obligation (Refer note 44)	11	12
Ex-Gratia payable	3,817	2,260
Compensated Absences	58	54
	4,098	2,521

Note : 17 Other non - financial liabilities

	As at 31 March 2023	As at 31 March 2022
Advance received from customers	671	3,046
Statutory dues payable	178	209
Other Payables*	1,946	-
	2,795	3,255

*Amount payable to IBEF on account of Gst paid under protest.

Note-18 Equity Share Capital

	As at 31 March 2023 Number of shares	As at 31 March 2023 In Rupees	As at 31 March 2022 Number of shares	As at 31 March 2022 In Rupees
Authorised :				
Equity Shares of Re. 10/- each (Face value of Rs. 10 each)	50,00,000	500	50,00,000	500
Issued, Subscribed and Paid Up :				
Equity Shares of Re. 10/- each (Face value of Rs. 10 each)	30,00,000	300	30,00,000	300
Total	30,00,000	300	30,00,000	300

18.1 Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of Rs. 10 /- each. Each holder of equity shares is entitled to one vote per share.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

18.2 Reconciliation of the number of shares outstanding

	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Number of shares	In Rupees	Number of shares	In Rupees
Number of shares at the beginning (Face value of Rs 10 each)	30,00,000	300	30,00,000	300
Changes due to prior period error	-	-	-	-
Restated at the beginning of the year	30,00,000	300	30,00,000	300
Changes during the year	-	-	-	-
Number of shares at the end	30,00,000	300	30,00,000	300

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

Name of Shareholder	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financial Services Limited	29,90,000	99.67	29,90,000	99.67

18.4 Shares held by promoters

Shareholding pattern as on March 31, 2023			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial Services Limited and its nominees	30,00,000	100.00	0.00
Total A	30,00,000	100.00	

Shareholding pattern as on March 31, 2022			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial Services Limited and its nominees	30,00,000	100.00	0.00
Total A	30,00,000	100.00	

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 19 : Other Equities

	As at 31 March 2023	As at 31 March 2022
a) Retained earnings		
Balance at the beginning of the year	6,996	3,509
Add: Transfer from Statement of Profit and Loss	4,332	10,589
Add: General Reserves	-	-
Less: Deemed equity contribution	-	-
Add: Actuarial gains/(losses) on post retirement benefit plans	22	18
Less: Dividend paid	-	(7,016)
Less: Impact of scheme of merger	-	(104)
Balance at the end of year	11,350	6,996
b) Deemed Equity Contribution*		
Balance at the beginning of the year	13	13
Add: Transfer from Statement of Profit and Loss	-	-
Balance at the end of year	13	13
c) Capital redemption reserve		
Balance at the beginning of the year	495	495
Add: Transfer from Profit and Loss	-	-
Balance at the end of year	495	495
d) General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer during the year	97	-
Balance at the end of year	97	-
e) Other reserve- Preference share equity component		
Balance at the beginning of the year	97	97
Add: Transfer during the year	(97)	-
Balance at the end of year	-	97
	11,955	7,601

* Deemed equity contribution is the shares to be issued to the shareholders of demerged company by the holding company of the company as on effective date of the scheme of arrangement.

Pursuant to the Order dated March 11, 2022 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), the Scheme of Arrangement between Passionate Investment Management Private Limited ("the Transferor Company 1" or "PIMPL") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3" or "MOPE") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2" or "MORE") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4" or "MORE II") and MO Alternate Investment Advisors Private Limited ("the Resulting Company" or "MO Alternate") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "MOFSL") and their respective Shareholders ('the Scheme') was made effective on March 30, 2022.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature and purpose of reserves

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Capital redemption reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Other comprehensive income

Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans, gain /(loss) of equity instruments carried through FVTOCI.

Other reserve- Preference share equity component

This represents equity component of preference shares.

General reserve

This reserve is created out of transfer of equity component of preference share

Note : 20 Fees and commission income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Advisory fees and referral fees	980	1,942
Management fees	14,021	12,355
Other operating revenue	547	3
	15,548	14,300

Note : 21 Training Fees Income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Training fees income	-	91
	-	91

Note : 22 Dividend income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend	-	7,016
	-	7,016

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 23 Net gain on fair value change

	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain on financial instruments at fair value:		
Unrealised Gain/(Loss)	16	16
Realised Gain/(Loss)	(50)	(9)
	(34)	7

Note : 24 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Miscellaneous income	101	9
Interest on loan	33	90
Interest on income tax refund	16	5
Recovery of Expenses	609	279
	759	383

Note : 25 Finance cost

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost	53	5
	53	5

Note : 26 Fees and commission expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Placement fees	1,746	3,048
	1,746	3,048

Note : 27 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, bonus and allowances	6,334	5,762
Contribution to provident & other funds (Refer note 44)	148	114
Staff welfare expenses	134	42
Gratuity (Refer note 44)	48	41
	6,664	5,959

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 28 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Business support charges	323	329
Rates and taxes	2	5
Rent	292	292
Insurance	11	7
Computer repairs and maintenance	10	4
Legal and professional charges	528	322
Remuneration to auditors (Refer note 35)	11	4
Marketing and brand promotion expenses	70	29
Printing and stationery	16	11
Power and fuel	21	17
Communication expenses	24	18
Travelling expenses	208	144
Foreign exchange fluctuation	7	-
Corporate Social Responsibility (Refer note 41)	75	31
Miscellaneous expenses	96	84
	1,694	1,297

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 liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense		
Current tax for the year	1,186	125
Tax adjustment in respect of earlier years	0	-
Total current tax expense	1,186	125
Deferred taxes		
Change in deferred tax liabilities	577	749
Net deferred tax expense	577	749
	1,763	874

Note : 29.2 Tax recognised through other comprehensive income:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of defined benefit plan	(7)	(1)
Total	(7)	(1)

Note : 29.3 Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	6,095	11,463
Tax at the rate of 25.17%	1,534	2,885
Tax effect of:		
Tax adjustment of previous years	201	-
Expenses not deductible for tax purposes	19	8
Temporary tax difference	9	12
Income not taxable	-	(1,774)
Tax rate diff	-	(386)
MAT writtenoff	-	125
unrealised gains	(0)	4
Income tax expense	1,763	874

Note : 29.4 Effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Effective tax rate	28.92%	7.62%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 29.5 Net deferred tax

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets on account of:		
Provision for gratuity	53	49
Provision for heritage	3	3
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	13	21
Business loss	-	78
Impact of Changes in Accounting tax rate	-	193
Total deferred tax assets (A)	69	344
Deferred tax liability on account of :		
Amortization of distribution costs	2,820	2,511
Unrealised gain	6	6
Others	-	0
Total deferred tax liabilities (B)	2,826	2,517
Net deferred tax assets / (liabilities) (A-B)	(2,757)	(2,173)

Note : 30 Capital Management

A) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital and retained earnings.

B) The capital composition is as follows:

Particulars	31 March 23	31 March 22
Net debt (A)*	-	-
Total equity (B)	11,760	7,309
Gearing ratio (A / B)	0%	0%

*Net debt for the period ended March 2023 and March 2022 is zero

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

Assets	As at 31 March 23			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	535	-	535	1,894	-	1,894
Trade receivables	5,743	-	5,743	3,928	-	3,928
Loans	4	-	4	314	-	314
Investments	193	58	251	178	58	236
Other financial assets	41	-	41	43	-	43
Non-Financial assets						
Current tax assets (net)	-	2,513	2,513	-	2,593	2,593
Property, plant and equipment	-	194	194	-	108	108
Other intangible assets	-	0	0	-	0	0
Other non-financial assets	2,603	11,157	13,760	1,664	8,457	10,121
Total assets	9,120	13,922	23,042	8,021	11,216	19,237
Liabilities						
Financial liabilities						
Trade payables	619	-	619	2,752	-	2,752
Other financial liabilities	517	-	517	634	-	634
Borrowings (Other than debt securities)	-	-	-	1	-	1
Non financial liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Deferred tax liabilities (net)	-	2,757	2,757	-	2,173	2,173
Provisions	3,930	168	4,098	2,342	179	2,521
Other non financial liabilities	849	1,946	2,795	3,255	-	3,255
Total liabilities	5,915	4,871	10,786	8,984	2,352	11,336

Note : 32 Fair value measurements

Financial instruments by category:

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	535	-	1,894
Trade receivables	-	5,743	-	3,928
Loans	-	4	-	314

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Investments	193	58	178	58
Other financial assets	-	41	-	43
Total financial assets	193	6,382	178	6,237
Financial liabilities				
Trade payables	-	619	-	2,752
Borrowings (Other than debt securities)	-	-	-	1
Other financial liabilities	-	517	-	634
	-	1,136	-	3,387

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The carrying amounts of cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are valued at amortised cost.

Investment includes investment in equity shares and mutual funds, which are categorised as per below

NOTES TO FINANCIAL STATEMENT (Contd..)

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

As on 31 March 2023

Particulars	Level 1	Level 2	Level 3
Investment in Equity Shares	25	-	-
Investment in Mutual Funds	169	-	-

As on 31 March 2022

Particulars	Level 1	Level 2	Level 3
Investment in Equity Shares	18	-	-
Investment in Mutual Funds	160	-	-

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount. The fair value of Investment in subsidiary is different from amortised cost.

Note : 33 Financial risk management

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents and trade receivables that derive directly from its operations."

A) Credit risk

Credit risk refers to risk that counter party will default in its contractual obligation resulting in financial loss to the company.

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

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	3,594	3,075
3 - 6 months	2,115	823
6 - 12 months	18	24
More than 12 months	16	6
Total	5,743	3,928

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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities				
Trade payables	619	-	-	619
Borrowings	-	-	-	-
Other current financial liabilities	517	-	-	517
Total	1,136	-	-	1,136

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities				
Trade payables	2,752	-	-	2,752
Borrowings	1	-	-	1
Other current financial liabilities	634	-	-	634
Total	3,387	-	-	3,387

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Foreign currency risk

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

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

(ii) Interest rate risk

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

(iii) Price risk

The company is exposed to price risk from its investment in equity shares & 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 equity shares and mutual funds is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAV and equity share price 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 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/price	19	18
Impact on profit before tax for 10% decrease in NAV/Price	(19)	(18)

Note 34 : Due to micro and small enterprises

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

Particulars	31 March 2023	31 March 2022
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	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 35 : Auditor's remuneration

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
As Auditors:		
Statutory audit	8	4
Interim audit	-	-
Out of pocket expenses	1	0
Certification charges	2	
Total	11	4

Note 36 : Provisions made comprises of

For the year ended 31 March 2023

Particulars	Opening balance as at 01 April 2022	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2023
Gratuity	195	19	2	212
Heritage obligation	12	-	1	11
Ex-gratia	2,260	3,833	2,276	3,817
Compensated absences	54	4	-	58
Total	2,521	3,856	2,279	4,098

For the year ended 31 March 2022

Particulars	Opening balance as at 01 April 2021	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2022
Gratuity	184	22	11	195
Heritage obligation	14	-	2	12
Ex-gratia	1,764	2,273	1,777	2,260
Compensated absences	40	16	2	54
Total	2,002	2,311	1,792	2,521

Note 37 : 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	Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity shareholders (Rupees) [A]	4,332	10,589
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share Re. 10 each) [B]	30,00,000	30,00,000
Basic earnings per share [A] / [B] (Rupees)	144.42	352.95

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 38 : Segment information:

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Note 39 : Transactions in foreign currency

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Advisory fees	2	1,172
Sub - advisory fees	426	525
Dividend Income	-	7,016
Research and Marketing fees	547	-
Total	975	8,713

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Travelling and conveyance expenses	3	4
Membership and subscription fees	9	2
Legal and Professional Fees	6	-
Placement fees	594	-
Total	612	6

Note 40 : Contingent liabilities and commitments to the extent not provided for :

(a) No contingent liability and commitments in the current financial year. (Previous year - Nil)

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 2022-23.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Total amount required to be spent during the year	74	31
(b) Total amount of expenditure incurred during the year	75	31
(c) Shortfall at the end of the year	-	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Donation for education	50	26
Donation for medical aid	-	2
Donation for environment sustainability	25	-
Donation for Eradication Poverty	-	3

Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Motilal Oswal Foundation	75	31

Note 42 : Unhedged foreign currency

The Company is not having any unhedged foreign currency exposure as on 31 March 2023

Note 43 : Related party disclosure

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

(i) List of related parties and their relationship

Holding company

- Motilal Oswal Financial Services Limited

Ultimate Holding company

- Motilal Oswal Financial Services Limited (Passionate Investment Management Private Limited- Ultimate holding company merged with Motilal Oswal Financial Services Limited w.e.f 1/04/2020 being appointed date of merger)

Subsidiary and step-down subsidiary

- India Business Excellence Management Company

Fellow subsidiaries

- MO Alternative IFSC Private Limited
- Motilal Oswal Fininvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Securities International Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Private Limited

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agarawal- Director
- Vishal Tulsyan - Managing Director and Chief Executive Officer

Enterprises in which key management personnel have control

- OSAG Enterprises LLP

Enterprises in which key management personnel and their relatives exercise significant Influence

- Motilal Oswal Foundation (Trust)

(ii) Transactions with related parties for the year ended 31 March 2023

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Enterprise in which KMP have significant Influence/ Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
Training Fees	Motilal Oswal Financial Services Limited	-	70	-	-	-	-	-	70
Business support service	Motilal Oswal Financial Services Limited	323	329	-	-	-	-	323	329
Referral fees Income	Motilal Oswal Wealth Limited	3	2	-	-	-	-	3	2
Placement fees expense	Motilal Oswal Wealth Limited	683	720	-	-	-	-	683	720
	Motilal Oswal Financial Services Limited	584	504	-	-	-	-	584	504

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Enterprise in which KMP have significant Influence/ Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
	Glide Tech Investment Advisors Private Limited	51	-	-	-	-	-	51	-
	TM Investment Technologies Private Limited	62	-	-	-	-	-	62	-
Setup fees expense	Motilal Oswal Wealth Limited	10	112	-	-	-	-	10	112
	Motilal Oswal Financial Services Limited	17	927	-	-	-	-	17	927
Advisory fees Income	India Business Excellence Management Company	428	1,697	-	-	-	-	428	1,697
Dividend paid	Motilal Oswal Financial Services Limited	-	6,115	-	-	-	-	-	6,115
	Mr.Vishal Tulsyan	-	-	-	708	-	-	-	708
Interest expense	Motilal Oswal Finvest Limited	53	5	-	-	-	-	53	5
Rent expense	Motilal Oswal Financial Services Limited	292	292	-	-	-	-	292	292
Dividend income	India Business Excellence Management Company	-	7,016	-	-	-	-	-	7,016
Donation	Motilal Oswal Foundation (Trust)	-	-	75	31	-	-	75	31
Loan (Taken)	Motilal Oswal Finvest Limited	2,821	2,356	-	-	-	-	2,821	2,356

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Enterprise in which KMP have significant Influence/ Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
Repayment of loan taken	Motilal Oswal Finvest Limited	2,823	2,356	-	-	-	-	2,823	2,356
Loan taken (Maximum balance)	Motilal Oswal Finvest Limited	2,286	420	-	-	-	-	2,286	420
Loan given	Motilal Oswal Financial Services Limited	4,300	8,400	-	-	-	-	4,300	8,400
Repayment of loan given	Motilal Oswal Financial Services Limited	4,300	8,400	-	-	-	-	4,300	8,400
Interest income	Motilal Oswal Financial Services Limited	33	75	-	-	-	-	33	75
Advance against bonus	Mr.Vishal Tulsyan	-	-	500	-	-	-	500	-
Employee compensation- Managerial remuneration	Mr.Vishal Tulsyan	-	-	2,077	1,360	-	-	2,077	1,360

Note: Managerial Remuneration

Particulars	31 March 23	31 March 22
Short term employee benefit	2,077	1,360
Share based payments	-	-
Total	2,077	1,360

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(iii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
Outstanding balances:							
Loan/ Interest Payable	Motilal Oswal Finvest Limited	-	(3)	-	-	-	(3)
Rent / MOT Cost	Motilal Oswal Financial Services Limited	(11)	(48)	-	-	(11)	(48)
Advance Received	India Business Excellence Management Co	(643)	(723)	-	-	(643)	(723)
Trade receivable/(payable)	Motilal Oswal Financial Services Limited	(50)	(169)	-	-	(50)	(169)
	Motilal Oswal Wealth Limited	(197)	(479)	-	-	(197)	(479)
	Glide Tech Investment Advisors Private Limited	(101)	(324)	-	-	(101)	(324)
	TM Investment Technologies Private Limited	5	(583)	-	-	5	(583)
Prepaid expenses	Motilal Oswal Financial Services Limited	3,897	3,292	-	-	3,897	3,292
	Motilal Oswal Wealth Limited	4,224	3,735	-	-	4,224	3,735
	Glide Tech Investment Advisors Private Limited	539	477	-	-	539	477
	TM Investment Technologies Private Limited	478	540	-	-	478	540
Loan/Interest receivable	Motilal Oswal Financial Services Limited	-	15	-	-	-	15
Investment	India Business Excellence Management Co	58	58	-	-	58	58
	Motilal Oswal Home Finance Limited	0	0	-	-	0	0
Advance against bonus	Mr.Vishal Tulsyan	-	-	(500)	-	(500)	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 44 : 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 2023	Year ended 31 March 2022
Employers' contribution to provident fund	114	90
National Pension Scheme	34	24
Total	148	114

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, under Ind AS 19 "Employee benefits."

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	7.12%	6.50%	6.79%	3.92%
Rate of escalation in salary (per annum)	6.50%	11.44%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
Employee attrition rate (Past Service)	PS: 0 to 37 : 21%	PS: 0 to 37 : 12.21%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 54.43%
Expected average remaining service	3.62	6.24	4.57	4.57
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	195	184	12	14
Interest cost	14	7	-	-
Current service cost	34	34	(1)	(2)
Transfer in liabilities			-	-
Transfer out liabilities			-	-
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Benefits paid	(2)	(11)	-	(0)
Contributions by plan participants	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
	Business combinations	-	-	-	-
	Curtailments	-	-	-	-
	Settlements	-	-	-	-
	Actuarial (gain)/less on obligation	(29)	(19)	-	-
	PVO at end of period	212	195	11	12
III)	Interest expense				
	Interest cost	14	7	-	-
IV)	Fair value of plan assets				
	Fair value of plan assets at the beginning	-	-	-	-
	Interest income	-	-	-	-
V)	Net Liability				
	PVO at beginning of period	195	184	-	-
	Fair value of the assets at beginning report	-	-	-	-
	Net Liability	195	184	-	-
VI)	Net Interest				
	Interest Expenses	14	7	-	-
	Interest Income	-	-	-	-
	Net Interest	14	7	-	-
VII)	Actual return on plan assets				
	Less: Interest income included above	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-
VIII)	Actuarial (Gain)/loss on obligation				
	Due to Demographic Assumption	-	1	-	-
	Due to Financial Assumption	-	(49)	-	-
	Due to Experience	(29)	29	-	-
	Total Actuarial (Gain)/Loss	(29)	(19)	-	-
IX)	Fair Value of Plan Assets				
	Opening Fair Value of Plan Asset	-	-	-	-
	Adjustment to Opening Fair Value of Plan Asset	-	-	-	-
	Return on Plan Assets excl. interest income	-	-	-	-
	Interest Income	-	-	-	-
	Contributions by Employer	2	11	-	-
	Contributions by Employee	-	-	-	-
	Benefits Paid	(2)	(11)	-	-
	Fair Value of Plan Assets at end	-	-	-	-
X)	Past Service Cost Recognised				
	Past Service Cost- (non vested benefits)	-	-	-	-
	Past Service Cost -(vested benefits)	-	-	-	-
	Average remaining future service till vesting of the benefit	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
	Recognised Past service Cost- non vested benefits	-	-	-	-
	Recognised Past service Cost- vested benefits	-	-	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-	-	-
XI)	Amounts to be recognized in the balance sheet and statement of profit & loss account				
	PVO at end of period	212	195	-	-
	Fair Value of Plan Assets at end of period	-	-	-	-
	Funded Status	(212)	(195)	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-	-	-
	Net Asset/(Liability) recognized in the balance sheet	(212)	(195)	-	-
XII)	Expense recognised in the statement of profit and loss				
	Current service cost	34	34	(1)	(2)
	Net Interest	14	7	-	-
	Past service cost - (non vested benefits)	-	-	-	-
	Past service cost - (vested benefits)	-	-	-	-
	Transfer in liability	-	-	-	-
	Transfer out liability	-	-	-	-
	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	48	41	(1)	(2)
XIII)	Other Comprehensive Income (OCI)				
	Actuarial (Gain)/Loss recognized for the period	(29)	(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)	(29)	(19)	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity (unfunded)		Other long term benefits	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
XIV)	Movement in liability recognized in balance sheet				
	Opening net liability	195	184	12	14
	Adjustment to opening balance	-	-	-	-
	Expenses as above	48	41	(1)	(2)
	Transfer in liabilities			-	-
	Transfer out liabilities			-	-
	Contribution paid	(2)	(11)	-	(0)
	Other Comprehensive Income(OCI)	(29)	(19)	-	-
	Closing net liability	212	195	11	12
XV)	Projected Service Cost 31 March 2023	33	37	-	-
XVI)	Asset Information				
	Cash and Cash Equivalents	-	-	-	-
	Gratuity Fund	-	-	-	-
	Debt Security - Government Bond	-	-	-	-
	Equity Securities - Corporate debt securities	-	-	-	-
	Other Insurance contracts	-	-	-	-
	Property	-	-	-	-
	Total Itemized Assets	-	-	-	-

XVII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	205	219	215	208

XVIII) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	47	41	35	35	23	67

XIX) Asset Liability Comparisons

Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023
PO at End of period	114	165	184	195	212
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(114)	(165)	(184)	(195)	(212)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of defined benefit obligation

3.48

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Risk associated with defined benefit plan:

1) **Investment/interest risk:**

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

2) **Longevity risk:**

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

Note 45 : 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 Alternate Investment Funds, provide investment advisory services to offshore clients. The company earns Managements fees from respective businesses.

a) **Disaggregation of revenue**

Revenue from contracts with customers:

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

Particulars	31 March 23				31 March 22			
	Type of service				Type of service			
	Investment management fees	Referral fees	Investment advisory/ sub advisory services	Other Income	Investment management fees	Referral fees	Investment advisory/ sub advisory services	Training fees
Total revenue from contracts with customers	14,021	551	428	643	12,355	228	1,714	91
<u>Geographical markets</u>								
India	14,021	551	-	643	12,355	228	17	91
Outside India	-	-	428	-	-	-	1,697	-
Total revenue from contracts with customers	14,021	551	428	643	12,355	228	1,714	91
<u>Timing of revenue recognition</u>								
Services transferred at a point in time	-	-	-	-	-	-	-	-
Services transferred over time	14,021	551	428	643	12,355	228	1,714	91
Total revenue from contracts with customers	14,021	551	428	643	12,355	228	1,714	91

NOTES TO FINANCIAL STATEMENT (Contd..)

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

b) Contract balances

Trade receivable are non-interest bearing balances.

c) Performance obligations

The performance obligation of the Company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement. The usual payment term for the performance obligation of the company is three month.

Note 46 : Lease

The Company has taken office premises on short term lease. The Company as a lessee recognised Rs.292 lacs in the statement of profit and loss under the head "rent".

General description of lease terms: -

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Assets are taken on lease for a period of less than 12 months.
- iii) Lease agreement is cancellable and there is no escalation clause

Note 47 : Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Note 48 : Business Combinations

Compliance with approved Scheme of Arrangements

- (a) The Board of Directors of the Company at its Meeting held on 24 December 2020 has, inter-alia, subject to approval of shareholders of the Company and other applicable statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), approved the Scheme of Arrangement between Passionate Investment Management Private Limited (Ultimate Holding Company of Motilal Oswal Financial Services Limited) ("the Transferor Company 1") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("the Resulting Company") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges and the Company has filed an application with Hon'ble NCLT. Pursuant to the directions issued by Hon'ble NCLT, the Meeting of equity shareholders was scheduled on 16 December 2021 and the Scheme was approved by shareholders with requisite majority. Consequently, the Hon'ble NCLT approved the Scheme of Arrangement vide order dated 11 March 2022. The effect of the said Scheme was given on 30 March 2022 from the appointed date of 01 April 2020 by restating the financial statement for the year ended 31 March 2021.
- (b) The accounting treatment of the said Scheme given in the books of accounts is in accordance with the Scheme and in conformity with the accounting standards prescribed under section 133 of the Companies Act, 2013.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Accounting treatment given in the books for the Scheme:

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company 2 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

1.1 The Transferee Company 2 shall record the assets and liabilities of the Transferor Company 1, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 2 in accordance with Para 9(iii) of Appendix C of Ind AS 103.

1.2 The Transferee Company 2 shall preserve the identity of the reserves of the Transferor Company 2 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 2 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 2.

1.3 The shares held by the Transferee Company 2 in the Transferor Company 2 on the Effective Date shall be cancelled.

1.4 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 2 and the Transferee Company 2 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

1.5 The difference between the net assets transferred to the Transferee Company 2 pursuant to Clause 22.1 as reduced by Reserves recorded in the Transferee Company 2 pursuant to Clause 22.2 and after giving effect Clause 22.3 and 22.4, the difference shall be adjusted against Capital Reserve of the Transferee Company 2.

1.6 In case of any difference in accounting policy between the Transferor Company 2 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 2 reflects the financial position on the basis of consistent accounting policy.

1.7 The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company 2 and therefore on amalgamation of the Transferor Company 2 into the Transferee Company 2 there shall be no issue of shares by the Transferee Company 2 in this regard as consideration.

1.8 Upon Part C of the Scheme coming into effect, all equity shares of the Transferor Company 2 held by the Transferee Company 2 (held either directly or through its nominees) shall stand cancelled without any further application, act or deed.

2. DEMERGER OF THE FUND MANAGEMENT UNDERTAKING 1 FROM THE DEMERGED COMPANY 1 INTO RESULTING COMPANY

2.1 The Demerged Company 1 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company 1

- 2.1.1 The Demerged Company 1 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 1, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 2.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 1 and the Resulting Company relating to the Fund Management Undertaking 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 2.1.3 The Demerged Company 1, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 1 ("Transferred Reserves").

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 1.1.1 and after giving effect to clause 1.1.2 and clause 1.1.3 above shall be adjusted to the other equity of the Demerged Company 1.

2.2 The Resulting Company shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Resulting Company

2.2.1 The Resulting Company shall record the assets and liabilities pertaining to the Fund Management Undertaking 1, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company 1.

2.2.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 1 and the Resulting Company relating to the Fund Management Undertaking 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

2.2.3 The identity of the reserves transferred by the Demerged Company 1 pertaining to the Fund Management Undertaking 1 pursuant to clause 1.1.3 of the Scheme, shall be preserved and vested in it and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company 1, prior to Scheme becoming effective.

2.2.4 The difference, being the Net Assets transferred from the Demerged Company 1 pursuant to Clause 1.2.1 above after giving effect to Clause 1.2.2 and 1.2.3, shall be adjusted to Capital Reserve of the Resulting Company.

For the purpose of this Clause 1, "Net Assets" would mean difference between the carrying value of assets and liabilities.

3.1 The Demerged Company 2 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company 2

3.1.1 The Demerged Company 2 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.

3.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 3 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

3.1.3 The Demerged Company 2, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 2 ("Transferred Reserves").

NOTES TO FINANCIAL STATEMENT (Contd..)

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

3.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 2.1.1 and after giving effect to clause 2.1.2 and clause 2.1.3 above shall be adjusted to the other equity of the Demerged Company 2.

3.2 The Resulting Company shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Resulting Company

3.2.1 The Resulting Company shall record the assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company 2.

3.2.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 2 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

3.2.3 The identity of the reserves transferred by the Demerged Company 2 pertaining to the Fund Management Undertaking 2 pursuant to clause 2.1.3, shall be preserved and vested in it and shall appear in the 3.2.4 The difference, being the Net Assets transferred from the Demerged Company 2 pursuant to Clause 2.2.1 above after giving effect to Clause 2.2.2 and Clause 2.2.3, shall be adjusted to Capital Reserve of the Resulting Company.

For the purpose of this Clause 2, "Net Assets" would mean difference between the carrying value of assets and liabilities.

4. Amalgamation Of The Transferor Company 3 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

4.1 The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 3, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 3 in accordance with Para 9(iii) of Appendix C of Ind AS 103.

4.2 The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 3 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 3 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.

4.3 The shares held by the Transferee Company 1 in the Transferor Company 3 on the Effective Date shall be cancelled.

4.4 The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 3.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 4.5 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 3 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf. 4.5.1 The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 4.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 4.2 and after giving effect to Clause 4.3 to 4.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1.
- 4.6 In case of any difference in accounting policy between the Transferor Company 3 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 4.7 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 3 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 3 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 3 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company.
- 5. Demerger Of The Fund Management Undertaking 2 From The Demerged Company 2 Into The Resulting Company**
- 5.1. The Demerged Company 2 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:
- Accounting treatment in the books of the Demerged Company 2
- 5.1.1 The Demerged Company 2 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 5.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 3 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 5.1.3 The Demerged Company 2, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 2 ("Transferred Reserves").
- 5.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 5.1.1 and after giving effect to clause 5.1.2 and clause 5.1.3 above shall be adjusted to the other equity of the Demerged Company 2.
- 5.2 The Holding Company of the Resulting Company shall account for the Scheme in its respective books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance

NOTES TO FINANCIAL STATEMENT (Contd..)

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

with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Holding Company of the Resulting Company

The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued pursuant to Clause 52 of this Scheme and corresponding debit shall be made to Investment in Resulting Company Account.

- 5.3 Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Demerged Company 2 will become a subsidiary of the Holding Company of the Resulting Company.

Upon the Scheme becoming effective and upon the demerger of the Fund Management Undertaking 2 of the Demerged Company 2 into the Resulting Company in terms of this Scheme, the Holding Company of the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company 2 (except shares held by the Holding Company of the Resulting Company) and whose name appear in the register of members of the Demerged Company 2 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company 2/ the Holding Company of the Resulting Company.

6. Amalgamation Of The Transferor Company 4 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 6.1. The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 4, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 4 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 6.2. The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 4 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 4 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 6.3. The shares held by the Transferee Company 1 in the Transferor Company 4 on the Effective Date shall be cancelled.
- 6.4. The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 4 pursuant to Clause 62 of this Scheme.
- 6.5. Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 4 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 6.6. The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 6.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 5.6 and after giving effect to Clause 6.3 to 6.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1.
- 6.7. In case of any difference in accounting policy between the Transferor Company 4 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 6.8. Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Transferor Company 4 will become a subsidiary of the Transferee Company 1.

Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 4 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 4 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 4 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company 1.

Additional disclosures

c) Voting interest acquired

- The fund management division of MOPE Investment Advisors Private Limited (MOPE) got demerged and amalgamated into the Company and consequently equity shares were issued by the holding company of the Company to the shareholders of MOPE.
- The fund management division of Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II) got demerged and amalgamated with the Company and consequently equity shares were issued by the holding company of the company to the shareholders of MORE II.

d) Reason for business combination

- Business Combination will lead to clear cut and straight forward shareholding structure and eliminating needless layers of shareholding tiers and at the same time demonstrate the Promoter Group's direct commitment and engagement and improve the confidence of all shareholders.
- Concentrated management focus on the business in a more professional manner.
- Develop combined long-term corporate strategies and financial policies.
- Operational rationalization, organizational efficiency and optimal utilization of resources.
- From a governance perspective and keeping in mind amendments as per Section 2(87) and Section 186 of the Companies Act, 2013, group intends to reduce the three-layers and simplify the corporate structure.
- Reduced layer of entities shall enhance flexibility to incorporate subsidiaries and/or acquire companies or any other body corporates with controlling stake as per their business strategies.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

e) Acquisition date & date of control:- 01 April 2020

f) Consideration transferred

- To the shareholders of the MOPE Investment Advisors Private Limited –

9,06,120 fully paid up equity shares at Rs.636.10/- each of the holding Company of the company shall be issued and allotted to the equity shareholders of MOPE Investment Advisors Private Limited.

- To the shareholders of the Motilal Oswal Real Estate Investment Advisors II Private Limited –

3,72,000 fully paid up equity shares at Rs.636.10/- each of the holding company of the company shall be issued and allotted to the equity shareholders of Motilal Oswal Real Estate Investment Advisors II Private Limited.

g) Identifiable assets acquired and liabilities assumed

Particulars	As at March 31 2021	Adjustments on account of amalgamation			Adjustment of merger	As at April 01 2021
	As per signed annual report	MOPE	MORE II	MORE		(Restated)
Assets						
Financial Assets						
Cash and Cash Equivalent	8	2,136	44	1	-	2,188
Trade Receivables	20	38	220	-	-	278
Loan	-	0	298	-	-	298
Investments	170	58	404	-	-	632
Other Financial Assets	20	-	-	-	-	20
Non Financial Assets						
Property, plant and equipment	0	77	40	-	-	117
Deferred tax assets (net)	-	-	-	-	-	-
Current Tax Asset	49	677	523	-	(575)	674
Other Non Financial Assets	0	3,645	1,630	-	-	5,274
Liabilities						
Financial Liabilities						
Payables	0	9	86	0	-	95
Loan	-	-	-	1	-	1
Other Financial Liabilities	4	149	86	0	400	639
Non Financial Liabilities						
Current Tax Liabilities	-	-	-	-	-	-
Deferred tax Liability (net)	(26)	364	357	1	604	1,300

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at March 31 2021	Adjustments on account of amalgamation			Adjustment of merger	As at April 01 2021
	As per signed annual report	MOPE	MORE II	MORE		(Restated)
Provisions	-	1,542	460	-	-	2,002
Other Non Financial Liabilities	(1)	934	98	(1)	-	1,030
Equity						
Equity Share Capital	300	-	-	-	13	313
Other Equity	(11)	3,633	2,071	0	(1,593)	4,101

h) Acquisition-related costs

No cost has been incurred related to acquisition.

i) Revenue & Profit or loss of the acquiree included in P&L

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
Transferor Company 1 - MOPE	-	-	5,922	
Transferor Company 1 - MORE II	-	-	3,529	
Transferor Company 1 - MORE	-	-	-	-

j) Combined Revenue & Profit or loss of the merged entity

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
MO Alternate Investment Advisors Pvt. Ltd.	21,798	10,588	9,255	2,412

k) Nature of business of the combining entities

Name of combining entities	General nature of business of combining entities
Transferor Company 1 - PIMPL	Stock Broking services
Demerged Company 1 - MOPE	Investment Manager of Private Equity funds
Demerged Company 2 - MORE II	Investment Manager of Real Estate funds

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- l) Description and number of shares issued, together with the % of each entity's equity shares exchanged to effect the business combination

Name of combining entities	Description of shares issued	Number of shares issued	% of entity's equity share exchanged to extent of business combination
Demerged Company 1 - MOPE	Equity Shares	9,06,120	0.61%
Demerged Company 2 - MORE II	Equity Shares	3,72,000	0.25%

- m) The amount of any difference between the consideration and the value of net identifiable assets acquired and the treatment thereof : Nil

Note 49: Compliance with approved Scheme of Arrangements

The accounting treatment of the approved Scheme of arrangement given in the books of accounts is in accordance with the Scheme and in conformity with the accounting standards prescribed under section 133 of the Companies Act, 2013.

Note 50 : The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Note 51 : Previous year figures have been regrouped / reclassified wherever necessary.

Note 52 : Amount below Rs.50,000 have been rounded off or shown as "0".

For Singhi & co
Chartered Accountants
Firm Registration No : 302049E

For and on behalf of the Board of Directors
MO Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

S. Chandrasekhar
Partner
Membership No : 007592

Vishal Tulsyan
Managing Director and Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 24 April 2023

Place : Mumbai
Date : 24 April 2023

Motilal Oswal Investment Advisors Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT (Contd..)

To,
The Members Motilal Oswal Investment Advisors Limited,

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Investment Advisors Limited** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, and its cash flows for the year ended on March 31, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
-----NIL-----	

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of

INDEPENDENT AUDITORS' REPORT (Contd..)

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT (Contd..)

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

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

Report on Other Legal and Regulatory Requirements

1. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

INDEPENDENT AUDITORS' REPORT (Contd..)

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Aneel Lasod And Associates

Chartered Accountants

Firm Registration No.:- 124609W

Sd/-

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: - 23040117BGWZTS4059

INDEPENDENT AUDITORS' REPORT (Contd..)

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

According to the information and explanation sought by us and given by the company and the book of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. **Fixed assets:**

- a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant, Equipment. and intangible assets.
- b. The Property, Plant, Equipment and intangible assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.
- c. The Company has not revalued its Property, Plant, Equipment (including rights of use assets) or intangible assets during the year.
- d. According to the information, explanations and representation given to us, no Proceedings have been initiated or is pending against the company during the year for holding any Benami Transactions (Prohibition) Act, 1988 (45 of 1988) rules made thereunder.

2. **Inventories:**

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore paragraph 3(ii) (a) of the order is not applicable to the company.

3. **Investment or Guarantee or Granting any Loan or Advances:**

The Investments made are in the nature of investment and are not prima faces prejudicial to the company's interest. Further, according to the information and Explanation provided to us, the company has not provided any Guarantees or Granting any Loan or Advances during the year.

4. **Compliance of section 185 and 186 of the Companies Act, 2013:**

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. **Deposits from Public:**

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under

6. **Cost Records:**

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

INDEPENDENT AUDITORS' REPORT (Contd..)

7. Statutory Dues:

- a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Unrecorded income:

According to the information and explanations given to us, there are no transactions which have not been recorded in the books of Accounts but have been surrendered or disclosed as income in Income Tax Assessments under the Income tax Act, 1961 during the year.

9. Repayment and Usage of Borrowings:

- a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any lender.
- b. On the basis of information and explanation provided to us, the company has not declared a willful defaulter by any bank or financial institution or other lender
- c. According to the information, explanations and representation given to us and to the best of our knowledge and belief, company has not taken term loan during the year.
- d. On an overall examination of the financial statements of the company, funds raised on short term basis do not seem to have used for loan term purposes.
- e. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, to the report under paragraph 3(ix) (e) of the order is not applicable to the company
- f. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, to the report under paragraph 3(ix) (f) of the order is not applicable to the company.

10. Money raised through on Shares:

- a. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x) (a) of the order is not applicable to the company.
- b. The company has not made any preferential allotment or private placement of shares or convertible debentures (Fully or partially) during the year and hence reporting under paragraph 3(x) (b) of the order is

INDEPENDENT AUDITORS' REPORT (Contd..)

not applicable to the company.

11. Fraud:

- a. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- b. According to the information and explanations given to us and to the best of our knowledge, no report u/s 143(12) of the act has been filed in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the central Government during the year.
- c. According to the information, explanations and representation given to us, by the management there were no whistle blower complaints received during the year by the company and hence reporting under paragraph 3(xi) (c) of the order is not applicable to the company.

12. Nidhi Company:

The Company is not a Nidhi Company; and hence reporting under paragraph 3(xii) of the order is not applicable to the company.

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Internal Audit:

- a. In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have taken into consideration, the internal audit reports for the period under audit issued to the company till the date while determining the nature, timing and extent of audit procedures.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. 45-IA of RBI Act, 1934:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

17. Cash Losses:

According to the information and explanations given to us and based on our examination of the record of the company, the company has not incurred cash losses in the financial year.

INDEPENDENT AUDITORS' REPORT (Contd..)

18. Auditors Resignation:

There is no resignation of the statutory auditor during the year, hence this clause is not applicable to the company.

19. Financial Position:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. CSR Compliance:

- a. As the average net profit of the preceding three financial years for Corporate Social Responsibility (CSR) contribution computed in accordance with section 198 of companies Act, 2013 is negative, the company is not required to spend any amount towards CSR. Hence reporting under paragraph (xx) (a) is not applicable to the company.
- b. As the company was not required to spend any amount towards CSR. Hence reporting under paragraph (xx) (b) is not applicable to the company.

21. Consolidated Financial Statements (CFS):

According to the information and explanations given to us and based on our examination of the records of the company, there are no subsidiaries/ associates/ Joint ventures of the company and hence the paragraph 3(xxi) of the order is not applicable to the company.

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No.:- 124609W

Sd/-

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: - 23040117BGWZTS4059

INDEPENDENT AUDITORS' REPORT (Contd..)

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Investment Advisors Limited ('the Company') as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT (Contd..)

Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No.:- 124609W

Sd/-

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: - 23040117BGWZTS4059

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Rupees)

Particulars	NOTE	AS AT 31-Mar-23	AS AT 31-Mar-22
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	4	9,08,46,601	3,88,13,385
b) Receivables			
Trade receivables	5	1,29,17,016	7,34,93,999
c) Loans	6	44,18,956	-
d) Investments	7	1,15,96,26,938	1,08,33,06,705
e) Other financial assets	8	5,00,000	5,00,000
		1,26,83,09,511	1,19,61,14,089
2 Non-financial assets			
a) Current tax asset (net)	9	-	31,00,930
b) Deferred tax asset (net)	10	-	1,71,78,077
c) Property plant & equipments	11 (a)	11,94,768	12,96,316
d) Other non-financial assets	12	49,53,903	47,22,518
		61,48,671	2,62,97,841
TOTAL ASSETS		1,27,44,58,181	1,22,24,11,930
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Other financial liabilities	13	41,93,043	63,60,778
		41,93,043	63,60,778
2 Non-financial liabilities			
a) Current tax liabilities (net)	14	72,89,112	-
b) Provision	15	3,08,46,849	6,48,76,720
c) Deferred tax liabilities (net)	10	62,89,783	-
d) Other non-financial liabilities	16	-	3,88,81,127
		4,44,25,744	10,37,57,847
3 Equity			
a) Share capital	17	1,00,00,000	1,00,00,000
b) Other Equity	18	1,21,58,39,394	1,10,22,93,305
		1,22,58,39,394	1,11,22,93,305
TOTAL LIABILITIES AND EQUITY		1,27,44,58,181	1,22,24,11,930

The accompanying notes form an integral part of the financial statements

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

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

For and on behalf of the Board of Directors of

Motilal Oswal Investment Advisors Limited

Sd/-

Aneel Lasod

Partner

M No: 40117

Sd/-

Motilal Oswal

Director

DIN No: 00024503

Sd/-

Raamdeo Agarawal

Director

DIN No: 00024533

Place : Mumbai

Date: 24th April 2023

UDIN: 23040117BGWZTS4059

Place : Mumbai

Date: 24th April 2023

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees)

Particulars	Note No	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
I. Revenue from operations			
Interest Income	19	49,09,952	-
Fees and commission Income	20	30,45,80,837	37,36,67,865
Net gain on fair value changes	21	2,41,70,356	3,81,74,325
Other Operating Revenue	22	22,21,501	9,32,454
Total Revenue from operations		33,58,82,646	41,27,74,644
II. Other Income	23	19,05,292	21,58,525
III. Total Income (I+II)		33,77,87,938	41,49,33,169
IV. Expenses			
Finance Cost	24	18,34,466	1,69,95,408
Employee benefit Expenses	25	14,32,90,631	15,68,70,023
Depreciation and amortisation	11	2,92,949	3,39,353
Other Expenses	26	4,50,28,109	3,70,11,496
Total Expenses		19,04,46,155	21,12,16,280
V. Profit/(loss) Before Taxation (III-IV)		14,73,41,783	20,37,16,889
VI. Less: Tax Expenses/(credit)	27		
Current tax		1,03,72,282	-
Deferred tax		2,34,67,858	4,47,75,451
Short/Excess Provision of Tax for earlier years		1,97,089	-
		3,40,37,229	4,47,75,451
VII. Profit/(loss) for the period (V-VI)		11,33,04,554	15,89,41,438
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(losses) on post retirement benefit plans		2,41,535	13,24,031
(b) Deferred tax impact on the above		-	3,33,232
Total other comprehensive income		2,41,535	9,90,799
IX. Total comprehensive income/(loss) (VII+VIII)		11,35,46,090	15,99,32,237
Earnings per equity share (Rs.) (Face value per share Rs.10/-)	28		
Basic		113.30	158.94
Diluted		113.30	158.94

The accompanying notes form an integral part of the financial statements

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

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

For and on behalf of the Board of Directors of

Motilal Oswal Investment Advisors Limited

Sd/-

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date: 24th April 2023

UDIN: 23040117BGWZTS4059

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Sd/-

Motilal Oswal

Director

DIN No: 00024503

Place : Mumbai

Date: 24th April 2023

Sd/-

Raamdeo Agarawal

Director

DIN No: 00024533

STATEMENT OF CASH FLOW

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees)

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	14,73,41,783	20,37,16,889
Add /Less :		
Depreciation	2,92,949	3,39,353
Gratuity	15,48,384	16,86,572
Loss / (gain) on Investments-Unrealised	(2,41,70,356)	(3,81,74,325)
OPERATING PROFIT/(LOSS)	12,50,12,760	16,75,68,489
Adjustment for:		
(Increase)/decrease in receivables	6,05,76,989	(7,34,93,999)
(Increase)/decrease in loans	(44,18,956)	-
(Increase)/decrease in other non-financial assets	(2,31,385)	85,73,569
Increase/(decrease) in borrowing	-	(14,55,76,338)
Increase/(decrease) in other financial liabilities	(21,67,735)	(40,00,409)
Increase/(decrease) in provisions	(3,53,36,720)	5,35,48,601
Increase/(decrease) in other non-financial liabilities	(3,88,81,127)	3,60,72,099
CASH FLOW FROM OPERATIONS	10,45,53,826	4,26,92,012
Taxes Paid / (refund received) (Net)	(1,79,329)	(51,85,324)
NET CASH FLOW FROM OPERATIONS	10,43,74,497	3,75,06,688
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(1,91,401)	(6,02,664)
Sale of Investment	-	29
Purchase of Investment	(5,21,49,878)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(5,23,41,279)	(6,02,635)
NET CASH GENERATED/(USED)FOR THE YEAR ENDED	5,20,33,216	3,69,04,051
<u>Cash and Bank Balances comprise of:</u>		
Cash as at beginning of period	22,100	22,100
Scheduled Banks- In Current Accounts	3,87,91,285	18,87,234
Cash & Cash Equivalents as at beginning of year	3,88,13,385	19,09,334
<u>Cash and Bank Balances comprise of:</u>		
Cash as at end of period	2,50,239	22,100
Scheduled Banks- In Current Accounts	9,05,96,362	3,87,91,285
Cash & Cash Equivalents as at end of year	9,08,46,601	3,88,13,385

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

Sd/-

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date: 24th April 2023

UDIN: 23040117BGWZTS4059

For and on behalf of the Board of Directors of

Motilal Oswal Investment Advisors Limited

Sd/-

Motilal Oswal

Director

DIN No: 00024503

Place : Mumbai

Date: 24th April 2023

Sd/-

Raamdeo Agarawal

Director

DIN No: 00024533

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

(A) Equity Share Capital

Particulars	(Amount in rupees)		
	Equity share capital		Total
	Number of shares	Amount	
Issued, subscribed and paid up			
As at 01 April 2021	10,00,000	1,00,00,000	1,00,00,000
Add/Less: Changes due to prior period errors	-	-	-
Restated as at 01 April 2021	10,00,000	1,00,00,000	1,00,00,000
Add: issue of capital	-	-	-
As at 31 March 2022	10,00,000	1,00,00,000	1,00,00,000
Add/Less: Changes due to prior period errors	-	-	-
Restated as at 01 April 2022	10,00,000	1,00,00,000	1,00,00,000
Add: issue of capital	-	-	-
As at 31 March 2023	10,00,000	1,00,00,000	1,00,00,000

(B) Other Equity

Particulars	31-Mar-23				31-Mar-22				Total	
	Reserves and Surplus				Reserves and Surplus				31 March 2023	31 March 2022
	General Reserve	Capital Redemption Reserve	Retained earnings	Items of other comprehensive income	General Reserve	Capital Redemption Reserve	Retained earnings	Items of other comprehensive income		
Balance at the beginning of the reporting period	5,23,44,267	17,90,00,000	87,04,92,645	4,56,394	5,23,44,267	17,90,00,000	71,15,51,207	(5,34,405)	1,10,22,93,306	94,23,61,069
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of the reporting period	5,23,44,267	17,90,00,000	87,04,92,645	4,56,394	5,23,44,267	17,90,00,000	71,15,51,207	(5,34,405)	1,10,22,93,306	94,23,61,069
Total comprehensive income/(loss) for the year	-	-	11,33,04,554	2,41,535	-	-	15,89,41,438	9,90,799	11,35,46,089	15,99,32,237
Balance at the end of the reporting period	5,23,44,267	17,90,00,000	98,37,97,199	6,97,929	5,23,44,267	17,90,00,000	87,04,92,645	4,56,394	1,21,58,39,394	1,10,22,93,305

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

Sd/-

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date: 24th April 2023

UDIN: 23040117BGWZTS4059

For and on behalf of the Board of Directors of

Motilal Oswal Investment Advisors Limited

Sd/-

Motilal Oswal

Director

DIN No: 00024503

Place : Mumbai

Date: 24th April 2023

Sd/-

Raamdeo Agarwal

Director

DIN No: 00024533

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of Significant accounting policies & other Explanatory information

1. Corporate Information

Motilal Oswal Investment Advisors Limited (MOIAL) was incorporated on March 20, 2006. The principal shareholder of the Company as at March 31, 2023 is Motilal Oswal Financial Services Limited (MOFSL).

Company is a merchant banker and an investment banker. As an investment banking company Motilal Oswal Investment Advisors Limited is engaged in capital raising, Domestic IPOs, Private Equity placements, M & A Advisory, Corporate Finance Advisory, Restructuring and FCCBs and GDRs. The company is providing its various services at both international and domestic frontier.

2. Basis of Preparation

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

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2023 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOIAL's functional and presentation currency.

(iv) Use of estimates and judgments

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.
- (c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.
- (d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- (e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.
- (f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

NOTES TO FINANCIAL STATEMENT (Contd..)

(g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) **Measurement of fair values:**

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of significant accounting policies

3.1. Financial instrument

(i) **Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOIAL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Equity instruments and financial liability

(I) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(II) Financial liability:

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

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

NOTES TO FINANCIAL STATEMENT (Contd..)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

NOTES TO FINANCIAL STATEMENT (Contd..)

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Dividend income

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

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

3.4 Leases

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

Measurement and recognition of leases as a lessee

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any, includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

(iii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(iv) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Intangible assets

(i) Recognition and measurement

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

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

3.8 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating

NOTES TO FINANCIAL STATEMENT (Contd..)

compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of the Company are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

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

3.10 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required

NOTES TO FINANCIAL STATEMENT (Contd..)

to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

3.11 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.13 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTE 4: CASH AND CASH EQUIVALENTS

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Cash on hand	2,50,239	22,100
Balance with Bank		
Scheduled Banks- In Current Accounts	9,05,96,362	3,87,91,285
TOTAL	9,08,46,601	3,88,13,385

NOTE 5: RECEIVABLES

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Trade Receivables		
Unsecured, Considered Good	1,29,17,016	7,34,93,999
TOTAL	1,29,17,016	7,34,93,999

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 5 (i): RECEIVABLE AGEING SCHEDULE

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,29,17,016	-	-	-	-	1,29,17,016
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1 - 2 year	2 - 3 year	More than 3 years	
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	7,34,93,999	-	-	-	-	7,34,93,999
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTE 6: LOANS

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Unsecured, considered good	44,18,956	-
TOTAL	44,18,956	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 7: INVESTMENTS

Particulars	Face value/ NAV	31-Mar-23		31-Mar-22	
		Units	Amount	Units	Amount
I. Investments carried at amortised cost					
Investments in Equity Instruments					
Investments in Fellow Subsidiaries - Unquoted					
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	1	26,03,44,836	85,00,00,005	26,03,44,836	85,00,00,005
II. Investments carried at FVTPL					
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted					
Motilal Oswal Large and Midcap fund	10	1,42,50,000	25,48,52,700	1,42,50,000	23,33,06,700
Motilal Oswal Nifty G-sec May 2029 Index Fund	10	19,99,900	2,02,94,585	-	-
Motilal Oswal S&P BSE Enhanced Value Index Fund	10	9,99,950	1,17,17,114	-	-
Investments in Equity Instruments - Fully paid up - Quoted					
Radiant Cash Management Services	1	2,35,637	2,27,62,534	-	-
Total			1,15,96,26,938		1,08,33,06,705

NOTE 8: OTHER FINANCIAL ASSETS

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Deposits	5,00,000	5,00,000
TOTAL	5,00,000	5,00,000

NOTE 9: CURRENT TAX ASSETS (NET)

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Advance Tax and Other Taxes	-	31,00,930
TOTAL	-	31,00,930

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 10: DEFERRED TAX ASSETS / (LIABILITIES) (NET)

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Written Down Value of Fixed Assets	20,78,330	23,49,000
Business Loss	-	2,07,02,993
Long Term Capital Loss	29,34,646	29,34,646
Gratuity provision	18,50,790	15,79,725
Unrealised Gains	(1,31,53,549)	(1,03,88,286)
TOTAL	(62,89,783)	1,71,78,077

NOTE 11: PROPERTY, PLANT & EQUIPMENTS

Current Year

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 01-04-22	Additions	As at 31-03-23	As at 01-04-22	Additions	As at 31-03-23	As at 31-03-23	As at 31-03-22
NOTE 11(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	2,13,96,788	-	2,13,96,788	2,11,96,551	12,487	2,12,09,038	1,87,750	2,00,237
Furniture	48,42,927	-	48,42,927	46,41,417	-	46,41,417	2,01,510	2,01,510
Electrical Equipment	4,39,097	-	4,39,097	3,81,519	-	3,81,519	57,578	57,578
Air Conditioner	44,000	-	44,000	23,866	3,450	27,316	16,684	20,134
Office Equipments	8,64,015	-	8,64,015	8,45,688	11,522	8,57,210	6,805	18,327
Projector	1,00,829	-	1,00,829	95,788	-	95,788	5,041	5,041
Computer	53,44,429	1,91,400	55,35,829	46,33,132	2,65,490	48,98,622	6,37,207	7,11,297
Car	14,00,000	-	14,00,000	13,17,808	-	13,17,808	82,192	82,192
Total (A)	3,44,32,085	1,91,400	3,46,23,485	3,31,35,768	2,92,949	3,34,28,717	11,94,768	12,96,316
NOTE 11(b) INTANGIBLE ASSETS								
Computer Software	1,78,041	-	1,78,041	1,78,041	-	1,78,041	0	0
Total (B)	1,78,041	-	1,78,041	1,78,041	-	1,78,041	0	0
Total (A+B)	3,46,10,126	1,91,400	3,48,01,526	3,33,13,809	2,92,949	3,36,06,758	11,94,768	12,96,316

Previous Year

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 01-04-21	Additions	As at 31-03-22	As at 01-04-21	Additions	As at 31-03-22	As at 31-03-22	As at 31-03-21
NOTE 11(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	2,13,96,788	-	2,13,96,788	2,11,84,064	12,487	2,11,96,551	2,00,237	2,12,681
Furniture	48,42,927	-	48,42,927	46,41,417	-	46,41,417	2,01,510	2,01,510
Electrical Equipment	4,39,097	-	4,39,097	3,81,519	-	3,81,519	57,578	57,578
Air Conditioner	44,000	-	44,000	23,866	-	23,866	20,134	20,134
Office Equipments	8,64,015	-	8,64,015	8,17,200	28,488	8,45,688	18,327	51,684
Projector	1,00,829	-	1,00,829	95,788	-	95,788	5,041	5,041
Computer	47,41,765	6,02,664	53,44,429	44,07,966	2,25,166	46,33,132	7,11,297	3,33,799
Car	14,00,000	-	14,00,000	12,44,596	73,212	13,17,808	82,192	1,55,404
Total (A)	3,38,29,421	6,02,664	3,44,32,085	3,27,96,416	3,39,353	3,31,35,769	12,96,316	10,37,831
NOTE 11(b) INTANGIBLE ASSETS								
Computer Software	1,78,041	-	1,78,041	1,78,041	-	1,78,041	0	0
Total (B)	1,78,041	-	1,78,041	1,78,041	-	1,78,041	0	0
Total (A+B)	3,40,07,462	6,02,664	3,46,10,126	3,29,74,457	3,39,353	3,33,13,810	12,96,316	10,37,832

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 12: OTHER NON-FINANCIAL ASSETS

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Advances for supply for services	1,54,707	86,207
Prepaid Expenses	-	20,10,062
Tax Credit Receivable	26,76,238	26,26,249
Advances and Other non-financial Assets	21,22,958	-
TOTAL	49,53,903	47,22,518

NOTE 13: OTHER FINANCIAL LIABILITIES

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Salary, bonus & other benefits	3,47,167	88,036
Other Payables	20,86,706	54,73,373
Interest Accrued	-	1,75,114
Provision for expenses	17,59,170	6,24,255
TOTAL	41,93,043	63,60,778

NOTE 14: CURRENT TAX LIABILITIES (NET)

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Taxes payables	72,89,112	-
TOTAL	72,89,112	-

NOTE 15: PROVISION

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Provision for employee benefits		
For Gratuity and benefits (refer note 30)	69,39,752	56,30,953
Other long term benefits (refer note 30)	4,13,990	6,45,767
Ex-Gratia (refer note 30)	2,11,62,462	5,86,00,000
Compensated Absences	23,30,645	-
TOTAL	3,08,46,849	6,48,76,720

NOTE 16: OTHER NON-FINANCIAL LIABILITIES

Particulars	AS AT 31-Mar-23	AS AT 31-Mar-22
Statutory Liabilities	-	3,88,81,127
TOTAL	-	3,88,81,127

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 17: SHARE CAPITAL

AUTHORISED	AS AT		AS AT	
	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
	Number of shares	In Rupees	Number of shares	In Rupees
Equity Shares of Re. 10/- each (previous year Re. 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of Re. 10/- each (previous year Re. 10 each)	90,00,000	9,00,00,000	90,00,000	9,00,00,000
	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Re. 10/- each (previous year Re. 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000

17.1 Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of Rs. 10 /- each. Each holder of equity shares is entitled to one vote per share.

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

17.2 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-23	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-22
	Number of shares	In Rupees	Number of shares	In Rupees
Number of share at beginning	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Addition During the Year	-	-	-	-
At the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

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

Name of shareholder	As at 31-Mar-23		As at 31-Mar-22	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding company)	10,00,000	100.00	10,00,000	100.00

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 18: OTHER EQUITY

Particulars	As at 31-Mar-23 In Rupees	As at 31-Mar-22 In Rupees
a) Retained earnings		
Balance at the beginning of the year	87,04,92,646	71,15,51,208
Add: Transfer from Statement of Profit and Loss	11,33,04,554	15,89,41,438
Balance at the end of year	98,37,97,200	87,04,92,646
b) General Reserve		
Balance at the beginning of the year	5,23,44,267	5,23,44,267
Balance at the end of year	5,23,44,267	5,23,44,267
c) Capital Redemption Reserve		
Balance at the beginning of the year	17,90,00,000	17,90,00,000
Balance at the end of year	17,90,00,000	17,90,00,000
d) Other Comprehensive Income Reserve		
Balance at the beginning of the year	4,56,393	(5,34,406)
Add: Transfer from Statement of Profit and Loss	2,41,535	9,90,799
Balance at the end of year	6,97,928	4,56,393
	1,21,58,39,394	1,10,22,93,306

Nature and Purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve created redemption of preference share. The reserve will be utilised in accordance with provision of the Act.

General Reserve

The Reserve created out of retained earning. The reserve will be utilised in accordance with provision of the Act.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

NOTE 19: INTEREST INCOME

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Interest on Loan	49,09,952	-
TOTAL	49,09,952	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 20: FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Advisory Fees	29,04,92,129	37,36,67,865
Brokerage income	1,40,88,708	-
TOTAL	30,45,80,837	37,36,67,865

NOTE 21: NET GAIN / (LOSS) ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Net gain /(loss) on financial instruments at FVTPL		
Unrealised gains / (loss)	2,41,70,356	3,81,74,325
TOTAL	2,41,70,356	3,81,74,325

NOTE 22: OTHER OPERATING REVENUE

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Out of pocket recovery	22,21,501	9,32,454
TOTAL	22,21,501	9,32,454

NOTE 23: OTHER INCOME

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Interest on Income tax refund	16,93,219	21,50,453
Interest Income at amortised costs	-	8,072
Other Non Operating Revenue	2,12,073	-
TOTAL	19,05,292	21,58,525

NOTE 24: FINANCE COST

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
On financial liabilities measured at amortised cost:		
Interest Cost	13,29,466	1,69,95,408
Other borrowing cost	5,05,000	-
TOTAL	18,34,466	1,69,95,408

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 25: EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
EMPLOYEE BENEFIT		
Salary, Bonus and Allowances	12,77,76,543	14,16,61,004
Employee Stock option Scheme	52,92,831	79,92,226
Contribution to provident & other Funds	37,09,227	24,90,477
Gratuity (refer note 30)	15,48,384	16,86,572
Staff Welfare Expenses	49,63,646	30,39,744
TOTAL	14,32,90,631	15,68,70,023

NOTE 26: OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-23	For the Year Ended 31-Mar-22
Rent	2,09,76,900	2,09,76,900
Insurance	6,23,563	4,63,615
Remuneration to Auditors (refer note 26)	2,90,000	1,75,000
Membership & Subscription	9,80,759	3,50,760
Data processing charges	8,30,049	7,47,556
Power & Fuel	15,39,286	12,52,683
Communication Expenses	50,67,024	39,40,664
Travelling Expenses & Conveyance	64,35,418	20,22,590
Entertainment Expenses	20,68,646	10,75,755
Legal & Professional Charges	10,59,306	18,67,615
Printing & Stationery	6,63,557	4,09,321
Foreign Exchange Fluctuation	2,424	-
Repairs & Maintenance	-	1,850
Business Support Charges	18,00,000	18,00,000
Donation (refer note 35)	-	7,31,000
Miscellaneous Expenses	26,91,177	11,96,187
TOTAL	4,50,28,109	3,70,11,496

NOTE 26: AUDITOR'S REMUNERATION

Particulars	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Audit Fees	2,90,000	1,75,000
Total	2,90,000	1,75,000

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 27: TAX EXPENSES, DEFFERED TAX ASSETS AND LIABILITIES

NOTE 27.1: Tax expense

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Current tax expense		
Current tax for the year	1,03,72,282	-
Tax adjustment in respect of earlier years	1,97,089	-
Total current tax expense	1,05,69,371	-
Deferred taxes		
Change in deferred tax liabilities	2,34,67,858	4,47,75,451
Net deferred tax expense	2,34,67,858	4,47,75,451
	3,40,37,229	4,47,75,451

NOTE 27.2: Tax reconciliation (for profit and loss)

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Profit/(loss) before income tax expense	14,73,41,783	20,37,16,889
Tax at the rate of 25.17%	3,70,85,927	5,12,75,541
<u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u>		
Tax adjustment of previous years	1,97,089	-
Expenses not deductible for tax purposes	16,762	-
Tax at different rate	(32,62,549)	(65,00,090)
Change due to deferred tax	-	-
Income tax expense	3,40,37,229	4,47,75,451

NOTE 27.3: Items of deferred tax

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Deferred tax on account of:		
Written Down Value of Fixed Assets	20,78,330	23,49,000
Business Loss	-	2,07,02,993
Gratuity provision	18,50,790	15,79,725
Long Term Capital Loss of previous years	29,34,646	29,34,646
Unrealised gain on financial instrument	(1,31,53,549)	(1,03,88,286)
Total deferred tax assets/(liability)	(62,89,783)	1,71,78,078

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 28: BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-Mar-23 In Rupees	31-Mar-22 In Rupees
Profit after tax attributable to equity shareholders [A]	11,33,04,554	15,89,41,438
Number of weighted average equity shares issued [B]	10,00,000	10,00,000
Basic Earnings per share (EPS) –[A/B] (Rs.)	113.30	158.94
Weighted Number of equity shares outstanding for Diluted EPS [C]	10,00,000	10,00,000
Diluted Earnings per share (DEPS) [A/C] (Rs.)	113.30	158.94

NOTE 29: ACTIVITY IN FOREIGN CURRENCY

Particulars	31-Mar-23 In Rupees	31-Mar-22 In Rupees
Expenditure in foreign currency		
Overseas travel expenses	2,47,805	-
Data Subscription Charges	17,52,630	-
Total	20,00,435	-

NOTE 30: PROVISIONS MADE FOR THE YEAR ENDED 31st MARCH, 2023 COMPRISES OF:

Particulars	Opening balance	Provided during the year ended 31-Mar-23	Paid /reversed during the year ended 31-Mar-23	Closing balance as of 31-Mar-23
Ex-gratia (Bonus)	5,86,00,000	1,97,48,000	5,71,85,538	2,11,62,462
Gratuity	56,30,953	21,09,944	8,01,145	69,39,752
Compensated Absences	-	23,30,645	-	23,30,645
Other Long term benefits	6,45,767	(2,31,777)	-	4,13,990

Particulars	Opening balance	Provided during the year ended 31-Mar-22	Paid /reversed during the year ended 31-Mar-22	Closing balance as of 31-Mar-23
Ex-gratia (Bonus)	27,77,601	5,86,22,399	28,00,000	5,86,00,000
Gratuity	72,20,334	3,62,541	19,51,922	56,30,953
Other Long term benefits	9,67,643	(3,21,876)	-	6,45,767

NOTE 31: CONTINGENT LIABILITIES

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

NOTE 32: CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is Rs. Nil (Previous Year : Rs. 1,14,450/-)

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 33: DUES TO MICRO AND SMALL ENTERPRISES

There is no amount outstanding for more than thirty days to any small scale industrial undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the Company owes the dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information provided by the vendors to the Company.

NOTE 34: CORPORATE SOCIAL RESPONSIBILITY

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

a) Amount required to be spent during the year:

Particulars	31-Mar-23	31-Mar-22
Gross amount required to be spent during the year		-
Gross amount actually spent during the year	-	7,31,000
Amount of shortfall/(excess) at the end of year	-	(7,31,000)
Total of previous years shortfall/(excess)	(5,00,270)	2,30,730
Reasons for shortfall, if any	NA	NA

b) Amount spent during the period ended 31st March, 2023 on :

Particulars	Amount paid
a) Construction/acquisition of any asset	-
b) on Purposes other than (a) above	-
Total	-

Amount spent during the period ended 31st March, 2022 on :

Particulars	Amount paid
a) Construction/acquisition of any asset	-
b) on Purposes other than (a) above	
- Donation to PM CARES Fund	7,31,000
Total	7,31,000

NOTE 35: CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 36: Disclosure pursuant to IndAS 19 - Employees benefits

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(A) Defined contribution plan :

Particulars	31-Mar-23	31-Mar-22
Employer's contribution to provident fund	26,72,028	20,70,591
	26,72,028	20,70,591

(B) Defined benefit plan

Particulars		Gratuity		Other Long Term Benefits	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
I)	Assumptions as at				
	Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
	Interest / Discount Rate	7.14%	3.73%	6.79%	3.92%
	Rate of increase in compensation	6.50%	3.22%	-	-
	Expected rate of return on plan assets (per annum)				
	Employee Attrition Rate (Past Service)	PS: 0 to 37 : 17%	PS: 0 to 37 : 16.356107	PS: 0 to 37 YRS: 54.43%	PS: 0 to 37 YRS: 54.43%
	Expected average remaining service	4.50	4.68	-	-
II)	Changes in present value of obligations (PVO)				
	PVO at beginning of period	56,30,953	72,20,334	6,45,767	-
	Interest cost	1,94,603	2,66,507	-	-
	Current Service Cost	13,55,731	14,20,065	(2,31,777)	6,45,767
	Past Service Cost- (non vested benefits)	-	-	-	-
	Past Service Cost -(vested benefits)	-	-	-	-
	Transfer in liability	-	-	-	-
	Transfer out liability	-	-	-	-
	Benefits Paid	-	(19,51,922)	-	-
	Contributions by plan participants	-	-	-	-
	Business Combinations	-	-	-	-
	Curtailments	-	-	-	-
	Settlements	-	-	-	-
	Actuarial (Gain)/Loss on obligation	(2,41,535)	(13,24,031)	-	-
	PVO at end of period	69,39,752	56,30,953	4,13,990	6,45,767
III)	Interest expense				
	Interest cost	1,94,603	2,66,507	-	-
IV)	Fair value of plan assets				

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

Particulars		Gratuity		Other Long Term Benefits	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Fair Value of Plan Assets at the beginning	-	-	-	-
	Interest income	-	-	-	-
V)	Net Liability				
	PVO at beginning of period	56,30,953	72,20,334	-	-
	Fair Value of the Assets at beginning report	-	-	-	-
	Net Liability	56,30,953	72,20,334	-	-
VI)	Net Interest				
	Interest Expenses	1,94,603	2,66,507	-	-
	Interest Income	-	-	-	-
	Net Interest	1,94,603	2,66,507	-	-
VII)	Actual return on plan assets				
	Less Interest income included above	-	-	-	-
	Return on plan assets excluding interest income	-	-	-	-
VIII)	Actuarial (Gain)/loss on obligation				
	Due to Demographic Assumption	5,581	(17,610)	-	-
	Due to Financial Assumption	(5,10,818)	(7,55,454)	-	-
	Due to Experience	2,63,702	(5,50,967)	-	-
	Total Actuarial (Gain)/Loss	(2,41,535)	(13,24,031)	-	-
IX)	Fair Value of Plan Assets				
	Opening Fair Value of Plan Asset	-	-	-	-
	Adjustment to Opening Fair Value of Plan Asset	-	-	-	-
	Return on Plan Assets excl. interest income	-	-	-	-
	Interest Income	-	-	-	-
	Contributions by Employer	-	19,51,922	-	-
	Contributions by Employee	-	-	-	-
	Benefits Paid	-	(19,51,922)	-	-
	Fair Value of Plan Assets at end	-	-	-	-
X)	Past Service Cost Recognised				
	Past Service Cost- (non vested benefits)	-	-	-	-
	Past Service Cost -(vested benefits)	-	-	-	-
	Average remaining future service till vesting of the benefit	-	-	-	-
	Recognised Past service Cost- non vested benefits	-	-	-	-
	Recognised Past service Cost- vested benefits	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

Particulars		Gratuity		Other Long Term Benefits	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Unrecognised Past Service Cost- non vested benefits	-	-	-	-
XI)	Amounts to be recognized in the balance sheet and statement of profit & loss account				
	PVO at end of period	69,39,752	56,30,953	-	-
	Fair Value of Plan Assets at end of period	-	-	-	-
	Funded Status	(69,39,752)	(56,30,953)	-	-
	Net Asset/(Liability) recognized in the balance sheet	(69,39,752)	(56,30,953)	-	-
XII)	Expense recognised in the statement of profit and loss				
	Current service cost	13,55,731	14,20,065	(2,31,777)	6,45,767
	Net Interest	1,94,603	2,66,507	-	-
	Past service cost - (non vested benefits)	-	-	-	-
	Past service cost - (vested benefits)	-	-	-	-
	Curtailement 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	15,50,334	16,86,572	(2,31,777)	6,45,767
XIII)	Other Comprehensive Income (OCI)				
	Actuarial (Gain)/Loss recognized for the period	(2,41,535)	(13,24,031)	-	-
	Asset limit effect	-	-	-	-
	Return on Plan Assets excluding net interest	-	-	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	(2,41,535)	(13,24,031)	-	-
XIV)	Movement in liability recognized in balance sheet				
	Opening net liability	56,30,953	72,20,334	6,45,767	-
	Adjustment to opening balance	-	-	-	-
	Expenses as above	15,50,334	16,86,572	(2,31,777)	6,45,767
	Transfer in liability	-	-	-	-
	Transfer out liability	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

Particulars		Gratuity		Other Long Term Benefits	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Benefits paid by the Company	-	-	-	-
	Contribution paid	-	(19,51,922)	-	-
	Other Comprehensive Income(OCI)	(2,41,535)	(13,24,031)	-	-
	Closing net liability	69,39,752	56,30,953	4,13,990	6,45,767
XV)	Schedule III of The Companies Act 2013				
	Current liability				
	Non - current liability	11,79,502	8,27,408	(5,79,425)	4,38,652
		57,60,250	48,03,545	1,65,435	2,07,116
XVI)	Projected Service Cost 31 Mar 2023				
		13,75,345	13,55,731	-	-
XVII)	Asset Information				
	Cash and Cash Equivalents	-	-	-	-
	Gratuity Fund ()	-	-	-	-
	Debt Security - Government Bond	-	-	-	-
	Equity Securities - Corporate debt securities	-	-	-	-
	Other Insurance contracts	-	-	-	-
	Property	-	-	-	-
	Total Itemized Assets	-	-	-	-

XVIII) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	66,57,912	72,45,673	70,91,802	67,90,556

XIX) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	11,79,502	10,94,559	9,74,848	9,28,438	9,30,410	29,97,339

XX) Asset Liability Comparisons

Year	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
PO at End of period	64,13,112	82,60,316	72,20,334	56,30,953	69,39,752
Plan Assets					
Surplus / (Deficit)	(64,13,112)	(82,60,316)	(72,20,334)	(56,30,953)	(69,39,752)
Experience adjustments on plan assets					

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of significant accounting policies and other explanatory information

(Amount In Rupees)

NOTE 37: SEGMENT REPORTING

As per IND AS 108 para 4, Segment has been disclosed in Consolidated Financial Statement of the Holding Company i.e. Motilal Oswal Financial Services Limited, hence no separate disclosure has been given.

NOTE 38: RELATED PARTY DISCLOSURE

(i) Names of Related Parties:-

Holding Company

Motilal Oswal Financial Services Limited

Fellow subsidiaries

- Motilal Oswal Finvest Limited
- Motilal Oswal Trustee Co. Limited
- MO Alternate Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Securities International Pvt. Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Market (Singapore) Pte Limited
- Motilal Oswal Home Finance Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Pvt. Ltd.
- MO Alternative IFSC Private Limited

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agrawal – Director

Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation
- OSAG Enterprises LLP
- Like Minded Wealth Creation Trust

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

(ii) Transactions with related parties: 31-03-2023

Particulars	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Interest Expense	Motilal Oswal Finvest Limited	-	-	13,29,466	1,64,89,508	13,29,466	1,64,89,508
Interest (Income)	Motilal Oswal Financial Services Limited	(49,09,952)	-	-	-	(49,09,952)	-
Rent Expense	Motilal Oswal Financial Services Limited	2,09,76,900	2,09,76,900	-	-	2,09,76,900	2,09,76,900
Business Support Charges	Motilal Oswal Financial Services Limited	18,00,000	18,00,000	-	-	18,00,000	18,00,000
Reimbursement of Expenses	Motilal Oswal Financial Services Limited	30,80,768	-	-	-	30,80,768	-
Loans (Taken)	Motilal Oswal Financial Services Limited	(1,50,00,000)	-	-	-	(1,50,00,000)	-
	Motilal Oswal Finvest Limited	-	-	(6,69,00,000)	(6,94,23,662)	(6,69,00,000)	(6,94,23,662)
Loans Repaid	Motilal Oswal Finvest Limited	-	-	-	21,50,00,000	-	21,50,00,000
Loans (Maximum balance)	Motilal Oswal Finvest Limited	-	-	-	19,58,76,338	-	19,58,76,338
Loans Given / (Taken)	Motilal Oswal Financial Services Limited	9,50,00,000	-	-	-	9,50,00,000	-

(iii) Outstanding Balances:

Particulars	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Other (payables) / receivables	Motilal Oswal Financial Services Limited	(3,41,654)	(5,16,768)	-	-	(3,41,654)	(5,16,768)
	Motilal Oswal Financial Services Limited	(7,94,144)	(7,98,705)	-	-	(7,94,144)	(7,98,705)
Other (payables) / receivables	Motilal Oswal Finvest Limited	-	-	-	(1,75,114)	-	(1,75,114)
	Motilal Oswal Financial Services Limited	44,18,957	-	-	-	44,18,957	-
Other (payables) / receivables	Motilal Oswal Financial Services Limited	1,55,728	(5,59,454)	-	-	1,55,728	(5,59,454)
Investments	Motilal Oswal Home Finance Limited	-	-	85,00,00,005	85,00,00,005	85,00,00,005	85,00,00,005

Notes: Income/Liability figure are shown in brackets.

NOTE 39: FINANCIAL RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

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

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Upto 3 months	43,20,000	-
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	43,20,000	-

B. Liquidity risk

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

Liquidity risk management

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

(i) Maturities of non – derivative financial liabilities

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowing	-	-	-	-
Other financial liabilities	41,93,043	-	-	41,93,043
Total	41,93,043	-	-	41,93,043

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowing	-	-	-	-
Other financial liabilities	63,60,778	-	-	63,60,778
Total	63,60,778	-	-	63,60,778

C. Market Risk

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

(i) Foreign currency risk

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

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

(ii) Cash flow and fair value interest rate risk

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

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

(iii) Price risk

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

The Investments held by the Company are ancillary to the Investment management business objective.

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

Sensitivity to price risk

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

Sensitivity	31-Mar-23	31-Mar-22
Impact on profit before tax for 10% Increase in NAV/price	3,09,62,693	2,33,30,670
Impact on profit before tax for 10% Decrease in NAV/price	(3,09,62,693)	(2,33,30,670)

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 40: FAIR VALUE MEASUREMENT

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

a) Financial instruments by category

Particulars	31-Mar-23		31-Mar-22	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	9,08,46,601	-	3,88,13,385
Receivables				
(i) Trade receivables	-	1,29,17,016	-	7,34,93,999
Loans	-	44,18,956	-	-
Investments	30,96,26,934	85,00,00,005	23,33,06,700	85,00,00,005
Other financial assets	-	5,00,000	-	5,00,000
Total financial assets	30,96,26,934	95,86,82,578	23,33,06,700	96,28,07,389
Financial liabilities				
Other financial liabilities	-	41,93,043	-	63,60,778
Total financial liabilities	-	41,93,043	-	63,60,778

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31-Mar-23		As at 31-Mar-22	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
- Mutual funds	28,68,64,399	-	23,33,06,700	-
Total	28,68,64,399	-	23,33,06,700	-

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTES TO FINANCIAL STATEMENT (Contd..)

(Amount In Rupees)

NOTE 41: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	31-Mar-23			31-Mar-22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	9,08,46,601	-	9,08,46,601	3,88,13,385	-	3,88,13,385
Receivables						
(i) Trade receivables	1,29,17,016	-	1,29,17,016	7,34,93,999	-	7,34,93,999
Loans	44,18,956	-	44,18,956	-	-	-
Investments	-	1,15,96,26,938	1,15,96,26,938	-	1,08,33,06,705	1,08,33,06,705
Other financial assets	-	5,00,000	5,00,000	-	5,00,000	5,00,000
Non-financial assets						
Current tax assets (Net)	-	-	-	31,00,930	-	31,00,930
Deferred tax assets (Net)	-	-	-	1,71,78,077	-	1,71,78,077
Property, plant and equipment	-	11,94,768	11,94,768	-	12,96,316	12,96,316
Other non-financial assets	49,53,903	-	49,53,903	47,22,518	-	47,22,518
Total assets	11,31,36,476	1,16,13,21,706	1,27,44,58,182	13,73,08,909	1,08,51,03,021	1,22,24,11,930
Financial liabilities						
Debt securities	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-
Other financial liabilities	41,93,043	-	41,93,043	63,60,778	-	63,60,778
Non-financial Liabilities						
Current tax liabilities (Net)	72,89,112	-	72,89,112	-	-	-
Provisions	3,08,46,849	-	3,08,46,849	6,48,76,720	-	6,48,76,720
Deferred tax liabilities (Net)	62,89,783	-	62,89,783	-	-	-
Other non-financial liabilities	-	-	-	3,88,81,127	-	3,88,81,127
Total liabilities	4,86,18,787	-	4,86,18,787	11,01,18,625	-	11,01,18,625

For Aneel Lasod And Associates

Chartered Accountants
Firm Reg. No. - 124609W

Sd/-
Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Date: 24th April 2023
UDIN: 23040117BGWZTS4059

For and on behalf of the Board of Directors of

Motilal Oswal Investment Advisors Limited

Sd/-
Motilal Oswal
Director
DIN No: 00024503

Place : Mumbai
Date: 24th April 2023

Sd/-
Raamdeo Agarawal
Director
DIN No: 00024533

Glide Tech Investment Advisory Private Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

To,
The Members Glide Tech Investment Advisory Private limited,

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Glide Tech Investment Advisory Private limited** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, and its cash flows for the period ended on March 31, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
-----NIL-----	

Responsibility of Management for the Standalone Financial Statements

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

INDEPENDENT AUDITORS' REPORT (Contd..)

the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (Contd..)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid Remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITORS' REPORT (Contd..)

- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Aneel Lasod and Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: 23040117BGWZWN2212

INDEPENDENT AUDITORS' REPORT (Contd..)

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

According to the information and explanation sought by us and given by the company and the book of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant, Equipment. and intangible assets.
- b. The Property, Plant, Equipment and intangible assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.
- c. The Company has not revalued its Property, Plant, Equipment (including rights of use assets) or intangible assets during the year.
- d. According to the information, explanations and representation given to us, no Proceedings have been initiated or is pending against the company during the year for holding any Benami Transactions (Prohibition) Act, 1988 (45 of 1988) rules made thereunder.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore paragraph 3(ii) (a) of the order is not applicable to the company.

3. Investment or Guarantee or Granting any Loan or Advances:

The Investments made are in the nature of investment and are not prima faces prejudicial to the company's interest. Further, according to the information and Explanation provided to us, the company has not provided any Guarantees or Granting any Loan or Advances during the year.

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under.

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

ANNEXURE A TO THE AUDITORS' REPORT (CONTD..)

7. Statutory Dues:

- a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Unrecorded income:

According to the information and explanations given to us, there are no transactions which have not been recorded in the books of Accounts but have been surrendered or disclosed as income in Income Tax Assessments under the Income tax Act, 1961 during the year.

9. Repayment and Usage of Borrowings:

- a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any lender.
- b. On the basis of information and explanation provided to us, the company has not declared a willful defaulter by any bank or financial institution or other lender
- c. According to the information, explanations and representation given to us and to the best of our knowledge and belief, company has not taken term loan during the year.
- d. On an overall examination of the financial statements of the company, funds raised on short term basis do not seem to have used for loan term purposes.
- e. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, to the report under paragraph 3(ix) (e) of the order is not applicable to the company
- f. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, to the report under paragraph 3(ix) (f) of the order is not applicable to the company.

10. Money raised through on Shares:

- a. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x) (a) of the order is not applicable to the company.
- b. The company has not made any preferential allotment or private placement of shares or convertible debentures (Fully or partially) during the year and hence reporting under paragraph 3(x) (b) of the order is not applicable to the company.

ANNEXURE A TO THE AUDITORS' REPORT (CONTD..)

11. Fraud:

- a. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- b. According to the information and explanations given to us and to the best of our knowledge, no report u/s 143(12) of the act has been filed in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the central Government during the year.
- c. According to the information, explanations and representation given to us, by the management there were no whistle blower complaints received during the year by the company and hence reporting under paragraph 3(xi) (c) of the order is not applicable to the company.

12. Nidhi Company:

The Company is not a Nidhi Company; and hence reporting under paragraph 3(xii) of the order is not applicable to the company.

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Internal Audit:

- a. In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. 45-IA of RBI Act, 1934:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

17. Cash Losses:

According to the information and explanations given to us and based on our examination of the record of the company, the company has not incurred cash losses in the financial year.

18. Auditors Resignation:

There is no resignation of the statutory auditor during the year, hence this clause is not applicable to the company.

ANNEXURE A TO THE AUDITORS' REPORT (CONTD..)

19. Financial Position:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. CSR Compliance:

CSR Paragraph (xx) (b) of the order is not applicable to the company.

21. Consolidated Financial Statements (CFS):

According to the information and explanations given to us and based on our examination of the records of the company, there are no subsidiaries/ associates/ Joint ventures of the company and hence the paragraph 3(xxi) of the order is not applicable to the company.

For **Aneel Lasod and Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: 23040117BGWZWN2212

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Glide Tech Investment Advisory Private Limited** ('the Company') as of 31 March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide

ANNEXURE B TO THE AUDITORS' REPORT

reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No:-040117

Place: Mumbai

Date: 24-04-2023

UDIN: 23040117BGWZWN2212

STANDALONE BALANCE SHEET

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

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
A. Non-current assets			
a) Property, plant and equipment	4(a)	11,564	15,616
b) Other intangible assets	4(b)	80,232	79,931
c) Loan	5	125	
d) Financials Assets			
(i) Investments	6	1,731	1,820
e) Deferred tax assets (net)	7	10,871	81,645
Total non - current assets (A)		1,04,523	1,79,012
B. Current assets			
a) Financial assets			
(i) Cash and cash equivalents	8	7,38,078	14,568
(ii) Receivables	9	2,53,529	5,17,452
b) Other current assets	10	3,364	4,692
Total Current assets (B)		9,94,971	5,36,712
Total Assets (A+B)		10,99,494	7,15,724
II. EQUITY AND LIABILITIES			
A. Equity:			
Equity share capital	11	7,00,000	7,00,000
Other equity	12	(1,22,571)	(3,29,690)
Total equity (A)		5,77,429	3,70,310
B. Liabilities			
1. Non-current liabilities			
i) Long-term provisions	13	2,811	7,364
1. Current liabilities			
a) Financial liabilities			
i) Borrowings	14	4,70,205	2,03,262
ii) Other payables	15	8,206	22,455
iii) Short-term provisions	16	32,600	97,775
b) Other current liabilities	17	8,243	14,558
Total current liabilities (B)		5,22,065	3,45,414
Total Equity and Liabilities (A+B)		10,99,494	7,15,724

The accompanying notes 1 to 36 form an integral part of the financial statements

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

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

UDIN: 23040117BGWZWN2212

Aneel Lasod

Partner

M. No: 040117

Place : Mumbai

Date : 24 April 2023

For and on behalf of the Board of Directors

Glide Tech Investment Advisory Private Limited

Pratik Oswal

Managing Director

DIN : 06704419

Place : Mumbai

Date : 24 April 2023

Raamdeo Agarawal

Director

DIN : 00024533

STANDALONE STATEMENT OF PROFIT AND LOSS

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2023

Particulars	Note No.	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Income			
Revenue from operations			
(i) Fees and commission income	18	8,91,462	4,77,472
(ii) Net gain on fair value change	19	142	41
1) TOTAL REVENUE FROM OPERATIONS		8,91,604	4,77,513
2) OTHER INCOME	20	1,05,497	14,850
3) TOTAL INCOME (1 + 2)		9,97,101	4,92,363
Expenses			
(i) Employee benefit expense	21	4,10,806	4,63,256
(ii) Finance cost	22	56,546	9,642
(iii) Other expenses	23	2,52,118	98,621
(iv) Depreciation	4	10,169	8,512
4) Total expenses		7,29,639	5,80,031
5) Profit/(loss) before tax (3 - 4)		2,67,462	(87,668)
Tax expense/(credit):	24		
(i) Current tax		-	-
(ii) Deferred tax expense/(credit)		68,257	(24,684)
6) Total tax expense		68,257	(24,684)
7) Profit/(Loss) after tax (5-6)		1,99,205	(62,984)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		10,000	2,347
(b) Deferred tax impact on the above		(2,517)	(540)
8) Other comprehensive income		7,483	1,807
Total comprehensive income for the period (7+8)		2,06,688	(61,177)
Earnings/(Loss) per equity share	25		
Basic and diluted		3.20	(1.01)

The accompanying notes 1 to 36 form an integral part of the financial statements

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

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

UDIN: 23040117BGWZWN2212

Aneel Lasod

Partner

M. No: 040117

Place : Mumbai

Date : 24 April 2023

For and on behalf of the Board of Directors

Glide Tech Investment Advisory Private Limited

Pratik Oswal

Managing Director

DIN : 06704419

Place : Mumbai

Date : 24 April 2023

Raamdeo Agarawal

Director

DIN : 00024533

CASH FLOW STATEMENT

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	2,67,462	(87,668)
Adjustment for :		
Interest on loans	56,546	9,642
Depreciation	10,169	8,512
Gratuity	5,436	4,907
Operating profit/(loss) before working capital changes	3,39,613	(64,607)
Adjustment for working capital changes :		
1) Increase/(decrease) in Receivables	2,63,923	(5,17,452)
2) Increase/(decrease) in Other current assets	1,328	9,901
3) Increase/(decrease) in Other Payables	(16,852)	8,036
4) Increase/(decrease) in Provisions	(65,163)	73,481
5) Increase/(decrease) in Other current liabilities	(6,315)	13,765
Net changes in working capital	1,76,921	(4,12,269)
Cash generated from operating activities	5,16,534	(4,76,876)
Income taxes paid (net of refunds)	-	-
Net cash flow (used in)/ generated from operating activities	5,16,534	(4,76,876)
B. Cash flow from investing activities		
Net purchase/sale of investment	(136)	(1,778)
Purchase of Fixed Assets	(6,419)	(13,356)
Net cash used in investing activities	(6,555)	(15,134)
C. Cash flow from financing activities		
Issue of equity shares	-	3,00,000
Short-term borrowings	7,33,205	3,50,263
Repayment of short-term borrowings	(4,66,262)	(1,47,000)
Interest Payment	(53,412)	(7,418)
Net cash used in financing activities	2,13,531	4,95,845
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	7,23,510	3,835
Cash and cash equivalent at the beginning of the year	14,568	10,733
Cash and cash equivalents at the end of the year (Refer Note no. 8)	7,38,078	14,568
* Composition of cash and cash equivalent		
Balance with scheduled bank - In Current Account	7,38,078	14,568
	7,38,078	14,568

The accompanying notes 1 to 36 form an integral part of the financial statements

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

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg. No. - 124609W
UDIN: 23040117BGWZWN2212

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Aneel Lasod
Partner
M. No: 040117
Place : Mumbai
Date : 24 April 2023

Pratik Oswal
Managing Director
DIN : 06704419
Place : Mumbai
Date : 24 April 2023

Raamdeo Agarawal
Director
DIN : 00024533

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
Restated as at 01 April 2021	40,00,000	4,00,000
Issued during the year	30,00,000	3,00,000
As at 31 March 2022	70,00,000	7,00,000
Issued during the year	-	-
As at 31 March 2023	70,00,000	7,00,000

(B) Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus	
	31 March 2023		31 March 2022	
	Surplus/(deficit) in the Statement of Profit and Loss	Employee stock options outstanding reserve	Surplus/(deficit) in the Statement of Profit and Loss	Employee stock options outstanding reserve
Balance at the beginning of the reporting period	(3,30,712)	1,023	(2,69,535)	-
Add/Less: Changes due to prior period errors	-	-	-	-
Restated balance	(3,30,712)	1,023	(2,69,535)	-
Profit during the year	2,06,688	-	(61,177)	-
Transfer during the year	-	430	-	1,023
Balance at the end of the reporting period	(1,24,024)	1,453	(3,30,712)	1,023

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

UDIN: 23040117BGWZWN2212

Aneel Lasod

Partner

M. No: 040117

Place : Mumbai

Date : 24 April 2023

For and on behalf of the Board of Directors

Glide Tech Investment Advisory Private Limited

Pratik Oswal

Managing Director

DIN : 06704419

Place : Mumbai

Date : 24 April 2023

Raamdeo Agarawal

Director

DIN : 00024533

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate informations

Glide Tech Investment Advisory Private Limited ("GTIAPL" or the "Company") was incorporated on 29 November 2019. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company's principle activity is to act as an Investment Advisor and provide, investment advisory and administrative services to the various scheme of mutual funds and private equity funds.

The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Investment Advisors) Regulations, 2013.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 24 April 2023.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division II of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.2. Income Tax

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

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

Current Tax

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

Deferred Tax

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

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

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

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

2.3. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with

NOTES TO FINANCIAL STATEMENT (Contd..)

original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4. Financial instruments

Initial recognition and measurement

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

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

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

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

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

3. Investments in mutual funds

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

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

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

NOTES TO FINANCIAL STATEMENT (Contd..)

losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.5. Offsetting financial instruments

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

2.6. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Computers	3 years

Derecognition

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.7. Provisions and contingencies:

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

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

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

2.8. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.9. 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.

2.10. Rounding of amounts

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

2.11. Events after reporting date

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

2.12. Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO FINANCIAL STATEMENT (Contd..)

3. Key accounting estimates and judgements

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

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- (c) **Recognition of deferred tax assets:** Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Defined benefit plans:** The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- (e) **Property, plant and equipment and Intangible Assets:** Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Note 4(a): Property, plant and equipment

Current year	Gross block				Accumulated depreciation				Net block	
Particulars	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer	29,450	5,266	-	34,716	13,834	9,712	-	23,546	11,170	15,616
Furniture	-	421		421		27	-	27	394	-
	29,450	5,687	-	35,137	13,834	9,739	-	23,573	11,564	15,616

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4(b): Intangible Assets

Current year	Gross block				Accumulated depreciation				Net block	
Particulars	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	99,886	731	-	1,00,617	19,955	430	-	20,385	80,232	79,931
	99,886	731	-	1,00,617	19,955	430	-	20,385	80,232	79,931

Note 4(a): Property, plant and equipment

Current year	Gross block				Accumulated depreciation				Net block	
Particulars	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer	17,441	12,009	-	29,450	5,569	8,265	-	13,834	15,616	11,872
	17,441	12,009	-	29,450	5,569	8,265	-	13,834	15,616	11,872

Note 4(b): Intangible Assets

Current year	Gross block				Accumulated depreciation				Net block	
Particulars	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	98,539	1,347	-	99,886	19,708	247	-	19,955	79,931	78,831
	98,539	1,347	-	99,886	19,708	247	-	19,955	79,931	78,831

Note : 5 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
(A) Loans - At amortised cost		
Loans to others	125	-
	<u>125</u>	<u>-</u>

Note 6 : Investments

Particulars	Subsidiary/ Others	As at 31 March 2023		As at 31 March 2022	
		Units	Amount	Units	Amount
Investment - at Fair value through profit and loss					
Investments in Mutual Funds					
MOTILAL OSWAL MF 5 YEAR G SEC ETF	Others	100	51	100	50
MOTILAL OSWAL MOST SHARES M50 ETF	Others	561	975	654	1,133
MOTILAL OSWAL MF MID 100 ETF	Others	672	214	183	57
MOTILAL OSWAL N200M30 ETF	Others	1,000	369	-	-
MOTILAL OSWAL NASDAQ 100 ETF	Others	-	-	500	580
MOTILAL OSWAL MF S&P BSE LVO ETF	Others	500	122		
Total gross			1,731		1,820
(I) Investment outside India			-		580
(II) Investment in India			1,731		1,240
C) Total (I+II)			1,731		1,820
D) Less : Allowance for Impairment loss			-		-
E) Total net (C-D)			1,731		1,820

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 7 Deferred tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax asset arising on account of:		
Preliminary expenses	3,743	3,743
Business loss	19,590	86,905
Total deferred tax assets (A)	23,333	90,648
Deferred tax liability arising on account of:		
Gratuity provision	1,368	1,859
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	11,094	6,604
Unrealised Gain	-	540
Total deferred tax liability (B)	12,462	9,003
Deferred tax assets/ (liability) (net)) (A-B)	10,871	81,645

Note : 8 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks		
In current accounts	7,38,078	14,568
	7,38,078	14,568

Note : 9 Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
a) Considered good - unsecured	2,53,529	5,17,452
	2,53,529	5,17,452

Note 9 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,53,529	-	-	-	-	2,53,529
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 9 (i) : Receivable ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5,17,452	-	-	-	-	5,17,452
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note : 10 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	3,364	4,692
	<u>3,364</u>	<u>4,692</u>

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 11: Share capital

Particulars	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each (Previous year Rs.10 each)	1,00,00,000	10,00,000	1,00,00,000	10,00,000
Issued, Subscribed and Paid up				
Equity shares of Rs. 10 each fully paid up (Previous year Rs.10 each)	70,00,000	7,00,000	70,00,000	7,00,000
	70,00,000	7,00,000	70,00,000	7,00,000

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

Particulars	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	70,00,000	7,00,000	40,00,000	4,00,000
Issued during the year	-	-	30,00,000	3,00,000
At the end of the year	70,00,000	7,00,000	70,00,000	7,00,000

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Motilal Oswal Financial Services Ltd.	69,99,994	99.99%	69,99,994	99.99%

11.3 Shares held by holding company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	In Rupees	Number of shares	In Rupees
Motilal Oswal Financial services Limited	69,99,994	99.99%	69,99,994	99.99%

11.4 Shares held by promoters at the end of year

Shareholding pattern as on March 31, 2023			
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial services Limited and its nominees	70,00,000	100.00	
Total A	70,00,000	100	

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Shareholding pattern as on March 31, 2022			% Change during the year***
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financial services Limited and its nominees	70,00,000	100.00	75.00
Total A	70,00,000	100	

Note : 12 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Employee stock options outstanding reserve		
Balance at the beginning of the year	1,023	-
Add: Transfer from Statement of Profit and Loss	430	1,023
Balance at the end of year	1,453	1,023
b) Statement of Profit and Loss		
Balance at the beginning of the year	(3,30,712)	(2,69,535)
Add: Transfer from Statement of Profit and Loss	2,06,688	(61,177)
Balance at the end of year	(1,24,024)	(3,30,712)
	(1,22,571)	(3,29,690)

Nature and Purpose of Reserves

Retained earnings

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

Note : 13 Long-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity payable	2,811	7,364
	2,811	7,364

Note : 14 Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings at amortised cost		
Loans from related parties	4,70,205	2,03,262
	4,70,205	2,03,262

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 15 Other payables

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and due on borrowings	3,864	1,260
Creditors for expenses	(88)	19,145
Salaries and others	4,430	2,050
	8,206	22,455

Note : 16 Short-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
ExGratia payable	30,639	90,351
Gratuity	8	21
Compensated absences	1,886	7,337
Heritage club benefit	67	66
	32,600	97,775

Note : 17 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Net withholding taxes	8,243	14,558
	8,243	14,558

Note 18 : Fees and commission income

Particulars	As at 31 March 2023	As at 31 March 2022
Placement fee - Private equity funds	8,91,462	4,77,472
	8,91,462	4,77,472

Note 19 : Net gain /(loss) on fair value change

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Net gain on financial instruments at fair value:		
Realised gain	(26)	41
Unrealised gain	168	-
Total	142	41

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 20 : Other Income

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Other Non-Operating Income	1,05,497	14,850
Total	1,05,497	14,850

Note 21 : Employee benefits expense

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Salary, bonus and allowances	3,98,194	4,47,223
Staff welfare expenses	1,495	4,146
Contribution to provident & other funds	5,251	5,957
Gratuity (Refer note 31)	5,436	4,907
Expenses on employee stock option scheme	430	1,023
	4,10,806	4,63,256

Note 22 : Finance cost

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Interest on borrowing measured at amortised cost	56,546	9,642
	56,546	9,642

Note 23 : Other expenses

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Insurance	3,605	2,901
Computer repairs and maintenance	27,742	9,958
Legal and professional charges	16,571	13,628
Business support Charges	8,400	8,400
membership and subscription	-	1,021
Remuneration to auditors (Refer Note 28)	700	600
Repairs and maintenance	340	215
Miscellaneous expenses	14,561	7,540
Rent	8,400	8,400
Communication expenses	42	40
Printing and stationery Charges	2,899	190

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Power and fuel	616	502
Marketing & brand promotion expenses	159,566	41,090
Travelling & Conveyance Expenses	3,156	614
Data processing charges	3,394	1,938
Advertisement expenses	539	1,462
Training Expenses	1,586	122
	2,52,118	98,621

Note : 24.1 Tax expense

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

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
Current tax expense		
Current tax for the year	-	-
Total current tax expense	-	-
Deferred taxes	70,774	(24,683)
Change in deferred tax liabilities	70,774	(24,683)
Net deferred tax expense	70,774	(24,683)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 24.2 Tax reconciliation (for profit and loss)

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
Profit/(loss) before income tax expense	267,462	(87,668)
Tax at the rate of Nil (for 31 March 2022 - Nil)		
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	-	-
Net gain/(loss) on mutual fund investment measured at FVTPL	-	-
Expenses not deductible for tax purposes	(150)	-
Business profit/(loss)	67,315	(26,273)
Gratuity	(490)	1,858
Change in tax rate	-	(5,188)
Temporary tax difference	-	-
PPE	4,099	4,920
Income tax expense	70,774	(24,683)

Note : 24.3

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
Deferred tax assets on account of:		
Preliminary Expenses	3,743	3,743
Business loss	19,590	86,905
Gratuity provision	-	-
Total deferred tax assets (A)	23,333	90,648
Deferred tax liability on account of :		
Gratuity provision	1,368	1,859
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	11,094	6,604
Unrealised Gain	-	540
Total deferred tax liabilities (B)	12,462	9,003
Net deferred tax (liability)/ Assets (A-B)	10,871	81,645

Note : 24.4 Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss
Deferred tax assets on account of:				
Preliminary Expenses	3,743	-	3,743	476
Business loss	19,590	(67,315)	86,905	31,785
Gratuity provision	-	-	-	(800)
Total deferred tax assets	23,333	(67,315)	90,648	31,461

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss
Deferred tax liabilities on account of:				
Gratuity provision	1,368	(490)	1,859	1,859
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	11,094	4,489	6,604	4,919
Unrealised Gain	-	(540)	540	540
Total deferred tax liabilities	12,462	3,459	9,003	7,318
Total deferred tax Assets/liability (net)	10,871	(70,774)	81,645	24,143

Note : 25 Fair value measurements

Financial instruments by category:

The following table shows the carrying amount and fair value of financial assets and liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-23							
Financial assets							-
Cash and cash equivalents	-	7,38,078	7,38,078				-
Receivables	-	2,53,529	2,53,529				-
Investments	1,731	-	1,731	1,731			1,731
Other financial assets	-	3,364	3,364				-
Total Financial Assets	1,731	9,94,971	9,96,702	1,731		-	1,731
Financial Liabilities							
Borrowings	-	4,70,205	4,70,205			-	-
Other payables	-	8,206	8,206			-	-
Provisions	-	35,411	35,411			-	-
Other financial liabilities	-	8,243	8,243			-	-
	-	5,22,065	5,22,065	-		-	-

The carrying value and the fair value of financial instruments by categories as of 31st March 2022 are as follows,

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-22							
Financial assets							-
Cash and cash equivalents	-	14,568	14,568				-
Receivables	-	5,17,452	5,17,452				-
Investments	1,820	-	1,820	1,820			1,820
Other financial assets	-	4,692	4,692				-
Total Financial Assets	1,820	5,36,712	5,38,532	1,820		-	1,820

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-22							
Financial Liabilities							
Borrowings	-	2,03,262	203262			-	-
Other payables	-	22,455	22455			-	-
Provisions	-	1,05,138	105138			-	-
Other financial liabilities	-	14,558	14558			-	-
	-	3,45,413	3,45,413	-		-	-

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in mutual fund are based on the quoted market prices and Fair value of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Mutual fund investment have been categorised into level 2 of fair value hierarchy. Loans have been categorised into level 2 of the fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

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

Note:

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

Note : 26 Financial risk management

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

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

A Credit risk

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

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	2,53,529	5,17,452
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	2,53,529	5,17,452
Provision for expected credit loss	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	4,70,205	-	-	4,70,205
Other payables	8,206	-	-	8,206
Long-term provisions		2,811		2,811
Short-term provisions	32,600	-	-	32,600
Other current liabilities	8,243	-	-	8,243
Total	5,19,254	2,811	-	5,22,066

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	2,03,262	-	-	2,03,262
Other payables	22,455	-	-	22,455
Long-term provisions		7,364		7,364
Short-term provisions	97,775	-	-	97,775
Other current liabilities	14,558	-	-	14,558
Total	3,38,050	7,364	-	3,45,413

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

(ii) Cash flow and fair value interest rate risk

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

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

(iii) Price risk

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

The Investments held by the Company are ancillary to the Investment management business objective.

Sensitivity to price risk

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

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/price	173	182
Impact on profit before tax for 10% decrease in NAV/Price	(173)	(182)

Note 27: Due to micro and small enterprises

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

Particulars	31 March 2023	31 March 2022
The principal amount remaining unpaid at the end of the year		-
The interest amount remaining unpaid at the end of the year		-
Balance of Micro and Small enterprise at the end of the year		-

Note 28: Auditors' fees

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Statutory audit fees	700	600
Out of pocket expenses	-	-
Total	700	600

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 29: Provisions made comprises of

Particulars	Opening balance as at 01 April 2022	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2023
Ex-gratia	90,351	30,639	90,351	30,639
Gratuity	7,384		4,565	2,819
Compensated absences	7,337		5,450	1,887
Heritage club benefits	66	-	-	66
Total	1,05,138	30,639	1,00,366	35,411

Particulars	Opening balance as at 01 April 2021	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2022
Ex-gratia	20,020	90,351	20,020	90,351
Gratuity	4,825	7,354	4,795	7,384
Compensated absences	4,270	3,067	-	7,337
Heritage club benefits	-	66	-	66
Total	29,115	100,839	24,815	105,138

Note 30: Earnings per equity share

Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
Profit attributable to equity shareholders (in Rupees)	1,99,205	(62,984)
Weighted average number of equity shares outstanding during the year	62,19,178	62,19,178
Nominal value per share (in Rupees)	10	10
Earnings per share (Basic and diluted) (in Rupees)	3.20	(1.01)

Note : 31 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	Period ended 31 March 2023	Period ended 31 March 2022
Employers' contribution to provident fund	4,906	5,704

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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	Period ended 31 March 2023	Period ended 31 March 2022
I) Actuarial assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	6.79%	7.34%
Rate of escalation in salary (per annum)	6.50%	4.57%
Expected rate of return on plan assets (per annum)		
Employee attrition rate (past service)	PS: 0 to 37 : 64%	PS: 0 to 37 : 1.08%
Expected average remaining service	0.56	23.15
I) Changes in present value of obligations (PVO)		
PVO at beginning of period	7,384	4,825
Interest cost	541	190
Current service cost	4,895	4,670
Transfer in liabilities	-	47
Transfer out liabilities	-	-
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Contributions by plan participants	-	-
Business combinations	-	-
Curtailements	-	-
Settlements	-	-
Actuarial (gain)/loss on obligation	(10,001)	(2,348)
PVO at end of period	2,819	7,384
II) Interest expense		
Interest cost	541	190
III) Fair value of plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
IV) Net liability		
PVO at beginning of period	7,384	4,825
Fair value of the assets at beginning report	-	-
Net Liability	7,384	4,825
V) Net Interest		
Interest expenses	541	190
Interest income	-	-
Net interest	541	190
VI) Actual return on plan assets		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
VII) Actuarial (gain)/loss on obligation		
Due to demographic assumption	(6,024)	918
Due to financial assumption	111	(20,114)
Due to experience	(4,088)	16,847
Total actuarial (gain)/loss	(10,001)	(2,348)
VIII) Fair value of plan assets		
Opening fair value of plan asset	-	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excluding interest income	-	-
Interest income	-	-
Contributions by employer	-	-
Contributions by employee	-	-
Benefits paid	-	-
Fair value of plan assets at end	-	-
IX) Past service cost recognised		
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised past service cost- non vested benefits	-	-
Recognised past service cost- vested benefits	-	-
Unrecognised past service cost- non vested benefits	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
X) Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	2,819	7,384
Fair value of plan assets at end of period		
Funded Status	(2,819)	(7,384)
Net asset/(liability) recognized in the balance sheet	(2,819)	(7,384)
XI) Expense recognised in the statement of profit and loss		
Current service cost	4,895	4,670
Net interest	541	190
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Transfer in liabilities	-	47
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	5,436	4,907
XII) Other comprehensive income (OCI)		
Actuarial (gain)/loss recognized for the period	(10,001)	(2,348)
Asset limit effect	-	-
Return on plan assets excluding net interest	-	-
Unrecognized actuarial (gain)/loss from previous period	-	-
Total actuarial (gain)/loss recognized in (OCI)	(10,001)	(2,348)
XIII) Movement in liability recognized in balance sheet		
Opening net liability	7,384	4,825
Adjustment to opening balance	-	-
Transfer in liabilities	-	47
Transfer out liabilities	-	-
Expenses as above	5,436	4,907
Contribution paid	-	-
Other comprehensive income(OCI)	(10,001)	(2,348)
Closing net liability	2,819	7,431
XIV)Schedule III of The Companies Act 2013		
Current liability	8	21
Non - current liability	2,811	7,364

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
XV) Projected service cost 31 March 2023	7,516	4,895

XVI) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	2764	2876	2862	2777

XVII) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo third	Expected Outgo fourth	Expected Outgo Fifth	Expected Outgo Six to Ten
Payouts	8	1897	795	333	132	81

XVIII) Asset liability comparisons

Year	12/31/2019	3/31/2020	3/31/2021	3/31/2022	3/31/2023
PVO at end of period	867	921	4,825	7,384	2,819
Plan assets	-	-	-	-	-
Surplus / (deficit)	(867)	(921)	(4,825)	(7,384)	(2,819)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of defined benefit obligation

0.56

Note : 32 Related party disclosure:-

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

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Financial Services Limited (Formerly known as Motilal Oswal Securities Limited)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(ii) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
Motilal Oswal Asset Management Company Limited

Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
 Motilal Oswal Commodities Broker Private Limited
 Motilal Oswal Investment Advisors Limited
 India Business Excellence Management Company
 Motilal Oswal Wealth Limited
 Motilal Oswal Capital Markets (Hongkong) Private Limited
 Motilal Oswal Capital Markets Singapore Pte Limited
 Motilal Oswal Securities International Private Limited
 Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
 Motilal Oswal Asset Management (Mauritius) Private Limited
 Motilal Oswal Finsec IFSC Limited
 Motilal Oswal Capital Limited
 Motilal Oswal Trustee Company Limited

(iv) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

Mr. Pratik Oswal

(b) Executive directors

Mr. Pratik Oswal

(c) Non - executive directors

Mr. Navin Agarwal

Mr. Raamdeo Agarawal

(v) Relative of KMP

Suneeta Agrawal (wife of Raamdeo Agrawal)

Vaibhav Agrawal (son of Raamdeo Agrawal)

Shital Somaiyaa (wife of Navin Agarwal)

Natasha Oswal (wife of Pratik Oswal)

(vi) Enterprises in which key managerial personnel have control

Motilal Oswal Foundation

NOTES TO FINANCIAL STATEMENT (Contd..)

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

b. Transactions with related parties

Nature of transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary		Key Managerial Personnel / Relative of KMP	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Managerial remuneration	Mr. Pratik Oswal	-	-	52,480	46,480
Loan taken	Motilal Oswal Finvest Limited	7,33,205	3,29,000	-	-
	Motilal Oswal Wealth Limited	-	16,262	-	-
Loan repaid	Motilal Oswal Finvest Limited	4,50,000	1,42,000	-	-
	Motilal Oswal Wealth Limited	16,262	-	-	-
Interest expense	Motilal Oswal Finvest Limited	55,406	9,263	-	-
	Motilal Oswal Wealth Limited	1,140	379	-	-
Rent expense	Motilal Oswal Financial Services Limited	8,400	8,400	-	-
Training fees income	Motilal Oswal Financial Services Limited	69,992	-	-	-
Business support charges	Motilal Oswal Financial Services Limited	8,400	8,400	-	-
Recovery of Expenses	Motilal Oswal Asset Management Company Limited	20,400	1,650	-	-
Referral Fees	MO Alternate Investment Advisors Private Limited	1,12,500	4,77,472	-	-

c. Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2023	As at 31 March 2022
Rent payable	Motilal Oswal Financial Services Limited	318	17,541
Interest payable	Motilal Oswal Finvest Limited	3,864	1,127
	Motilal Oswal Wealth Limited	0	134
Recovery of Expense	Motilal Oswal Asset Management Company Limited	1,912	1,782
Receivable	Motilal Oswal Financial Services Limited	8,496	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transactions	Name of the Related party	As at 31 March 2023	As at 31 March 2022
Loan	Motilal Oswal Finvest Limited	4,70,205	1,87,000
	Motilal Oswal Wealth Limited	-	16,262
Referral Fees	MO Alternate Investment Advisors Private Limited	1,21,500	5,15,670

Note : 33 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Note : 34 Contingent liabilities and Commitments

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

Note : 35 Unhedged foreign currency

The Company is not having any unhedged foreign currency exposure as on 31 March 2023

Note : 36 Amount below Rs.50 have been rounded off or shown as "0".

For Aneel Lasod And Associates

Chartered Accountants

Firm Reg. No. - 124609W

UDIN: 23040117BGWZWN2212

For and on behalf of the Board of Directors

Glide Tech Investment Advisory Private Limited

Aneel Lasod

Partner

M. No: 040117

Place : Mumbai

Date : 24 April 2023

Pratik Oswal

Managing Director

DIN : 06704419

Place : Mumbai

Date : 24 April 2023

Raamdeo Agarawal

Director

DIN : 00024533

TM Investment Technologies Private Limited

FINANCIAL STATEMENT

BALANCE SHEET

Balance Sheet as at 31st March, 2023

Particulars	Notes	As At 31-Mar-2023 Rs.	As At 31-Mar-2022 Rs.
I ASSETS			
1. Financial assets			
(a) Cash and Cash Equivalents	1	4,95,95,929	70,84,788
(b) Receivables	2	1,25,74,900	6,46,36,734
(c) Other Financials Assets	3	1,27,934	
Sub - total Financial assets		6,22,98,763	7,17,21,522
2. Non-Financial assets			
(a) Deferred tax asset	4	15,58,011	5,35,107
(b) Property, plant and equipment	5	3,64,98,619	4,91,02,238
(c) Other non - financial assets	6	85,73,481	77,53,042
Sub - total Non- Financial assets		4,66,30,111	5,73,90,387
Total Assets		10,89,28,874	12,91,11,909
II EQUITY & LIABILITIES			
1. Financial liabilities			
(a) Other financials Liabilities	7	15,85,112	14,16,696
(b) Provisions	8	3,76,023	1,95,729
(c) Borrowings(Other than debt securities)	9	-	3,51,00,000
Sub - total Financial liabilities		19,61,135	3,67,12,425
2. Non - financial liabilities			
(a) Other non - financial liabilities	10	1,83,48,250	34,07,959
Sub - total Financial liabilities		1,83,48,250	34,07,959
3 Equity:			
(a) Equity share capital	11	9,32,00,000	9,00,00,000
(b) Other Equity	12	(45,80,511)	(10,08,475)
Sub - total Equity		8,86,19,489	8,89,91,525
Total Liabilities and Equity		10,89,28,874	12,91,11,909

Notes referred above form integral part of financial statements.

As per our report of even date

For PGS & Associates

Chartered Accountants

Firm Number :122384W

For TM Investment Technologies Pvt. Ltd.

Premal Gandhi

Partner

M.No.: 111592

Place: Mumbai

Dated: 24th April 2023

Vaibhav Agarwal

Director

DIN - 06663890

Ajay Menon

Director

DIN - 00024589

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March, 2023

Particulars	Notes	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Revenue from Operations	13	5,39,77,464	7,32,64,086
Total Revenue		5,39,77,464	7,32,64,086
Expenses:			
Finance Cost	14	8,47,689	18,38,545
Fees and commission expense	15	35,65,688	11,38,855
Employee Benefits	16	3,41,61,204	2,23,64,506
Depreciation	5	1,39,10,409	1,35,44,449
Other Expense	17	61,80,274	1,97,88,817
Total Expenses		5,86,65,264	5,86,75,171
Profit/(Loss) Before Tax		(46,87,800)	1,45,88,915
Tax Expense:			
Current Tax		-	(38,089)
Deferred Tax		(10,22,904)	(6,59,439)
Profit/(Loss) for the year		(36,64,896)	1,52,86,443
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Actuarial Gain/(loss) on post retirement benefit plans		92,859	6,45,344
Income Tax there on		-	(1,62,420)
Total		92,859	4,82,924
Total Comprehensive Income		(35,72,037)	1,57,69,367
Earnings Per Share (Rs.)			
Basic and Diluted Earnings/(Loss) per share (Face value of Rs. 10 each)		(0.39)	1.70

Notes referred above form integral part of financial statements.
As per our attached Report of even date.

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For TM Investment Technologies Pvt. Ltd.

Premal Gandhi
Partner
M.No.: 111592
Place: Mumbai
Dated: 24th April 2023

Vaibhav Agarwal
Director
DIN - 06663890

Ajay Menon
Director
DIN - 00024589

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	(46,87,800)	1,45,88,915
Adjustment For:		
Depreciation	1,39,10,409	1,35,44,449
ESOP Expenses	-	6,71,053
Actuarial Gain	92,859	6,45,344
	<u>1,40,03,268</u>	<u>1,48,60,846</u>
OPERATING PROFIT/(LOSS)	93,15,469	2,94,49,761
Adjustment For:		
(Increase)/Decrease in Other financial assets	(1,27,934)	-
(Increase)/Decrease in Receivables	5,20,61,834	(6,46,36,734)
(Increase)/Decrease in Other Non-Financials Assets	(8,20,438)	37,60,814
Increase/(Decrease) in Borrowings	(3,51,00,000)	3,51,00,000
Increase/(Decrease) in Provision	1,80,294	(1,51,339)
Increase/(Decrease) in Other non financial Liabilities	1,49,40,290	27,07,669
Increase/(Decrease) In Other financials Liabilities	1,68,416	(21,66,365)
	<u>3,13,02,462</u>	<u>(2,53,85,955)</u>
CASH GENERATED FROM OPERATIONS	4,06,17,931	40,63,806
Taxes Paid	-	-
NET CASH FROM OPERATING ACTIVITIES	40,617,932	4,063,806
CASH FLOW FROM INVESTING ACTIVITIES		
Purchased software/Computer	(13,06,790)	(15,64,373)
NET CASH FLOW FROM INVESTING ACTIVITIES	(13,06,790)	(15,64,373)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share	32,00,000	-
	<u>32,00,000</u>	<u>-</u>
NET CASH FLOW FOR THE YEAR	4,25,11,141	24,99,433
Cash & Cash Equivalents As At 01.04.2022	-	-
Balances With bank	- 70,84,788	- 45,85,353
Cash & Cash Equivalents As At 31.03.2023	- 4,95,95,929	- 70,84,788
Balances With bank	4,95,95,929	70,84,788
Effect Of Exchange Rate Changes	-	-

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 'of the companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended) 'This is the statement of Cash Flow referred to in our report of even date.

As Per Our Report Of Even Date

For PGS & Associates

Chartered Accountants

Firm Number :122384W

For TM Investment Technologies Pvt. Ltd.

Premal Gandhi

Partner

M.No.: 111592

Place: Mumbai

Dated: 24th April 2023

Vaibhav Agarwal

Director

DIN - 06663890

Ajay Menon

Director

DIN - 00024589

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 March 2023

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 01 April 2021	90,00,000	9,00,00,000
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	90,00,000	9,00,00,000
Changes during the year	90,00,000	9,00,00,000
As at 31 March 2022	90,00,000	9,00,00,000
Changes in Equity Share Capital due to prior year errors	3,20,000	32,00,000
Restated balance at the beginning of the previous reporting year	93,20,000	9,32,00,000
Changes during the year	-	-
As at 31 March 2023	93,20,000	9,32,00,000

(b) Other Equity

Particulars	Reserves and Surplus	Other comprehensive income		Total
	Retained earnings	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 01 April 2021	(1,74,48,894)	-	-	(1,74,48,894)
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	(1,74,48,894)	-	-	(1,74,48,894)
Due to exercise of options	-	-	-	-
Additions during the year	1,52,86,443	-	4,82,924	1,57,69,367
Balance as at 31 March 2022	(21,62,452)	-	4,82,924	(16,79,528)
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the current reporting year	(21,62,452)	-	4,82,924	(16,79,528)
Additions during the year	(36,64,896)	-	92,859	(35,72,037)
Balance as at 31 March 2023	(58,27,347.40)	-	5,75,782.82	(52,51,565)

NOTES TO FINANCIAL STATEMENT

A. Corporate information

1. TM Investment Technologies Private Limited carry on the business as Investment Consultants, Research Analysts and to establish and on the business of portfolio management, financial and investment advisory and other financial and advisory service activities such as investment counselling , financial consultancy ,advisory and consultants to investments in securities using customized innovative solution oriented online digital platform.
2. TM Investment Technologies Private Limited carry on the business as related to investment research,, savings, capital protection and investment advisory services for client with an end objective of wealth maximization for customers/clients.
3. TM Investment Technologies Private Limited carry on the business through a robust online platform, and to solicit and procure sales of mutual fund, deposits, commercial paper, debentures, and bonds. And other securities issued or guaranteed by any company, firm, body corporate, etc.
4. . TM Investment Technologies Private Limited carry on the business to use digital technologies and innovate to support, enable or provide alternatives to investment advisor and financial services such as mobile wallet, contactless NFC technology, robo advisory, robotic process automation, etc.

B. Significant accounting policies

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

a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.

b) Income Tax

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

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current

NOTES TO FINANCIAL STATEMENT (Contd..)

tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

c) Cash and cash equivalents

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

d) 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

e) Financial assets

(i) Classification and subsequent measurement

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

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

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

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

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

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iii) Derecognition

A financial asset is derecognized only when :

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

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

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

f) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

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

(iii) Derecognition

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

g) 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

i) Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

j) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

NOTES TO FINANCIAL STATEMENT (Contd..)

k) Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

l) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

C. Key accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

NOTES TO FINANCIAL STATEMENT (Contd..)

(e) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Note 1: Cash & Cash Equivalents

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Balance with bank		
Scheduled banks- In current accounts	4,95,95,929	70,84,788
TOTAL	4,95,95,929	70,84,788

Note 2: Receivables

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Considered good - secured	-	-
Considered good - unsecured	1,25,74,900	6,46,36,734
Trade Receivables which have significant increase in credit risk		
Trade Receivables - Credit impaired		
TOTAL	1,25,74,900	6,46,36,734

Note: No trade are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Note 2 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,25,74,900	-	-	-	-	1,25,74,900
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	6,46,36,734	-	-	-	-	6,46,36,734
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 3: Other Financial Assets

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Loan To Staff	1,27,934	-
TOTAL	1,27,934	-

Note 4: Deferred Tax

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Deferred tax assets	15,58,011	535,107
TOTAL	15,58,011	535,107

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 5: Property plants and equipments

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Property plants and equipments	3,64,98,619	4,91,02,238
TOTAL	3,64,98,619	6,10,82,314

Note 5: Property plants and equipments

Asset Class Code	Particulars	Current Period									
		Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE	6,74,16,260	1,34,200	-	6,75,50,460	1,89,31,225	1,34,96,613	-	3,24,27,838	4,84,85,035	3,51,22,622
TAOE0009	MOBILE	32,373	-	-	32,373	3,571	6,151	-	9,722	28,802	22,651
TAPE0001	COMPUTER-1	7,37,605	11,72,590	-	19,10,195	1,49,204	4,07,645	-	5,56,849	5,88,401	13,53,346
Total		6,81,86,238	13,06,790	-	6,94,93,028	1,90,84,000	39,10,409	-	3,29,94,409	4,91,02,238	3,64,98,619

Asset Class Code	Particulars	Previous Period									
		Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE	6,65,43,060.00	8,73,200	-	6,74,16,260	55,27,074	1,34,04,151	-	1,89,31,225	6,10,15,986	4,84,85,035
TAOE0009	MOBILE	0.00	32,373	-	32,373	-	3,571	-	3,571	-	28,802
TAPE0001	COMPUTER-1	78,805.10	6,58,800	-	7,37,605	12,477	1,36,726	-	1,49,204	66,328	5,88,401
Total		6,66,21,865	15,64,373	-	6,81,86,238	55,39,551	1,35,44,449	-	1,90,84,000	6,10,82,314	4,91,02,238

Note: There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022.

Note 6: Other non - financial assets

Particulars	As at 31-Mar-2022 Rs.	As at 31-Mar-2021 Rs.
Prepaid expenses	3,18,639	3,01,590
For supply of services	3,80,342	2,55,822
Taxes Receivable	78,74,499	71,95,630
TOTAL	85,73,481	77,53,042

Note 6 (i) : Trade Payable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	12,63,466	-	-	-	12,63,466
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	11,96,576	-	-	-	11,96,576
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 7: Other financial Liabilities

Particulars	As at 31-Mar-2022 Rs.	As at 31-Mar-2021 Rs.
Payable for Expenses	12,63,466	11,96,576
Accrued salaries and benefits	3,21,646	2,20,120
TOTAL	15,85,112	14,16,696

Note 8: Provisions

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Provision for Gratuity	3,76,023	1,95,729
TOTAL	3,76,023	3,47,068

Note 9: Borrowings(Other than debt securities)

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
From related parties(unsecured)	-	3,51,00,000
TOTAL	-	3,51,00,000

Note 10: Non - financial liabilities

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Advance Received From Customers	1,83,48,250	34,07,959
TOTAL	1,83,48,250	34,07,959

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 11: Equity share capital

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Authorised:		
120,00,000 Equity Shares of Rs.10/- each	12,00,00,000	12,00,00,000
	<u>12,00,00,000</u>	<u>9,00,00,000</u>
Issued, Subscribed and Paid Up:		
93,20,000 Equity Shares of Rs.10/- each.	9,32,00,000	9,00,00,000
TOTAL	<u>9,32,00,000</u>	<u>9,00,00,000</u>

1.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Number of shares at beginning of the year	90,00,000	-
Add: Shares issued during this year	3,20,000	90,00,000
Number of shares at the end of the year	93,20,000	90,00,000

1.2 Share holder having more than 5% equity holding in the Company

Motilal Oswal Financial Services Ltd. (Holding Company)

1.3 Details of Shareholding by Promoters as at 31st March 2023

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Motilal Oswal Financial Services Ltd. (Holding Company)	5744700	5744700
Mr. Vaibhav Agrawal	3575295	3255295

Note 12: Other Equity

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Share Option Outstanding account		
Opening balance	6,71,053	-
Option granted during the year	-	6,71,053
Closing balance	6,71,053	6,71,053
Profit & Loss Account		
Opening balance	(16,79,528)	(1,74,48,894)
Add: Additions during the year	(36,64,896)	1,52,86,443
Add: Ind AS Impact	92,859	4,82,924
	(52,51,565)	(16,79,528)
TOTAL	(45,80,511)	(10,08,475)

NOTES TO FINANCIAL STATEMENT (Contd..)

Share Option Outstanding account

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Note 13: Revenue from Operations

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Software Income	2,50,28,756	84,76,052
Technical Support	2,89,48,709	1,07,88,034
Fees and Commission	-	5,40,00,000
TOTAL	5,39,77,464	7,32,64,086

Notes14: Finance Cost

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Interest	8,47,689	18,38,545
TOTAL	8,47,689	18,38,545

Note 15: Fees and commission expense

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Advisory and other fees	35,65,688	11,38,855
TOTAL	35,65,688	11,38,855

Note 16: Employee Benefits

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Salaries and Incentives	3,27,62,950	2,06,20,237
Share based payments	-	6,71,053
Gratuity	2,73,154	4,94,005
Contribution to provident and other funds	10,38,035	5,50,829
Staff welfare expenses	87,064	28,382
TOTAL	3,41,61,204	2,23,64,506

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 17: Other Expenses

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Remuneration to Auditors	75,000	35,833
Legal & Professional Fees	12,23,286	38,11,316
Marketing and Brand Promotion	17,96,565	1,10,99,240
House keeping Charges	90,081	-
Insurance	2,50,036	2,64,229
Rent Expenses	1,80,000	1,80,000
Membership and Subscription Fees	13,865	600
Printing and Stationary	4,500	2,500
Computer maintenance and software charges	10,10,302	27,57,841
Communication and data charges	(2,625)	3,830
Travelling Expenses	6,33,793	43,215
Bank Charges	57,797	9,007
Business Support Charges	1,80,000	1,80,000
Miscellaneous Expenses	6,67,673	14,01,207
TOTAL	61,80,274	1,97,88,817

18 Auditors' Remuneration:

Auditor's Remuneration (inclusive of Service Tax):

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
As Auditors:		
Audit fees	75,000	35,833
In any other capacity, in respect of:		
Other Certification	-	-
TOTAL	75,000	35,833

19 Basic & Diluted Earnings per share:

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Net Profit/(Loss) attributable to equity shareholders [A] (Rs.)	(35,72,037)	1,57,69,367
Weighted Average Number of equity shares issued [B]	93,20,000	90,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (Rs.)	(0.39)	1.70

NOTES TO FINANCIAL STATEMENT (Contd..)

20 Deferred Tax Assets / (Liability):

In the presence of virtual certainty of realization of carried forward tax losses, management has created deferred tax assets for the year under review. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of virtual certainty. The component of Deferred Tax Assets/(Liabilities) are as under.

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Difference between tax depreciation and book depreciation	4,88,075	10,51,812
Provision for post retirement benefits and other employee benefits	(94,638)	(49,261)
Provision for Business Loss	(19,51,448)	(13,45,345)
Difference between Preliminary expenses	-	(1,92,313)
Deferred Tax (Liability)/Assets	(15,58,011)	(5,35,108)

21 Gratuity Plan:

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Assumptions as at	31/Mar/23	31/Mar/22
Interest / Discount Rate	7.12%	6.15%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
Rate of increase in compensation	6.50%	5.00%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 21%	PS: 0 to 37 : 16.67%
Expected average remaining service	3.72	4.88

Changes in the present value of the obligations

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Present value of obligation at beginning of the period	1,95,729	3,47,068
Interest cost	12,025	13,633
Current service cost	2,61,129	4,80,372
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Transfer in Liability	-	-
Benefits paid		
Actuarial (gain)/loss on obligation	(92,859)	(6,45,344)
Present value of obligation at end of the period	3,76,024	1,95,729

NOTES TO FINANCIAL STATEMENT (Contd..)

Changes in fair value of the plan assets

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain (Loss) plan assets	-	-
Fair value of plan assets at end of the period	-	-

Fair value of plan assets

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at end of the period	-	-

Experience History

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Due to Demographic Assumption	(59,526)	(1,10,074)
Due to Financial Assumption	10,320	(38,902)
Due to Experience (Gain)/Loss on obligation	(43,653)	(4,96,368)
Actuarial (Gain)/Loss on plan asset	(92,859)	(6,45,344)

Acturial Gain/(Loss) Recognized

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Actuarial Gain/(Loss) for the period (obligation)	2,73,154	4,96,368
Actuarial Gain/(Loss) for the period (plan assets)	92,859	6,45,344
Total Gain/(Loss) for the period	92,859	6,45,344
Actuarial Gain/(Loss) recognized for the period	92,859	6,45,344
Unrecognized Actuarial Gain/(Loss) at the end of the period	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Past service cost recognized

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Average remaining future service till vesting benefit	-	-
Recognized Past service cost - non vested benefits	-	-
Recognized Past service cost - vested benefits	-	-
Unrecognized Past service cost - non vested benefits	-	-

Amounts to be recognized in the balance sheet

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Present value of obligation at end of period	3,76,024	1,95,729
Fair value of plan assets at end of period	-	-
Funded status	3,76,024	(1,95,729)
Unrecognised Actuarial Gain/(Loss)	-	-
Unrecognised past service cost - non vested benefits	-	-
Net Liability/ (Asset) recognised in the Balance Sheet	3,76,024	(1,95,729)

Amounts to be recognized in Profit and Loss Account – Expense

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Current service cost	2,61,129	4,80,372
Interest cost	12,025	13,633
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Unrecognised past service cost - non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised for the period	-	-
Expenses Recognised in the statement of Profit & Loss Account	2,73,154	4,94,005

NOTES TO FINANCIAL STATEMENT (Contd..)

Movement in net liability recognized in the Balance Sheet

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Opening net liability	1,95,729	3,47,068
Transfer in Liability	-	-
Expenses as above	2,73,154	4,94,005
Other Comprehensive Income(OCI)	(92,859)	(6,45,344)
Closing net Liability	3,76,024	1,95,729

Other Comprehensive Income (OCI)

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Actuarial (Gain)/Loss recognized for the period	(92,859)	(6,45,344)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(92,859)	(6,45,344)

Schedule III of the Companies Act 2013

Particulars	For The Year Ended 31-Mar-23	For The Period Ended 31-Mar-22
Current Laibility	921	413
Non-Current Liability	3,75,103	1,95,316
Heritage Club Benefits		
Current Laibility	-	-
Non-Current Liability	-	-

Note : 22 Tax expense

- A. The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the balance sheet method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax

NOTES TO FINANCIAL STATEMENT (Contd..)

asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

B. Component of income tax expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
I. Tax expense recognised in the statement of profit and loss		
Current tax expense		
Current tax for the year	-	(38,089)
Tax adjustment in respect of earlier years	-	-
Total current tax expense	-	-
Deferred tax (credit)		
Origination and reversal of temporary differences	(10,22,904)	(6,59,439)
Net deferred tax (credit)	(10,22,904)	(6,97,528)
	(10,22,904)	(6,97,528)
II. Tax on other comprehensive income		
Deferred tax charge / (credit)		
(Gain)/loss on equity instruments through other comprehensive income	-	-
(Gain)/loss on remeasurement of net defined benefit plans		1,62,420
	-	1,62,420

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	(46,87,800)	1,45,88,915
Tax at the rate of 25.17%	(11,79,825)	36,71,738
Differences due to:		
Temporary tax difference	1,56,921	-
Exempt income	-	-
Tax adjustment of previous years		(43,69,266)
Tax at different rate		
Expenses disallowed under income tax	-	-
Income tax expense	(10,22,904)	(6,97,528)
(All amounts are in INR Lakhs, unless otherwise stated)		

NOTES TO FINANCIAL STATEMENT (Contd..)

D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 23	As at 1 April 2021	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at 31 March 2022
Deferred tax (assets) / liabilities				
Difference between tax depreciation and book depreciation	-	10,51,812	-	10,51,812
Provision for post retirement benefits and other employee benefits	-	(2,11,681)	1,62,420	(49,261)
Provision for doubtful debts and advances	-	-	-	-
Provision for Business Loss	-	(13,45,345)	-	(13,45,345)
Difference between Preliminary expenses	-	(1,92,313)	-	(1,92,313)
Fair value gain/(loss) on investments	-	-	-	-
MAT credit receiveable	-	-	-	-
	-	(6,97,528)	1,62,420	(5,35,108)

Movement during the year ended 31 March 23	As at 1 April 2022	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at 31 March 2023
Deferred tax (assets) / liabilities				
Difference between tax depreciation and book depreciation	10,51,812	(5,63,737)	-	4,88,075
Provision for post retirement benefits and other employee benefits	(49,261)	(45,376)		(94,638)
Provision for doubtful debts and advances	-	-	-	-
Provision for Business Loss	(13,45,345)	(6,06,103)	-	(19,51,448)
Difference between Preliminary expenses	(1,92,313)	1,92,313	-	-
Fair value gain/(loss) on investments	-	-	-	-
	(5,35,108)	(10,22,904)	-	(15,58,011)

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.

23 Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 does not have credit risk.

B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

24 Fair value measurements

Financial instruments by category:

(Amount in rupees)

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

Particulars	As at March 2023		As at March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	4,95,95,929	-	70,84,788
Trade receivables	-	1,25,74,900	-	6,46,36,734
Other Financials Assets	-	1,27,934	-	-
Other Non-Financials Assets	-	85,73,481	-	77,53,042
Total Financial Assets	-	7,08,72,245	-	7,94,74,564
Financial Liabilities				
Other financial liabilities	-	15,85,112	-	14,16,696
Provisions	-	3,76,024	-	1,95,729
Borrowings(Other than debt securities)	-	-	-	3,51,00,000
Other non - financial liabilities	-	1,83,48,250	-	34,07,959
	-	2,03,09,386	-	4,01,20,384

NOTES TO FINANCIAL STATEMENT (Contd..)

25 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	(Amount in rupees)			(Amount in rupees)		
	As at 31-March 2023			As at 31-March 2022		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4,95,95,929	-	4,95,95,929	70,84,788	-	70,84,788
Trade receivables	1,25,74,900	-	1,25,74,900	6,46,36,734	-	6,46,36,734
Other Non-Financials Assets	-	85,73,481	85,73,481	-	71,95,630	71,95,630
Other Financials Assets	-	1,27,934	1,27,934	-	-	-
Non-Financial assets						
Property, plant and equipment	-	3,64,98,619	3,64,98,619	-	4,91,02,238	4,91,02,238
Other non-financial assets	-	-	-	5,57,412	-	5,57,412
Deferred Tax Assets (net)	16,18,918	-	16,18,918	5,35,107	-	5,35,107
Total Assets	6,37,89,747	4,52,00,034	10,89,89,782	7,28,14,041	5,62,97,867	12,91,11,908
Liabilities						
Financial Liabilities						
Other financial liabilities	12,63,466	-	12,63,466	11,96,576	-	11,96,576
Non Financial Liabilities						
Provisions	3,76,024	-	3,76,024	1,95,729	-	1,95,729
Borrowings(Other than debt securities)	-	-	-	3,51,00,000	-	3,51,00,000
Other non - financial liabilities	1,83,48,250	-	1,83,48,250	34,07,959	-	34,07,959
Accrued salary and benefits	3,21,646	-	3,21,646	2,20,120	-	2,20,120
Total Liabilities	2,03,09,386	-	2,03,09,386	4,01,20,384	-	4,01,20,384

26 Related Party Disclosure:

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited - Holding Company

NOTES TO FINANCIAL STATEMENT (Contd..)

Transactions with related parties: 31-03-2022

Particulars	Name of the related Party	For The Year Ended 31-Mar-23 Rs.	For The Year Ended 31-Mar-22 Rs.
Rent	Motilal Oswal Financial Services Limited	1,80,000	1,80,000
Business Support Service	Motilal Oswal Financial Services Limited	1,80,000	1,80,000
Technical Support	Motilal Oswal Financial Services Limited	2,89,48,709	1,07,88,034
Loan Receipt	Motilal Oswal Financial Services Limited	-	11,00,000
Loan Repay	Motilal Oswal Financial Services Limited	3,51,00,000	11,00,000
Loan Receipt	Motilal Oswal Wealth Limited	-	10,00,000
Loan Repay	Motilal Oswal Wealth Limited	-	10,00,000
Loan Receipt	Motilal Oswal Finvest Limited	-	3,51,00,000
Interest Payable	Motilal Oswal Finvest Limited	-	2,65,360
Interest on Loan	Motilal Oswal Financial Services Limited	-	84,557
Interest on Loan	Motilal Oswal Finvest Limited	8,47,689	17,39,851
Interest on Loan	Motilal Oswal Wealth Limited	-	14,137
Fees and Commission	MO Alternate investment Advisors Private Limited	-	5,40,00,000
Trade Receivable	Motilal Oswal Financial Services Limited	-	63,16,734
Trade Receivable	MO Alternate investment Advisors Private Limited	-	5,83,20,000
Managerial Remuneration	Vaibhav Agrawal	-	18,00,000
Managerial Remuneration	Upahar Sood	60,01,000	33,45,349

Note: 'Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- MO Alternate investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- Motilal Oswal Wealth Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Securites International Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited
- MO Alternative IFSC Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

27 Due to Micro,small and medium enterprises

The Company does not have any due from Micro,small and medium enterprises

28 Segment Information

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

29 Expenses incurred in Foreign Currency:

Particulars	For The Period Ended 31-Mar-23	For The Period Ended 31-Mar-22
Software Charges	3,80,405	2,41,940
Online Digital Marketing Expenses	16,45,615	5,19,322
Total	20,26,020	7,61,262

30 In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

31 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

As Per Our Report Of Even Date

For PGS & Associates

Chartered Accountants

Firm Number :122384W

Premal Gandhi

Partner

M.No.: 111592

Place: Mumbai

Dated: 24th April 2023

For TM Investment Technologies Pvt. Ltd.

Vaibhav Agarwal

Director

DIN - 06663890

Ajay Menon

Director

DIN - 00024589

MO Alternative IFSC Private Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT (Contd..)

To

The Members of **MO Alternative IFSC Private Limited**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Financial Statements of **MO Alternative IFSC Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act ('SA's). 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

3. Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

INDEPENDENT AUDITOR'S REPORT (Contd..)

4. Responsibilities of Management and those Charged with Governance for the Financial Statements

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 financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company to continue as a going concern. If we conclude

INDEPENDENT AUDITOR'S REPORT (Contd..)

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.

- v. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls (IFC), the company does not fall within the preview of IFC hence reporting under IFC is not applicable.
- g. In our opinion and to the best of our information and according to the explanations given to us no managerial remuneration has been paid by the Company to its directors during the year.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position as at March 31, 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared or paid by the Company during the year.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

S. Chandrasekhar
Partner
Membership No. 007592
UDIN: 23007592BGYMAN6694

Place: Mumbai
Date: April 24, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure A to the Independent Auditors' Report of even date on the financial statements of MO Alternative IFSC Private Limited

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) a) The Company does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any working capital from banks and financial institutions on the basis of security of current assets. Thus, the provisions of clause 3(ii)(b) 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), 3(iii)(c), 3(iii)(d) and 3(iii)(e) and 3(iii)(f) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes.

INDEPENDENT AUDITOR'S REPORT (Contd..)

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) The Company does not have any borrowings. Hence, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c) and 3(ix)(d) of the Order are not applicable.

The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

(xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.

(xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards.

(xiv) Internal Audit is not applicable to the company and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
 - b) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on clause 3 (xviii) of the order is not applicable. .
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to sec 135 of Companies Act 2013, Corporate Social Responsibility (CSR) is not applicable to the company. Hence reporting under clause xx (a) is not applicable to the company.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAN6694

Place: Mumbai

Date: April 24, 2023

BALANCE SHEET

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	1,25,10,190	21,73,219
(b) Receivables			
(i) Trade receivables	5	7,63,61,293	2,45,66,434
(c) Loans	6	6,647	-
(d) Other Financial Assets	7	8,91,938	7,97,530
Sub - total financial assets (A)		8,97,70,068	2,75,37,183
2. Non - financial assets			
(a) Current Tax Assets (net)	8	1,20,12,245	-
(b) Property, plant and equipment	9	46,55,638	-
(c) Other non - financial assets	10	4,78,35,768	3,80,44,840
Sub - total non financial assets (B)		6,45,03,651	3,80,44,840
Total Assets (A+B)		15,42,73,719	6,55,82,023
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables	11		
(1) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		5,35,80,632	3,97,68,149
(b) Other financial liabilities	12	52,87,974	-
Sub - total financial liabilities (A)		5,88,68,606	3,97,68,149
2. Non - Financial liabilities			
(a) Provision	13	4,77,446	-
(b) Deferred Tax Liabilities	14	-	63,69,788
(c) Other Non Financial Liabilities	15	14,129	3,000
Sub - total financial liabilities (B)		4,91,575	63,72,788
3. Equity:			
(a) Equity share capital	16	5,00,000	5,00,000
(b) Other equity	17	9,44,13,538	1,89,41,086
Sub - total equity (C)		9,49,13,538	1,94,41,086
Total Liabilities and equity (A+B+C)		15,42,73,719	6,55,82,023

The accompanying notes 1 to 44 form an integral part of financial statements.

This is the Balance sheet referred to in our certificate of even date.

For Singhi & co

Chartered Accountants

Firm Registrartion No : 302049E

For and on behalf of the Board of Directors

MO Alternative IFSC Private Limited

S. Chandrasekhar

Partner

Membership No : 007592

Vishal Tulsyan

Director

DIN : 00139754

Navin Agarwal

Director

DIN : 00024561

Place : Mumbai

Date : 24 April 2023

Place : Mumbai

Date : 24 April 2023

STATEMENT OF PROFIT AND LOSS

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from Operations:			
(i) Fees & commission income	18	12,89,30,680	2,69,13,498
(ii) Other Income	19	20,45,743	38,086
Total (A)		13,09,76,423	2,69,51,584
Expenses :			
(i) Finance costs	20	5,27,040	-
(ii) Fees & Commission Expense	21	43,02,496	1,51,056
(iii) Employee Benefit Expense	22	20,58,646	1,02,699
(iv) Depreciation and amortisation expense	9	4,91,556	-
(v) Other Expenses	23	5,66,34,010	15,34,145
Total (B)		6,40,13,748	17,87,900
Profit before tax (C) = (A) - (B)		6,69,62,675	2,51,63,684
Tax Expenses :	24		
Current Tax		16,33,161	-
Deferred Tax		(67,64,595)	63,33,196
Total Tax Expense (D)		(51,31,434)	63,33,196
Profit after Tax (E) = (C) - (D)		7,20,94,109	1,88,30,488
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss		(12,386)	-
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) (F)		(12,386)	-
Total comprehensive income for the period (G) = (E) + (F)		7,20,81,723	1,88,30,488
Earnings Per Share (Rupees)			
Equity share of par value Rs 10/- each			
Basic and Diluted (Refer Note 32)		1,441.88	376.61

The accompanying notes 1 to 44 form an integral part of financial statements.

This is the Balance sheet referred to in our certificate of even date.

For Singhi & co

Chartered Accountants

Firm Registrartion No : 302049E

For and on behalf of the Board of Directors

MO Alternative IFSC Private Limited

S. Chandrasekhar

Partner

Membership No : 007592

Vishal Tulsyan

Director

DIN : 00139754

Navin Agarwal

Director

DIN : 00024561

Place : Mumbai

Date : 24 April 2023

Place : Mumbai

Date : 24 April 2023

STATEMENT OF CASH FLOW

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before taxation	6,69,62,675	2,51,63,684
Adjustment for :		
Adjustment for Foreign Currency Translation	38,05,912	1,47,190
Depreciation	4,91,556	-
Gratuity	14,713	-
Finance cost	5,27,040	-
Operating profit	7,18,01,897	2,53,10,874
Adjustment for working capital changes		
(Increase)/decrease in trade receivables	(5,17,94,859)	(2,45,66,434)
(Increase)/decrease in loans	(6,647)	-
(Increase)/decrease in other financial assets	(94,408)	(7,97,530)
(Increase)/decrease in other non financial asset	(97,90,927)	(3,80,44,840)
Increase / (decrease) in payables	1,38,12,482	3,97,68,149
Increase / (decrease) in other financial liabilities	2,13,301	-
Increase / (decrease) in provisions	4,50,347	-
Increase / (decrease) in other non financial liabilities	11,129	3,000
Cash generated from operations	2,46,02,314	16,73,219
Direct taxes paid (Net)	(1,36,45,404)	-
Net cash generated from operating activities	1,09,56,910	16,73,219
B. Cash flow from investing activities		
Purchase of Fixed Assets	-	-
Net cash used in investing activities	-	-
C. Cash flow from financing activities		
Issue Of Shares	-	5,00,000
Payment of lease liability including interest	(6,19,939)	-
Net cash used in financing activities	(6,19,939)	5,00,000
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	1,03,36,971	21,73,219
Cash & cash equivalents as at beginning of the year	21,73,219	-
Cash & cash equivalents as at end of the year	1,25,10,190	21,73,219
Components of Cash & cash equivalents (also refer note 4)		
Balance with bank		
in current account	1,25,10,190	21,73,219
	1,25,10,190	21,73,219

STATEMENT OF CASH FLOW

(A) Changes in liabilities arising from financing activities

Particulars	For the period ended 31 March 2023	For the period ended 31 March 2022
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	-	-
Proceeds from borrowings (other than debt securities)	-	-
Proceeds from issuance of debt securities	-	-
Repayment of borrowings	-	-
Repayment of debt securities	-	-
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	-	-

(B) Cashflow from operating activities includes:

Particulars	For the period ended 31 March 2023	For the period ended 31 March 2022
Interest received	-	-
Interest paid	-	-

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 certificate of even date.

For Singhi & co
Chartered Accountants
Firm Registrartion No : 302049E

For and on behalf of the Board of Directors
MO Alternative IFSC Private Limited

S. Chandrasekhar
Partner
Membership No : 007592

Vishal Tulsyan
Director
DIN : 00139754

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 24 April 2023

Place : Mumbai
Date : 24 April 2023

STATEMENT OF CHANGES IN EQUITY

(All amounts are converted in Rupees, unless otherwise stated)

A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2021	-	-
Addition during the year	50,000	5,00,000
As at 31 March 2022	50,000	5,00,000
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2022	50,000	5,00,000
Changes during the year	-	-
As at 31 March 2023	50,000	5,00,000

B) Other equity

Particulars	Reserves and Surplus		Total
	Retained Earnings	Foreign Currency Translation Reserve	
Balance as at 01 April 2021	-	-	-
Add/Less: Changes due to prior period errors	-	-	-
Restated balance as at 01 April 2021	-	-	-
Profit during the year	1,88,30,488	-	1,88,30,488
Transfer during the year	-	1,10,598	1,10,598
Actuarial gains/(losses) on post retirement benefit plans	-	-	-
Balance as at 31 March 2022	1,88,30,488	1,10,598	1,89,41,086
Add/Less: Changes due to prior period errors	-	-	-
Restated balance as at 01 April 2022	1,88,30,488	1,10,598	1,89,41,086
Profit during the year	7,20,94,109	-	7,20,94,109
Transfer during the year	-	33,90,729	33,90,729
Actuarial gains/(losses) on post retirement benefit plans	(12,386)	-	(12,386)
Balance as at 31 March 2023	9,09,12,211	35,01,327	9,44,13,538

The accompanying notes 1 to 44 form an integral part of financial statements.

For Singhi & co

Chartered Accountants

Firm Registration No : 302049E

For and on behalf of the Board of Directors

MO Alternative IFSC Private Limited

S. Chandrasekhar

Partner

Membership No : 007592

Vishal Tulsyan

Director

DIN : 00139754

Navin Agarwal

Director

DIN : 00024561

Place : Mumbai

Date : 24 April 2023

Place : Mumbai

Date : 24 April 2023

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate information

The Company was incorporated in India under the Companies Act 2013 on 10 November 2021 as a private company limited by shares. The address of the Company's registered office is unit no. 635, Signature, 13B, Zone 1, GIFTSEZ, Gandhinagar, Gujarat 382355. The company is an Investment Manager managing Business Excellence Fund.

The Company has obtained authorisation from the GIFTSEZ to set up a unit in GIFT-multiservice-SEZ on 11 December 2021.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The Company has voluntarily adopted to follow the accounting principles as prescribed in Ind AS. Further, the Company is in the business of managing funds covered under AIF, which is in the nature of managing assets i.e. Asset Management Company. Pursuant to the nature of its business activities and considering the principle of substance over form, the Company has prepared its financial statements as per Division III of Schedule III of the Companies act, 2013, as the Company is getting covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 26.

2.2. Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and major expenses are routed out of the USD bank account.

NOTES TO FINANCIAL STATEMENT (Contd..)

Accordingly, the Company's functional and presentation currency is USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with IND AS. These financial statements are converted into Indian rupees for ROC filing. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Monetary items are translated into the functional currency using the exchange rates at the date 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/amortized cost in a foreign currency are translated using the exchange rates at the date when the fair value/amortized cost was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Equity share capital is measured at amortized cost.

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Investment Management Agreement with Fund – IBEF IV G

The Company had entered into an Investment Management Agreement with Fund-IBEF IV G and assumes the investment management functions. The Company has obtained the relevant authorisations to carry out the role of Investment Manager.

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-IBEF IV G at a rate of not more than 1% per annum based on the aggregate capital commitment of the relevant Class A Shareholders.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax

NOTES TO FINANCIAL STATEMENT (Contd..)

bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.5. Leases

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. The Company recognises Right of Use asset for operating leases and measures at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company discounts lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.6. 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

NOTES TO FINANCIAL STATEMENT (Contd..)

to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.7. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.8. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

NOTES TO FINANCIAL STATEMENT (Contd..)

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at Fair value through profit or loss(FVTPL):

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.9. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.10. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.12. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

2.13. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.14. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company 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.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(ii) Post-employment obligations

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.15. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. 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.

2.17. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.18. Expenses

Distribution cost paid is amortised over the contractual period. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged to the Statement of Profit and Loss over the life of the fund.

2.19. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

3. Key accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) **Provision and contingent liability** - On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. 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. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset** - The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, Company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- (c) **Recognition of deferred tax assets** - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Property, plant and equipment and Intangible Assets** - Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 4 : Cash and Bank Balances

	As at 31 March 2023	As at 31 March 2022
Cash on Hand	-	-
Balances with bank		
In current accounts	1,25,10,190	21,73,219
Total	1,25,10,190	21,73,219

Note 5 : Trade Receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Trade Receivables (Outstanding for less than six months)	7,63,61,293	2,45,66,434
Total	7,63,61,293	2,45,66,434

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 5 (i) : Receivable ageing schedule For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	7,63,61,293	-	-	-	-	7,63,61,293
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,45,66,434	-	-	-	-	2,45,66,434
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 6 : Loans

	As at 31 March 2023	As at 31 March 2022
Loans to employees	6,647	-
Total	6,647	-

Note 7 : Other Financial Assets

	As at 31 March 2023	As at 31 March 2022
Security Deposit	8,91,938	7,97,530
Total	8,91,938	7,97,530

Note 8 : Current Tax Assets

	As at 31 March 2023	As at 31 March 2022
Advance tax and tax deducted at source (net of provisions)	1,20,12,245	-
Total	1,20,12,245	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 9 : Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Right to usage (lease)	-	51,47,194	-	51,47,194	-	4,91,556	-	4,91,556	46,55,638	
Total	-	51,47,194	-	51,47,194	-	4,91,556	-	4,91,556	46,55,638	

Note 10 : Other non financial asset

	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	4,77,09,269	3,80,44,840
Advances and other non-financial assets	20,014	-
Capital advances	1,06,485	-
Total	4,78,35,768	3,80,44,840

Note 11 : Payables

	As at 31 March 2023	As at 31 March 2022
Due to creditors other than micro and small enterprise	5,35,80,632	3,97,68,149
Total	5,35,80,632	3,97,68,149

The company does not have any transaction with micro enterprise and small enterprise during the year ended March 2023 and March 2022

For the period ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	88,05,197	4,47,75,435	-	-	5,35,80,632
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

For the period ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	3,97,68,149	-	-	-	3,97,68,149
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 12 : Other Financial Liabilities

	As at 31 March 2023	As at 31 March 2022
Other payables	1,46,435	-
Provision for expenses	66,866	-
Lease Liability	50,74,673	-
Total	52,87,974	-

Note 13 : Provision

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity	27,446	-
Ex - gratia	4,50,000	-
Total	4,77,446	-

Note 14 : Deferred Tax Liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
Placement fees amortisation		95,61,225
	-	95,61,225
Deferred tax assets		
Business loss		31,91,437
	-	31,91,437
Total	-	63,69,788

Note 15 : Other Non Financial Liabilities

	As at 31 March 2023	As at 31 March 2022
Withholding and other taxes payables	14,129	3,000
Total	14,129	3,000

Note 16 : Share Capital

	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
Authorised :				
Equity Shares of Rs 10 each fully paid up	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed and Paid Up :				
Equity Shares of Rs 10 each fully paid up	50,000	5,00,000	50,000	5,00,000
Total	50,000	5,00,000	50,000	5,00,000

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

*Motilal Oswal Financial Services Limited acquired 100% shares of MO Alternative IFSC Private Limited on 12th December 2022.

Reconciliation of the number of shares outstanding

	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Number of shares	In Rupees	Number of shares	In Rupees
Number of shares at the beginning(Face value of Rs 10 each)	50,000	5,00,000	-	-
Changes due to prior period error	-	-	-	-
Restated at the beginning of the year	50,000	5,00,000	-	-
Shares issued during the year	-	-	50,000	5,00,000
Number of shares at the end of the year	50,000	5,00,000	50,000	5,00,000

Shareholders having more than 5% equity holding in the Company

Name of Shareholder	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Sunil Rupchand Mahtani	-	-	25,000	50
Mr. Rajive Sreedharan	-	-	25,000	50
Motilal Oswal Financials Services Limited	50,000	100	-	-

Shares held by promoters at the end of the year

Shareholding pattern as on March 31, 2023			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Mr. Sunil Rupchand Mahtani	-	-	(100.00)
Mr. Rajive Sreedharan	-	-	(100.00)
Motilal Oswal Financials Services Limited	50,000	100	100.00
Total A	50,000	100	

Shareholding pattern as on March 31, 2022			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Mr. Sunil Rupchand Mahtani	25,000	50	100.00
Mr. Rajive Sreedharan	25,000	50	100.00
Total A	50,000	100	

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 17 : Other Equity

	As at 31 March 2023	As at 31 March 2022
a) Retained Earnings		
Balance at the beginning of the year	1,88,30,488	-
Add: Transfer from Statement of Profit and Loss	7,20,94,109	1,88,30,488
Add: Actuarial gains/(losses) on post retirement benefit plans	(12,386)	-
Total	9,09,12,211	1,88,30,488
b) Foreign Currency Translation Reserve		
Balance at the beginning of the year	1,10,598	-
Add: Transferred during the year	33,90,729	1,10,598
Total	35,01,327	1,10,598
Balance at the end of year	9,44,13,538	1,89,41,086

Nature and Purpose of Reserves

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Foreign Currency Translation Reserve

Foreign Currency Translation Reserve contains the accumulated foreign exchange difference on conversion of USD financials into INR financials

Note 18 : Fees & commission income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Management Fees	12,89,30,680	2,69,13,498
Total	12,89,30,680	2,69,13,498

Note 19 : Other Income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign Exchange Gain	7,61,808	38,086
Recovery of Expenses	12,83,935	-
Total	20,45,743	38,086

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 20 : Finance Cost

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost on lease liabilities	5,27,040	-
Total	5,27,040	-

Note 21 : Fees & commission Expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Placement Fees	43,02,496	1,51,056
Total	43,02,496	1,51,056

Note 22 : Employee Benefit Expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary and allowances	20,00,913	1,02,699
Contribution to provident fund and other benefits	43,020	-
Gratuity	14,713	-
Total	20,58,646	1,02,699

Note 23 : Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Communication expenses	37,340	-
Filing and Registration Fees	-	14,29,352
Legal and professional charges	23,65,054	55,590
Power and fuel	10,628	-
Remuneration to auditors (Refer Note 30)	48,851	30,000
Research and Marketing Expense	5,37,82,508	-
Repairs and maintenance	1,10,023	18,441
Travelling and conveyance expenses	51,037	-
Miscellaneous expenses	2,28,569	762
Total	5,66,34,010	15,34,145

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 24.1 : Tax expense

Particulars	Period ended 31 March 2023	Period ended 31 March 2022
Current tax expense		
Current tax for the year	16,33,161	-
Tax adjustment in respect of earlier years	-	-
Total current tax expense	16,33,161	-
Deferred taxes		
Placement Fees	(1,01,53,817)	95,07,259
Business Loss	33,89,222	(31,74,063)
Net deferred tax expense	(67,64,595)	63,33,196
	(51,31,434)	63,33,196

*Deferred tax expense of FY 2021-22 is reversed in FY 2022-23 and difference of Rs (4,31,399) is due to exchange rate fluctuation.

Note 24.2 : Tax reconciliation (for profit and loss)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(loss) before income tax expense	6,69,62,675	2,51,63,684
	6,69,62,675	2,51,63,684
Tax at the rate of 25.17%	1,68,53,166	63,33,196
Tax effect of		
Reversal of Deferred tax	(96,73,821)	-
Impact of lease	1,01,272	-
Gratuity Expense	3,703	-
Upfront Placement fees	(1,34,98,606)	-
Placement fees amortisation	10,82,852	-
Income tax expense	(51,31,434)	63,33,196
Income tax expense	(51,31,434)	63,33,196

Note 24.3 : Effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Effective tax rate	-7.66%	25.17%

*Effective tax rate for FY 2022-23 is negative because of reversal of deferred tax expenses.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 24.4 : Net Deferred Tax

63,69,788	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax liability on account of :		
Amortization of placement fees	-	95,61,225
Total deferred tax liabilities (A)	-	95,61,225
Deferred tax assets on account of:		
Business Loss	-	31,91,437
Total deferred tax assets (B)	-	31,91,437
Net deferred tax liability/ (assets) (A-B)	-	63,69,788

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 24.5 : Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss	As at 1 April 2021
Deferred tax liabilities on account of:					
Amortization of placement fees	-	(95,61,225)	95,61,225	95,61,225	-
Provision for doubtful debt	-	-	-	-	-
Unrealised gain	-	-	-	-	-
Total deferred tax liabilities	-	(95,61,225)	95,61,225	95,61,225	-
Deferred tax assets on account of:					
Provision for gratuity	-	-			
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	-			
Unrealised loss	-	-			
Changes in ESOP policy	-	-			
Provision for doubtful debt	-	-			
Business Loss	-	(31,91,437)	31,91,437	31,91,437	
Total deferred tax assets	-	(31,91,437)	31,91,437	31,91,437	-
Total deferred tax Assets/liability (net)	-	(63,69,788)	63,69,788	63,69,788	-

*Deferred tax expense of FY 2021-22 is reversed in FY 2022-23 and difference of Rs (4,31,399) is due to exchange rate fluctuation.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 25 : Capital Management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Particulars	31 March 2023	31 March 2022
Gross debt	-	-
Less: Cash and cash equivalents	1,25,10,190	21,73,219
Net debt (A)	-	-
Total equity (B)	9,49,13,538	1,94,41,086
Gearing ratio (A/B)	0%	0%

Note 26 : Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March 23			31 March 22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,25,10,190	-	1,25,10,190	21,73,219	-	21,73,219
Trade receivables	7,63,61,293	-	7,63,61,293	2,45,66,434	-	2,45,66,434
Loans	6,647	-	6,647	-	-	-
Other financial asset	-	8,91,938	8,91,938	-	7,97,530	7,97,530
			-			
Non-Financial assets						
Current Tax Assets	-	1,20,12,245	1,20,12,245	-	-	-
Property, plant and equipment	5,73,198	40,82,440	46,55,638	-	-	-
Other non-financial assets	92,12,274	3,86,23,494	4,78,35,768	35,20,131	3,45,24,709	3,80,44,840
Total Assets	9,86,63,602	5,56,10,117	15,42,73,719	3,02,59,784	3,53,22,239	6,55,82,023
Liabilities						
Financial Liabilities						
Payables	5,35,80,632	-	5,35,80,632	3,97,68,149	-	3,97,68,149
Other financial liabilities	3,47,861	49,40,113	52,87,974	-	-	-
Non Financial Liabilities						
Deferred Tax Liabilities	-	-	-	-	63,69,788	63,69,788
Provision	4,50,033	27,413	4,77,446	-	-	-
Other Non Financial Liabilities	14,129	-	14,129	3,000	-	3,000
Total Liabilities	5,43,92,655	49,67,526	5,93,60,181	3,97,71,149	63,69,788	4,61,40,937

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 27 : Fair value measurements

Financial instruments by category:

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	1,25,10,190	-	21,73,219
Receivables	-	7,63,61,293	-	2,45,66,434
Loans	-	6,647	-	-
Other financial assets	-	8,91,938	-	7,97,530
Total Financial Assets	-	8,97,70,068	-	2,75,37,183
Financial Liabilities				
Payables	-	5,35,80,632	-	3,97,68,149
Other financial liabilities	-	52,87,974	-	-
	-	5,88,68,606	-	3,97,68,149

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (for example, publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair value of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value hierarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note 28 : Financial risk management

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument.

The 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 cash and cash equivalents that derive directly from its operations.

A) Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	2,63,02,143	2,45,66,434
3 - 6 months	5,00,59,150	-
6 - 12 months	-	-
More than 12 months	-	-
Total	7,63,61,293	2,45,66,434
Provision for expected credit loss	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	5,35,80,632	-	-	5,35,80,632
Total	5,35,80,632	-	-	5,35,80,632

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	3,97,68,149	-	-	3,97,68,149
Total	3,97,68,149	-	-	3,97,68,149

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 following table summarises the impact of sensitivity of foreign exchange rate with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the value of Trade Payables held at balance sheet date.

Sensitivity	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact on PBT for 5% increase in foreign exchange rate	26,79,032	19,88,407
Impact on PBT for 5% decrease in foreign exchange rate	(26,79,032)	(19,88,407)

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

(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 not exposed to price risk from investments as it does not have any investments.

Note 29 : Due to micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management, following disclosures are made:

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
"Amount of interest paid by the company in terms of Section 16 of the MSMEDA, alongwith the amount of the payment made to the supplier beyond the appointed day duringthe accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which havebeen paid but beyond the appointed day during the year)but without adding the interestspecified under the MSMEDA	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

Note 30 : Auditor's remuneration (excluding taxes)

Particulars	For the period ended 31 March 2023	For the period ended 31 March 2022
As Auditors:		
Statutory audit	46,451	30,000
Out of pocket expenses	2,400	-
Total	48,851	30,000

Note 31 : Provisions made comprises of

Particulars	Opening balance as at 01 April 2022	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2023
Gratuity	-	27,446	-	27,446
Ex-gratia	-	4,50,000	-	4,50,000
Total	-	4,77,446	-	4,77,446

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 32 : Basic and diluted Earning per share:

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the period ended 31 March 2023	For the period ended 31 March 2022
Net Profit attributable to equity shareholders [A] (Rupees)	7,20,94,109	1,88,30,488
Weighted Average of equity shares issued [B] (face value of Rs. 10 each)	50,000	50,000
Basic and Diluted Earnings per share [A/B] (Rupees)	1,441.88	376.61

Note 33 : Segment information:

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Note 34 : Transactions in foreign currency

(i) Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Recovery of Expenses	12,83,935	-
Total	12,83,935	-

(ii) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Communication expenses	37,340	-
Filing and Registration Fees	-	14,29,352
Legal and professional charges	14,11,819	55,590
Power and fuel	10,628	-
Remuneration to auditors	48,851	30,000
Repairs and maintenance	1,10,023	-
Travelling and conveyance expenses	51,037	18,441
Miscellaneous expenses	2,28,569	762
Rent expense	6,19,939	-
Salary and allowances	20,00,913	1,02,699
Contribution to provident fund and other benefits	43,020	-
Gratuity	14,713	-
Total	45,76,852	16,36,844

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

(iii) Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	INR (Indian Rupees)	-	-
	USD (USA Dollar)	-	-
Foreign currency receivable in next 5 years including interest	INR (Indian Rupees)	-	-
	USD (USA Dollar)	-	-
Unhedged foreign currency exposure	INR (Indian Rupees)	-	-
	USD (USA Dollar)	-	-

b) Loans

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	INR (Indian Rupees)	6,645	-
	USD (USA Dollar)	81	-
Foreign currency receivable in next 5 years including interest	INR (Indian Rupees)	6,645	-
	USD (USA Dollar)	81	-
Unhedged foreign currency exposure	INR (Indian Rupees)	6,645	-
	USD (USA Dollar)	81	-

c) Deposits

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	INR (Indian Rupees)	8,91,938	7,97,530
	USD (USA Dollar)	10,856	10,551
Foreign currency exposure in next 5 years including interest	INR (Indian Rupees)	NA	NA
	USD (USA Dollar)	NA	NA
Unhedged foreign currency exposure	INR (Indian Rupees)	8,91,938	7,97,530
	USD (USA Dollar)	10,856	10,551

d) Payables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	INR (Indian Rupees)	19,78,913	16,17,641
	USD (USA Dollar)	24,085	21,401
Foreign currency payable in next 5 years including interest	INR (Indian Rupees)	19,78,913	16,17,641
	USD (USA Dollar)	24,085	21,401
Unhedged foreign currency exposure	INR (Indian Rupees)	19,78,913	16,17,641
	USD (USA Dollar)	24,085	21,401

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

e) Lease Liability

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	INR (Indian Rupees)	80,39,118	-
	USD (USA Dollar)	97,842	-
Foreign currency exposure in next 5 years including interest	INR (Indian Rupees)	40,67,846	-
	USD (USA Dollar)	49,509	-
Unhedged foreign currency exposure	INR (Indian Rupees)	80,39,118	-
	USD (USA Dollar)	97,842	-

Source for conversion rate as on 31 March : Oanda.com

Note 35 : Lease

The Company has taken a office premise on operating lease for the period of 108 months (9 years) with an option to renew the lease by mutual consent on mutually agreeable terms.

The weighted average incremental borrowing rate applied to lease liabilities is 12 %.

A. Right of use Assets (ROU)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	-	-
Adjustment on transition to Ind AS	-	-
Movement during the year	51,47,194	-
Depreciation on ROU assets	(4,91,556)	-
Balance at the end of the year	46,55,638	-

The changes in carrying value of right of use assets for the year ended 31 March 2023 has been disclosed in note 9.

B. Lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	-	-
Adjustment on transition to Ind AS	-	-
Movement during the year	51,47,194	-
Interest cost accrued during the period	5,27,040	-
Payment of lease liabilities	(6,19,939)	-
Foreign exchange fluctuation gain/(loss)	20,377	-
Balance at the end of the year	50,74,672	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

C. Amount recognised in statement of profit & loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on ROU assets	4,91,556	-
Interest cost accrued during the period	5,27,040	-
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	-	-

D. Amount recognised in statement of cash flows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash payment of lease liabilities	6,19,939	-
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	-	-

E. Maturity analysis - Undiscounted Cashflows of Contractual maturities of lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Upto 1 year	6,94,266	-
one to 5 years	44,81,661	-
more than 5 years	28,63,192	-
Total	80,39,119	-

F. Maturity analysis of lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Within 12 months	1,34,560	-
After 12 months	49,40,113	-
Total	50,74,673	-

Note 36 : Related parties transactions

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(i) List of related parties and their relationship

Holding company

- Motilal Oswal Financial Services Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Fellow subsidiaries

- MO Alternate Investment Advisors Private Limited
- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Investment Advisory Limited
- Motilal Oswal Wealth 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 (Formerly known as Aspire Home Finance Corporation Limited)
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Private Limited

Key management personnel

- Navin Agarwal - Director
- Vishal Tulsyan - Director
- Akhil Chaturvedi - Director

Person exercising Joint Control

- Sunil Mahtani - Shareholder (till 11th December, 2022)
- Rajive Sreedharan - Shareholder (till 11th December, 2022)

(ii) Transactions with related parties for the year ended 31 March 2023 and March 2022

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B+C)	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
Placement Fees	Rajive Sreedharan	-	-	26,95,223	1,51,055	26,95,223	1,51,055
Expense	Sunil Mahtani	-	-	86,306	-	86,306	-
Other payable	Sunil Mahtani	-	-	-	11,362	-	11,362

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

(iii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B+C)	
		31 March 23	31 March 22	31 March 23	31 March 22	31 March 23	31 March 22
Trade payable	Rajive Sreedharan	-	-	-	3,81,42,146	-	3,81,42,146
Other payable	Sunil Mahtani	-	-	-	11,362	-	11,362
	Motilal Oswal Financial Services Limited	13,14,196	-	-	-	13,14,196	-
	Motilal Oswal Finsec IFSC Limited	10,870	-	-	-	10,870	-

Note 37 : 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 :

(In Rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employers' contribution to provident fund	43,020	90
Total	43,020	90

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, under Ind AS 19 "Employee benefits".

Particulars		Gratuity (unfunded)	
		Year ended 31 March 2023	Year ended 31 March 2022
I)	Actuarial assumptions		
	Mortality	IALM (2012-14) Ultimate	-
	Discount rate (per annum)	7.29%	-
	Rate of escalation in salary (per annum)	6.50%	-
	Expected rate of return on plan assets (per annum)	-	-
	Employee attrition rate (Past Service)	PS: 0 to 40 : 0%	-
	Expected average remaining service	27.2	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Particulars		Gratuity (unfunded)	
		Year ended 31 March 2023	Year ended 31 March 2022
II)	Changes in present value of obligations (PVO)		
	PVO at beginning of period	-	-
	Interest cost	-	-
	Current service cost	15,060	-
	Transfer in liabilities		
	Transfer out liabilities		
	Past service cost - (non vested benefits)	-	-
	Past service cost - (vested benefits)	-	-
	Benefits paid	-	-
	Contributions by plan participants	-	-
	Business combinations	-	-
	Curtailments	-	-
	Settlements	-	-
	Actuarial (gain)/less on obligation	12,386	-
	PVO at end of period	27,446	-
III)	Interest expense		
	Interest cost	-	-
IV)	Fair value of plan assets		
	Fair value of plan assets at the beginning	-	-
	Interest income	-	-
V)	Net Liability		
	PVO at beginning of period	-	-
	Fair value of the assets at beginning report	-	-
	Net Liability	-	-
VI)	Net Interest		
	Interest Expenses	-	-
	Interest Income	-	-
	Net Interest	-	-
VII)	Actual return on plan assets		
	Less: Interest income included above	-	-
	Return on plan assets excluding interest income	-	-
VIII)	Actuarial (Gain)/loss on obligation		
	Due to Demographic Assumption	-	-
	Due to Financial Assumption	8,697	-
	Due to Experience	3,689	-
	Total Actuarial (Gain)/Loss	12,386	-
IX)	Fair Value of Plan Assets		
	Opening Fair Value of Plan Asset	-	-
	Adjustment to Opening Fair Value of Plan Asset	-	-
	Return on Plan Assets excl. interest income	-	-
	Interest Income	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Particulars		Gratuity (unfunded)	
		Year ended 31 March 2023	Year ended 31 March 2022
	Contributions by Employer	-	-
	Contributions by Employee	-	-
	Benefits Paid	-	-
	Fair Value of Plan Assets at end	-	-
X)	Past Service Cost Recognised		
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost- non vested benefits	-	-
	Recognised Past service Cost- vested benefits	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
XI)	Amounts to be recognized in the balance sheet and statement of profit & loss account		
	PVO at end of period	27,446	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(27,446)	-
	Unrecognised Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(27,446)	-
XII)	Expense recognised in the statement of profit and loss		
	Current service cost	15,060	-
	Net Interest	-	-
	Past service cost - (non vested benefits)	-	-
	Past service cost - (vested benefits)	-	-
	Transfer in liability	-	-
	Transfer out liability	-	-
	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	15,060	-
XIII)	Other Comprehensive Income (OCI)		
	Actuarial (Gain)/Loss recognized for the period	12,386	-
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	12,386	-
XIV)	Movement in liability recognized in balance sheet		
	Opening net liability	-	-
	Adjustment to opening balance	-	-
	Expenses as above	15,060	-
	Transfer in liabilities	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Particulars		Gratuity (unfunded)	
		Year ended 31 March 2023	Year ended 31 March 2022
	Transfer out liabilities		
	Contribution paid	-	-
	Other Comprehensive Income(OCI)	12,386	-
	Closing net liability	27,446	-
XV)	Projected Service Cost 31 March 2024	62,260	-
XVI)	Asset Information		
	Cash and Cash Equivalents	-	-
	Gratuity Fund	-	-
	Debt Security - Government Bond	-	-
	Equity Securities - Corporate debt securities	-	-
	Other Insurance contracts	-	-
	Property	-	-
	Total Itemized Assets	-	-

XVII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	21,339	35,420	35,388	21,259

XVIII) Expected Payout

Year	Expected	Expected	Expected	Expected	Expected	Expected
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Outgo Six to ten years
Payouts	33	36	40	44	49	359

XIX) Asset Liability Comparisons

Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023
PVO at End of period	-	-	-	-	27,446
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	-	-	-	-	(27,446)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of defined benefit obligation

27.2

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Risk associated with defined benefit plan:

1) Investment / interest risk:

Since the scheme is unfunded the company is not exposed to investment/interest risk.

2) Longevity risk:

The company is not exposed to risk of employee living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

Note 38 : 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 Alternate Investment Funds. The company earns Managements fees from respective funds.

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	Investment management fees	
	31 March 23	31 March 22
Total revenue from contracts with customers	12,89,30,680	2,69,13,498
<u>Geographical markets</u>		
India	12,89,30,680	2,69,13,498
Outside India	-	-
Total revenue from contracts with customers	12,89,30,680	2,69,13,498
<u>Timing of revenue recognition</u>		
Services transferred at a point in time	-	-
Services transferred over time	12,89,30,680	2,69,13,498
Total revenue from contracts with customers	12,89,30,680	2,69,13,498

b) Contract balances

Trade receivable are non-interest bearing balances.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

c) Performance obligations

The performance obligation of the Company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement. The usual payment term for the performance obligation of the company is three month.

Note 39 : Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Profit and Loss.

Note 40 :

- (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Note 41 : Transactions with Struck-off companies

The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.

Note 42 : The company does not have any contingent liability during the period ended March 2023 and March 2022.

Note 43 : Motilal Oswal Financial Services Limited acquired 100% shares of MO Alternative IFSC Private Limited on 12th December 2022. From this date the company has become a wholly owned subsidiary.

Note 44 : Previous year figures have been regrouped/ reclassified wherever necessary.

For Singhi & co

Chartered Accountants
Firm Registration No : 302049E

For and on behalf of the Board of Directors

MO Alternative IFSC Private Limited

S. Chandrasekhar

Partner
Membership No : 007592

Vishal Tulsyan

Director
DIN : 00139754

Navin Agarwal

Director
DIN : 00024561

Place : Mumbai
Date : 24 April 2023

Place : Mumbai
Date : 24 April 2023

Motilal Oswal Securities International Private Limited

FINANCIAL STATEMENT

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Notes	As At 31-Mar-2023 Rs.	As At 31-Mar-2022 Rs.
I ASSETS			
1. Financial assets			
(a) Cash and Cash Equivalents	1	5,26,10,474	4,69,85,406
(b) Trade receivables	2	50,92,497	1,08,25,721
(c) Other financial assets	3	-	-
Sub - total Financial assets		5,77,02,972	5,78,11,127
2. Non-Financial assets			
(a) Current tax assets	4	18,11,725	20,61,741
(b) Other Non-Financials Assets	5	4,69,009	3,24,687
(c) Deferred Tax Assets (net)	6	4,43,947	3,53,541
(d) Property plants and equipments	7	2,394	2,394
Sub - total Non- Financial assets		27,27,075	27,42,363
Total Assets		6,04,30,047	6,05,53,490
II EQUITY & LIABILITIES			
1. Financial liabilities			
(a) Other financials Liabilities	8	18,12,597	9,94,168
(b) Provisions	9	59,93,180	89,41,780
Sub - total Financial liabilities		78,05,777	99,35,948
2. Other non - financial liabilities			
(a) Other non - financial liabilities	10	34,181	-
Sub - total Other non - financial liabilities		34,181	-
3. Equity:			
(a) Equity share capital	11	4,56,92,000	4,56,92,000
(b) Other Equity	12	68,98,089	49,25,542
Sub - total Equity		5,25,90,089	5,06,17,542
Total Liabilities and Equity		6,04,30,047	6,05,53,490

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No.: 111592
Place: Mumbai
Dated: 24th April 2023

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023

	Notes	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Revenue from Operations	13	2,67,91,091	2,23,47,233
Other Income	14	81,296	29,650
Total Revenue		2,68,72,388	2,23,76,883
Expenses:			
Employee Benefits	15	1,51,32,389	1,11,64,643
Other Expense	16	81,64,212	82,67,733
Total Expenses		2,32,96,601	1,94,32,376
Profit/(Loss) Before Tax		35,75,786	29,44,506
Tax Expense:			
Current Tax		8,68,709	6,73,876
Deferred Tax		31,316	(1,75,297)
Short/Excess Provision of Tax for earlier years		3,41,338	(5,61,812)
Profit/(Loss) for the year		23,34,423	30,07,740
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		(4,83,599)	4,30,772
Income Tax there on		1,21,722	(1,08,425)
Total		(3,61,877)	3,22,347
Total Comprehensive Income		19,72,546	33,30,087
Earnings Per Share (Rs.)			
Basic and Diluted Earnings/(Loss) per share (Face value of Rs. 10 each)		0.51	0.66

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No.: 111592
Place: Mumbai
Dated: 24th April 2023

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	35,75,786	29,44,506
Add/(Less):		
1) Depreciation	-	-
2) Ind AS (Actuarial gain and tax thereon)	(3,61,877)	3,22,347
2) Effect Of Exchange Rate Changes	-	-
	(361,876)	3,22,348
OPERATING PROFIT/(LOSS)	3,213,910	32,66,854
Adjustment For:		
(Increase)/Decrease In Trade receivables	57,33,223	(1,05,38,259)
(Increase)/Decrease In Current tax Assets	2,50,016	(11,44,401)
(Increase)/Decrease In Other financial assets	-	-
Increase/ (Decrease) Provisions	(29,48,601)	87,96,834
Increase/ (Decrease) In Other Non-Financials	(1,44,323)	3,59,411
Assets		
Increase/ (Decrease) In Current tax liabilities	34,181	-
Increase/ (Decrease) In Other financials	8,18,430	3,93,557
Liabilities		(21,32,858)
CASH GENERATED FROM OPERATIONS	69,56,837	11,33,996
Taxes Paid	(13,31,766)	(3,636)
NET CASH FROM OPERATING ACTIVITIES	56,25,071	11,30,359
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
NET CASH FLOW FOR THE YEAR	5,625,069	11,30,358
Cash & Cash Equivalents As At 01.04.2022	-	-
Balances With bank	4,69,85,406	4,58,55,048
Cash & Cash Equivalents As At 31.03.2023	-	-
Balances With bank	5,26,10,474	4,69,85,406
Effect Of Exchange Rate Changes		

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 'of the companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended)

This is the statement of Cash Flow referred to in our report of even date.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No.: 111592
Place: Mumbai
Dated: 24th April 2023

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 March 2023

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 01 April 2021	45,69,200	4,56,92,000
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	45,69,200	4,56,92,000
As at 31 March 2022	45,69,200	4,56,92,000
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	45,69,200	4,56,92,000
Changes during the year	-	-
As at 31 March 2023	45,69,200	4,56,92,000

(b) Other Equity

Particulars	Reserves and Surplus						Other comprehensive income		Total
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment reserve	General reserve	Statutory Reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 01 April 2021	-	-	-	-	-	-	15,95,454	-	15,95,454
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting year	-	-	-	-	-	-	15,95,454	-	15,95,454
Due to exercise of options	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	30,07,740	-	33,30,087
Balance as at 31 March 2022	-	-	-	-	-	-	46,03,195	-	49,25,541
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-	46,03,195	-	49,25,541
Additions during the year	-	-	-	-	-	-	23,34,423	-	19,72,546
Balance as at 31 March 2023	-	-	-	-	-	-	69,37,618	-	68,98,088

NOTES TO FINANCIAL STATEMENT (Contd..)

A. Corporate information

Motilal Oswal Financial Services Limited (MOFSL) is a company registered under SEBI with broker license to carry on securities business in India. As part of its broking business, it deals with Foreign Institutional Investors who have been domiciled in the United States (U.S) as regards their investments in Indian Equities. In order to cater to such U.S. based Institutions within the framework provided by SEC, MOFSL has set up a 100% subsidiary domiciled in India - Motilal Oswal Securities International Private Limited (MOSIPL) which has received approval for broker dealer registration from FINRA. The Company will only reach out to Major Institutional Investors as defined in Rule 15a-6. The main activity of MOSIPL would be to distribute research published in India and advise institutional clients based in United States(U.S.) on investments in Indian equity markets and serve as a chaperoning broker dealer pursuant to Rule 15 a-6(a)(3) of the U.S. Securities Exchange Act 1934, as amended by the U.S. Securities and Exchange Commission (SEC).

B. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 30.

b. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current

NOTES TO FINANCIAL STATEMENT (Contd..)

tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

c. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

d. 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,

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

e. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are

NOTES TO FINANCIAL STATEMENT (Contd..)

subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation

NOTES TO FINANCIAL STATEMENT (Contd..)

techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognized only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g. 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

h. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Assets	Useful life
Computers	3 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

i. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

j. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

NOTES TO FINANCIAL STATEMENT (Contd..)

k. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

l. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

C. Key accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities,

income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) **Recognition of deferred tax assets:** Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

NOTES TO FINANCIAL STATEMENT (Contd..)

(d) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Note 1: Cash & Cash Equivalents

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Balance with bank		
Scheduled banks- In current accounts	5,26,10,474	4,69,85,406
TOTAL	5,26,10,474	4,69,85,406

Note 2: Trade Receivables

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Considered good - secured*	-	-
Considered good - unsecured	50,92,497	1,08,25,721
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
TOTAL	50,92,497	1,08,25,721

Note: No trade are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Note 2 (i): Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	50,92,497	-	-	-	-	50,92,497
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,08,25,721	-	-	-	-	1,08,25,721
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 3: Current Tax Assets (Net)

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Rent Deposit	-	-
TOTAL	-	-

Note 4: Current Tax Assets (Net)

Particulars	As at 31-Mar-2022 Rs.	As at 31-Mar-2021 Rs.
Advance Tax (net of provisions)	18,11,725	20,61,741
TOTAL	18,11,725	20,61,741

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 5: Other Non-Financials Assets

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Prepaid Expense	2,53,614	2,51,173
Advance Against Expenses	2,15,395	73,514
TOTAL	4,69,009	3,24,687

Note 6: Deferred Tax (Liabilities)\Assets

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Provision for Gratuity	3,00,323	1,61,536
WDV of licence	1,43,306	1,91,075
WDV of fixed asset	317	930
	4,43,947	3,53,541

Note 7: Property plants and equipments

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Property plants and equipments	2,394	2,394
TOTAL	2,394	2,394

Note No:-7

Current Period											
Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
TAPE0001	COMPUTER-1	47,881	-	-	47,881	45,487	-	-	45,487	2,394	2,394
Total		47,881	-	-	47,881	45,487	-	-	45,487	2,394	2,394

Previous Period											
Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
TAPE0001	COMPUTER-1	47,881	-	-	47,881	45,487	-	-	45,487	2,394	2,394
Total		47,881	-	-	47,881	45,487	-	-	45,487	2,394	2,394

Note: There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022.

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 8: Other financials Liabilities

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Payable for Expenses	13,36,460	5,92,575
Taxes payable	4,76,137	4,01,592
TOTAL	18,12,597	9,94,168

Note 8 (i) : Trade Payable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	13,36,460	-	-	-	13,36,460
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	5,92,575	-	-	-	5,92,575
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 9: Provisions

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Ex-gratia Payable	48,00,000	83,00,000
Provision for Gratuity	11,93,180	6,41,780
TOTAL	59,93,180	89,41,780

Note 10: Other non - financial liabilities

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Accrued salary and benefits	34,181	-
TOTAL	34,181	0

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 11: Equity share capital

	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Authorised:		
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid Up:		
45,69,200 Equity Shares of Rs.10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	4,56,92,000	4,56,92,000
TOTAL	4,56,92,000	4,56,92,000

11.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Number of shares at beginning of the year	45,69,200	45,69,200
Add: Shares issued during this year	-	-
Number of shares at the end of the year	45,69,200	45,69,200

11.2 Share holder having more than 5% equity holding in the Company

Particulars	As at 31-Mar-2022 Rs.	As at 31-Mar-2021 Rs.
Motilal Oswal Financial Services Limited. (Holding Company)	45,69,200	45,69,200

11.3 Details of shareholding by promoters as at 31.3.2023

Particulars	As at 31-Mar-2022 Rs.	As at 31-Mar-2021 Rs.
Motilal Oswal Financial Services Limited. (Holding Company)	45,69,200	45,69,200

Note 12: Other Equity

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Profit & Loss Account		
Opening balance	49,25,541	15,95,454
Add: Additions during the year	23,34,423	30,07,740
Add: Ind AS Impact	(3,61,877)	3,22,347
TOTAL	68,98,088	49,25,541

NOTES TO FINANCIAL STATEMENT (Contd..)

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Note 13: Revenue from Operations

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Advisory Fees	2,67,91,091	2,23,47,233
TOTAL	2,67,91,091	2,23,47,233

Note 14: Other Income

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Interest on Income tax Refund	81,296	29,650
TOTAL	81,296	29,650

Note 15: Employee Benefits

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Salaries and Incentives	1,50,64,588	1,12,52,606
Gratuity	67,801	(87,963)
TOTAL	1,51,32,389	1,11,64,643

Note 16: Other Expenses

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Remuneration to Auditors	9,82,408	9,14,093
Legal & Professional Fees	48,81,172	52,10,061
Examination Fees	3,01,913	43,328
Rent Expenses	7,20,000	7,20,000
Membership and Subscription Fees	4,70,714	7,02,834
Communication Expenses	731	-
Back up Charges	-	1,45,867
Bank Charges	1,23,582	95,082
Business Support Charges	5,70,000	1,80,000

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Foreign Exchange Fluctuation	1,08,163	1,46,945
Insurance Charges	-	88,686
Miscellaneous Expenses	5,528	20,838
TOTAL	81,64,212	82,67,733

17 Auditors' Remuneration:

Auditor's Remuneration :

(In Rupees)

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
As Auditors:		
Audit fees	9,82,408	9,14,093
In any other capacity, in respect of:		
Other Certification	-	-
TOTAL	9,82,408	9,14,093

18 Basic & Diluted Earnings per share:

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Net Profit/(Loss) attributable to equity shareholders [A] (Rs.)	19,72,546	33,30,087
Weighted Average Number of equity shares issued [B]	45,69,200	45,69,200
Basic & Diluted Earnings per share (EPS)[A/B] (Rs.)	0.51	0.66

19 Deferred Tax Assets / (Liability):

In the presence of virtual certainty of realization of carried forward tax losses, management has created deferred tax assets for the year under review. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of virtual certainty. The component of Deferred Tax Assets/(Liabilities) are as under.

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Provision for gratuity	3,00,323	1,61,536
WDV of assets	1,43,623	1,92,005
Deferred Tax (Liability)/Assets	4,43,947	3,53,541

NOTES TO FINANCIAL STATEMENT (Contd..)

20 Gratuity Plan:

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Period Covered	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Assumptions as at	31/Mar/23	31/Mar/22
Interest / Discount Rate	7.23%	7.34%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Rate of increase in compensation	6.50%	4.57%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 0%	PS: 0 to 37 : 1.08%
Expected average remaining service	17.47	15

Changes in the present value of the obligations

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Present value of obligation at beginning of the period	6,41,780	1,44,945
Interest cost	46,644	(1,07,674)
Current service cost	21,157	19,710
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Transfer in Liability	-	10,15,571.00
Benefits paid	-	-
Actuarial (gain) loss on obligation	4,83,599	(4,30,772)
Present value of obligation at end of the period	11,93,180	6,41,780

Changes in fair value of the plan assets

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain (Loss) plan assets	-	-
Fair value of plan assets at end of the period	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Fair value of plan assets

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at end of the period	-	-

Experience History

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
(Gain)/Loss on obligation due to change in Assumption	-	-
Experience (Gain)/Loss on obligation	4,83,599	(4,30,772)
Actuarial (Gain)/Loss on plan asset	4,83,599	(4,30,772)

Actuarial Gain/(Loss) Recognized

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Actuarial Gain/(Loss) for the period (obligation)	4,83,599	4,30,772
Actuarial Gain/(Loss) for the period (plan assets)	-	-
Total Gain/(Loss) for the period	4,83,599	4,30,772
Actuarial Gain/(Loss) recognized for the period	4,83,599	4,30,772
Unrecognized Actuarial Gain/(Loss) at the end of the period	-	-

Past service cost recognized

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Average remaining future service till vesting benefit	-	-
Recognized Past service cost - non vested benefits	-	-
Recognized Past service cost - vested benefits	-	-
Unrecognized Past service cost - non vested benefits	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Amounts to be recognized in the balance sheet and statement of profit & loss account

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Present value of obligation at end of period	11,93,180	6,41,780
Fair value of plan assets at end of period	-	-
Funded status	(11,93,180)	(6,41,780)
Unrecognised Actuarial Gain/(Loss)	-	-
Unrecognised past service cost - non vested benefits	-	-
Net Liability/ (Asset) recognised in the Balance Sheet	(11,93,180)	(6,41,780)

Profit and Loss Account – Expense

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Current service cost	21,157	19,710
Interest cost	46,644	37,271
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Unrecognised past service cost - non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised for the period	-	-
Expenses Recognised in the statement of Profit & Loss Account	67,801	56,981

Movement in net liability recognized in the Balance Sheet

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Opening net liability	6,41,780	-
Adjustment to opening balance	-	10,15,571
Expenses as above	67,801	56,981
Total Actuarial (Gain)/Loss recognized in (OCI)	4,83,599	(4,30,772)
Contribution paid	-	-
Closing net Liability	11,93,180	6,41,780

NOTES TO FINANCIAL STATEMENT (Contd..)

Other Comprehensive Income (OCI)

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Actuarial (Gain)/Loss recognized for the period	4,83,599	(4,30,772)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	4,83,599	(4,30,772)

Schedule III of the Companies Act 2013

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Current Laibility	4,089	12,595
Non-Current Liability	11,89,091	6,29,185
Heritage Club Benefits		
Current Laibility	-	-
Non-Current Liability	-	-

21 Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company does not have credit risk.

B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

NOTES TO FINANCIAL STATEMENT (Contd..)

22 Fair value measurements

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

Particulars	As at March 2023		As at March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	5,26,10,474	-	4,69,85,406
Trade receivables	-	50,92,497	-	1,08,25,721
Current tax assets	-	18,11,725	-	20,61,741
Total Financial Assets	-	5,95,14,697	-	5,98,72,868
Financial Liabilities				
Other financial liabilities	-	1,812,597	-	994,168
Provisions	-	5,993,180	-	8,941,780
Other non - financial liabilities	-	34,181	-	-
Total Financial Liabilities	-	7,839,959	-	9,935,948

23 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 2023			As at 31-March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,26,10,474	-	5,26,10,474	4,69,85,406	-	4,69,85,406
Trade receivables	50,92,497	-	50,92,497	1,08,25,721	-	1,08,25,721
Current tax assets	-	18,11,725	18,11,725	-	20,61,741	20,61,741
Non-Financial assets						
Property, plant and equipment	-	2,394	2,394	-	2,394	2,394
Other non-financial assets	4,69,009	-	4,69,009	3,24,687	-	3,24,687
Deferred Tax Assets (net)	4,43,947	-	4,43,947	3,53,541	-	3,53,541
Total Assets	5,86,15,928	18,14,119	6,04,30,047	5,84,89,355	20,64,135	6,05,53,490
Liabilities						
Financial Liabilities						
Other financial liabilities	18,12,597	-	18,12,597	9,94,168	-	9,94,168
Non Financial Liabilities	-	-	-	-	-	-
Provisions	11,93,180	-	11,93,180	6,41,780	-	6,41,780
Accrued salary and benefits	48,34,181	-	48,34,181	83,00,000	-	83,00,000
Total Liabilities	78,39,958	-	78,39,958	99,35,948	-	99,35,948

NOTES TO FINANCIAL STATEMENT (Contd..)

24 Tax Note

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Tax expense		
Current tax expense		
Current tax for the year	8,68,709	6,73,876
Tax adjustment in respect of earlier years	3,41,338	(5,61,812)
Total current tax expense	12,10,047	1,12,064
Deferred taxes		
Change in deferred tax Asstes	31,316	(1,75,297)
Net deferred tax expense	31,316	(1,75,297)
	12,41,363	(63,234)
Tax reconciliation (for Profit and Loss)		
Profit/(loss) before income tax expense	35,75,786	29,44,506
Tax at the rate of 25.17% (for 31 March 2023 - 25.17%)	8,68,709	6,73,876
Tax adjustment in respect of earlier years	3,41,338	(5,61,812)
Temporary tax difference	31,316	(1,75,297)
Income tax expense	1,241,363	(63,234)

Particulars	As at 31-March-2023	As at 31-March-2022
Deferred tax assets on account of:		
Gratuity	3,00,323	1,61,536
WDV of licence	1,43,306	1,91,075
WDV of fixed asset	317	930
Total	4,43,947	3,53,541

Deferred tax related to the following:

(Amount in rupees)

Particulars	As at 31 March 2023	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2022	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2021
Deferred tax assets on account of:							
Gratuity	3,00,323	(2,60,509)	1,21,722	1,61,536	1,08,425	(1,08,425)	1,61,536
WDV of licence	1,43,306	47,769	-	1,91,075	-	-	1,91,075
WDV of fixed asset	317	613	-	930	-	-	930
Total deferred tax Assets/liability (net)	4,43,947	(2,12,127)	1,21,722	3,53,541	1,08,425	(1,08,425)	3,53,541

NOTES TO FINANCIAL STATEMENT (Contd..)

26 Related Party Disclosure:

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited - Holding Company

Transactions with related parties: 31-03-2022

Particulars	Name of the related Party	For The Year Ended 31-Mar-23 Rs.	For The Year Ended 31-Mar-22 Rs.
Rent	Motilal Oswal Financial Services Limited	7,20,000	7,20,000
Rent Deposit	Motilal Oswal Financial Services Limited		
Business Support Service	Motilal Oswal Financial Services Limited	5,70,000	1,80,000
Advisory Fees	Motilal Oswal Financial Services Limited	(2,67,91,091)	(2,23,47,233)
Trade Payable	Motilal Oswal Financial Services Limited	-	(81,000)
Trade Receivables	Motilal Oswal Financial Services Limited	50,92,497	1,08,25,721

B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- MO Alternate investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- Motilal Oswal Wealth Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Home Finance Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Pvt. Ltd.
- GLIDE TECH INVESTMENT ADVISORY PRIVATE LIMITED
- MO Alternative IFSC Private Limited

27 : Due to Micro,small and medium enterprises

The Company does not have any due from Micro,small and medium enterprises

28 Segment Information

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTES TO FINANCIAL STATEMENT (Contd..)

29 Expenses incurred in Foreign Currency:

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Audit Fees	-	-
Back up charges	-	1,45,867
Filing Fees	3,28,760	1,35,018
Examination Fees	3,01,913	43,328
Insurance Charges	-	27,369
Legal and Professional Fees	47,01,313	49,72,469
Membership Charges	5,97,247	3,87,844
	59,29,234	57,11,894

30 In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

31 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No.: 111592
Place: Mumbai
Dated: 24th April 2023

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

Motilal Oswal Finsec IFSC Limited

FINANCIAL STATEMENT

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2023

Particulars	Note	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
I ASSETS			
1. Financial assets			
(a) Cash and Cash Equivalents	1	11,22,35,615	12,17,76,053
(b) Investment	2	2,15,99,997	56,97,315
(d) Other financial assets	3	95,81,67,852	1,41,79,296
Sub - total Financial assets		1,09,20,03,464	14,16,52,664
2. Non-Financial assets			
(a) Other Non-Financials Assets	4	1,79,599	2,31,184
(b) Property, Plant & Equipment	5	4,36,859	5,94,823
Sub - total Non- Financial assets		6,16,458	8,26,007
Total Assets		1,09,26,19,922	14,24,78,671
II EQUITY & LIABILITIES			
1. Financial liabilities			
(a) Trade Payable	6	93,31,76,883	-
(b) Other financials Liabilities	7	91,586	1,36,803
(c) Provisions	8	8,76,197	8,38,814
Sub - total Financial liabilities		93,41,44,666	9,75,617
2. Non-Financial liabilities			
(a) Current tax liabilities	9	25,21,183	-
Sub - total non Financial liabilities		25,21,183	-
3. Equity:			
(a) Equity share capital	10	12,00,00,000	12,00,00,000
(b) Other Equity	11	3,59,54,073	2,15,03,054
Sub - total Equity		15,59,54,073	14,15,03,054
Total Liabilities and Equity		1,09,26,19,922	14,24,78,671

Notes referred above form part is an integral part of financial statements.
As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Finsec IFSC Limited

Premal Gandhi
Partner
M.No.: 111592

Rajat Rajgarhia
Director
DIN - 07682114

Ajay Menon
Director
DIN - 00024589

Place: Gandhinagar
Dated: 22nd April 2023

Gaurav Kedia
Chief Executive Officer

Nitesh Nainmal Jain
Chief Financial Officer

Dharmi Naik
Company Secretary

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March, 2023

Particulars	Notes	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Revenue from Operations	12	2,23,19,797	1,51,60,510
Other Income	13	91,04,358	29,27,684
Total Revenue		3,14,24,155	1,80,88,194
Expenses:			
Employee Benefits	14	30,65,806	26,44,310
Finance Cost	15	15,257	10,927
Depreciation	16	1,57,963	84,739
Other Expense	17	43,28,659	16,07,137
Total Expenses		75,67,685	43,47,113
Profit/(Loss) Before Tax		2,38,56,470	1,37,41,081
Tax Expense:			
Current Tax		65,21,183	-
Short/Excess Provision of Tax for earlier years		37,17,330	29,74,530
Profit/(Loss) for the year		1,36,17,957	1,07,66,551
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		371	2,26,206
Income Tax there on		-	-
Total		371	2,26,206
Total Comprehensive Income		1,36,18,328	1,09,92,757
Earnings Per Share (Rs.)			
Basic and Diluted Earnings/(Loss) per share (Face value of Rs. 10 each)	19	1.13	0.90

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates

Chartered Accountants

Firm Number :122384W

For Motilal Oswal Finsec IFSC Limited

Premal Gandhi

Partner

M.No.: 111592

Rajat Rajgarhia

Director

DIN - 07682114

Ajay Menon

Director

DIN - 00024589

Place: Gandhinagar

Dated: 22nd April 2023

Gaurav Kedia

Chief Executive Officer

Nitesh Nainmal Jain

Chief Financial Officer

Dharmi Naik

Company Secretary

STATEMENT OF CASH FLOW

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

Particulars	As at 31-Mar-2023 Rs.	As at 31-Mar-2022 Rs.
Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	2,38,56,470	1,37,41,081
Adjustment For:		
Depreciation	1,57,963	
Foreign Currency Translation Reserve	8,32,691	
		84,739
Operating Profit/(Loss)	2,48,47,125	1,38,25,821
Adjustment For:		
(Increase)/Decrease In Other financial assets	(94,39,88,556)	(85,63,495)
(Increase)/Decrease In Other financial Receivable	-	9,60,00,000
(Increase)/ Decrease In Other Non-Financials Assets	51,585	5,94,046
Increase/(decrease) in borrowings	-	(2,00,000)
Increase/(decrease) in Provisions	37,754	9,71,982
Increase/ (Decrease) In Other financials Liabilities	93,31,31,667	(20,13,836)
Cash Generated From Operations	1,40,79,574	10,06,14,519
Taxes Paid	(77,17,330)	(29,74,530)
Net Cash From Operating Activities	63,62,244	9,76,39,989
Cash Flow From Investing Activities		
Purchase of Assests	-	(4,00,000)
Purchase of Investment	(1,59,02,682)	(56,97,315)
Net Cash Flow From Investing Activities	(1,59,02,682)	(60,97,315)
Cash Flow From Financing Activities		
	-	-
	-	-
Net Cash Flow For The Year	(95,40,438)	9,15,42,674
Cash & Cash Equivalents at the beginning of the year	12,17,76,053	3,02,33,379
Balances With bank		-
Effect Of Exchange Rate Changes		
Cash and cash equivalents at the end of the year	11,22,35,615	12,17,76,053
Cheques In hand		
Balances With bank	-	-
Effect Of Exchange Rate Changes		

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 'of the companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended). This is the statement of Cash Flow referred to in our report of even date.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For Motilal Oswal Finsec IFSC Limited

Premal Gandhi
Partner
M.No.: 111592

Rajat Rajgarhia
Director
DIN - 07682114

Ajay Menon
Director
DIN - 00024589

Place: Gandhinagar
Dated: 22nd April 2023

Gaurav Kedia
Chief Executive Officer

Nitesh Nainmal Jain
Chief Financial Officer

Dharmi Naik
Company Secretary

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 01 April 2020	1,20,00,000	12,00,00,000
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	1,20,00,000	12,00,00,000
As at 31 March 2021	1,20,00,000	12,00,00,000
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	1,20,00,000	12,00,00,000
Changes during the year	-	-
As at 31 March 2022	1,20,00,000	12,00,00,000

(b) Other Equity

Particulars	Reserves and Surplus	Other comprehensive income		Total
	Retained earnings	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 01 April 2021	1,05,10,297	-	-	1,05,10,297
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	1,05,10,297	-	-	1,05,10,297
Due to exercise of options	-	-	-	-
Additions during the year	1,07,66,551	-	2,26,206	1,09,92,757
Balance as at 31 March 2022	2,12,76,848	-	2,26,206	2,15,03,054
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the current reporting year	2,12,76,848	-	2,26,206	2,15,03,054
Additions during the year	1,44,50,648	-	371	1,44,51,019
Balance as at 31 March 2023	3,57,27,496.28	-	2,26,577.00	3,59,54,073

NOTES TO FINANCIAL STATEMENT (Contd..)

A. Corporate information

1. Motilal Oswal Finsec IFSC Limited carry on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to act as intermediary as per such guidelines in IFSC, Investment Consultants, stock brokers, Trading cum clearing member, underwriters, and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert, or otherwise deal in any shares, stocks, debentures, debentures stock, bonds, depository receipts, hedge instruments, warrants, certificates, options futures, money market securities, marketable or non-marketable securities, derivatives and other instruments or securities issued or guaranteed given by any Government, semi-government, or any other authority or to deal in other permissible securities as prescribed in such guidelines or as may be amended from time to time.
2. Motilal Oswal Finsec IFSC Limited carry on business as investment advisor or Portfolio management consultant in IFSC for providing services to clients as permitted under such guidelines or as amended from time to time.
3. Motilal Oswal Finsec IFSC Limited carry on financial services activities, as permitted under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India.

B. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.

b. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current

NOTES TO FINANCIAL STATEMENT (Contd..)

tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Company has not yet recognized any deferred tax in the books on account of tax holidays available in Sez, Gandhinagar

c. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

d. 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

e. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are

NOTES TO FINANCIAL STATEMENT (Contd..)

subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iii) Derecognition

A financial asset is derecognized only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g. 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.

h. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO FINANCIAL STATEMENT (Contd..)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

i. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

j. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

k. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

I. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

C. Key accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) **Recognition of deferred tax assets** - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 1: Cash & Cash Equivalents

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Balance with bank		
Scheduled banks- In current accounts	11,22,35,615	12,17,76,053
TOTAL	11,22,35,615	12,17,76,053

Note 2: Investments

Particulars	Subsidiary/ others	Shares / Units		Quoted / Unquoted	Amount as at	
		31 March 2023	31 March 2022		31 March 2023	31 March 2022
		Number	Number			
1) Investment in private equity funds						
Investment in Business Excellence Trust IV G	others			Unquoted	2,15,99,997	56,97,315
TOTAL					2,15,99,997	56,97,315

Note 3: Other financial assets

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Considered good - secured	-	-
Considered good - unsecured	99,99,397	5,03,899
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Deposits with exchange	94,81,68,455	1,36,75,397
TOTAL	95,81,67,852	1,41,79,296

Note 3 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	99,99,397	-	-	-	-	99,99,397
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,03,899	-	-	-	-	5,03,899
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 4: Other Non-Financial Assets

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Taxes Receivable	96,000	96,000
Prepaid Expense	73,599	1,25,184
Advance Against Expenses	10,000	10,000
TOTAL	1,79,599	2,31,184

Note 5: Property plants and equipments

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Property plants and equipments	4,36,859	5,94,823
TOTAL	4,36,859	5,94,823

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 5: Property plants and equipments Current Period

Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE	4,00,000			4,00,000	6,776	80,000		86,776	3,93,224	3,13,224
TAFF0001	FURNITURE	90,500			90,500	17,195	8,598		25,793	73,305	64,708
TAOE0010	OFFICE EQUIPMENTS	27,770			27,770	10,074	5,276		15,350	17,696	12,420
TAPE0001	COMPUTER-1	1,66,000			1,66,000	1,05,133	52,567		1,57,700	60,867	8,300
TAPE0003	NETWORK EQUIPMENTS	72,777			72,777	23,046	11,523		34,569	49,731	38,208
Total		7,57,047	-	-	7,57,047	1,62,224	1,57,963	-	3,20,188	5,94,823	4,36,859

Previous Period

Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE		4,00,000		4,00,000		6,776		6,776	-	3,93,224
TAFF0001	FURNITURE	90,500			90,500	8,598	8,598		17,195	81,903	73,305
TAOE0010	OFFICE EQUIPMENTS	27,770			27,770	4,798	5,276		10,074	22,973	17,696
TAPE0001	COMPUTER-1	1,66,000			1,66,000	52,567	52,567		1,05,133	1,13,433	60,867
TAPE0003	NETWORK EQUIPMENTS	72,777			72,777	11,523	11,523		23,046	61,254	49,731
Total		3,57,047	4,00,000	-	7,57,047	77,485	84,739	-	1,62,224	2,79,562	5,94,823

Note: There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022.

Note 6: Trade Payable

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Trade Payable	93,31,76,883	-
TOTAL	93,31,76,883	-

Note 6 (i) : Trade Payable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	93,31,76,883	-	-	-	93,31,76,883
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 7: Other financial Liabilities

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Payable for Expenses	69,160	37,180
Taxes payable	22,426	99,623
TOTAL	91,586	136,803

Note 8: Provisions

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Provision for Gratuity	76,197	38,814
Ex-gratia Payable	8,00,000	8,00,000
TOTAL	8,76,197	8,38,814

Note 9: Current tax liabilities

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Current tax liabilities(Net of Advance Tax)	25,21,183	-
TOTAL	25,21,183	-

Note 10: Equity share capital

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Authorised:		
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000	12,00,00,000
	40,00,00,000	12,00,00,000

NOTES TO FINANCIAL STATEMENT (Contd..)

	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Issued, Subscribed and Paid Up:		
1,20,00,000 Equity Shares of Rs.10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	12,00,00,000	12,00,00,000
TOTAL	12,00,00,000	12,00,00,000

1.1 Reconciliation of number of Equity shares outstanding

Particular	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Number of shares at beginning of the year	1,20,00,000	1,20,00,000
Add: Shares issued during this year	-	-
Number of shares at the end of the year	1,20,00,000	1,20,00,000

1.2 Share holder having more than 5% equity holding in the Company

Particular	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Motilal Oswal Financial Services Ltd. (Holding Company)	1,20,00,000	1,20,00,000

1.3 Details of Shareholding by Promoters

Particular	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Motilal Oswal Financial Services Ltd. (Holding Company)	1,20,00,000	1,20,00,000

Note 11: Other Equity

Particular	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Profit & Loss Account		
Opening balance	2,15,03,054	1,05,10,297
Add: Additions during the year	1,36,17,957	1,07,66,551
Add: Ind AS Impact	371	2,26,206
TOTAL	3,51,21,381	2,15,03,054

NOTES TO FINANCIAL STATEMENT (Contd..)

Foreign Currency translation Reserve	As at 31-March-2023 Rs.	As at 31-March-2022 Rs.
Balance at the beginning of the year	-	-
Add: Foreign Currency Translation Reserve for the period	8,32,691	-
Balance at the end of the year	8,32,691	-
TOTAL	3,59,54,073	2,15,03,054

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Note 12: Revenue from Operations

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Revenue	2,20,76,014	1,51,60,510
Brokerage Income	2,43,783	-
TOTAL	2,23,19,797	1,51,60,510

Note 13: Other Income

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Other Income	78,687	-
Foreign Exchange Fluctuation	90,25,671	29,27,684
TOTAL	91,04,358	29,27,684

Notes14: Employee benefits

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Salaries and Incentives	29,14,951	24,18,258
Contribution to provident and other funds	97,074	51,191
Gratuity	37,754	1,71,982
Staff welfare expenses	16,027	2,879
TOTAL	30,65,806	26,44,310

NOTES TO FINANCIAL STATEMENT (Contd..)

Notes15: Finance Cost

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Interest	15,257	10,927
TOTAL	15,257	10,927

Notes16: Depreciation

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Depreciation	1,57,963	84,739
TOTAL	1,57,963	84,739

Note 17: Other Expenses

Particulars	For The Period Ended 31-Mar-23 Rs.	For The Period Ended 31-Mar-22 Rs.
Remuneration to Auditors (Refer Note 18)	40,000	26,250
Legal & Professional Fees	1,54,499	1,06,065
House keeping Charges	2,21,173	2,40,958
Electricity Charges	25,163	5,768
Insurance	2,703	22,890
Rent Expenses	10,99,004	10,21,130
Membership and Subscription Fees	4,60,118	87,851
Advertisement expenses	-	10,880
Communication and data charges	11	(788)
Repairs and maintenance - others	2,07,046	1,77,537
Miscellaneous Expenses	21,18,942	(91,405)
Miscellaneous Expenses	43,28,659	16,07,137
TOTAL	43,28,659	16,07,137

18 Auditors' Remuneration:

Auditor's Remuneration (inclusive Taxes):

(In Rupees)

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
As Auditors:		
Audit fees	40,000	26,250
In any other capacity, in respect of:		
Other Certification	-	-
TOTAL	40,000	26,250

NOTES TO FINANCIAL STATEMENT (Contd..)

19 Basic & Diluted Earnings per share:

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Net Profit/(Loss) attributable to equity shareholders [A] (Rs.)	1,36,17,957	1,07,66,551
Weighted Average Number of equity shares issued [B]	1,20,00,000	1,20,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (Rs.)	1.13	0.90

20 Gratuity Plan:

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Assumptions as at	31/Mar/23	31/Mar/22
Interest / Discount Rate	7.14%	6.20%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Rate of increase in compensation	9.70%	9.70%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 16.67%	PS: 0 to 37 : 16.67%
Expected average remaining service	4.88	4.94

Changes in the present value of the obligations

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Present value of obligation at beginning of the period	38,814	93,012
Interest cost	2,405	3,655
Current service cost	35,349	1,68,353
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Transfer in Liability	-	-
Benefits paid	-	-
Actuarial (gain) loss on obligation	(371)	(2,26,206)
Present value of obligation at end of the period	76,197	38,814

NOTES TO FINANCIAL STATEMENT (Contd..)

Changes in fair value of the plan assets

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain (Loss) plan assets	-	-
Fair value of plan assets at end of the period	-	-

Fair value of plan assets

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Fair value of plan assets at beginning of the period	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at end of the period	-	-

Experience History

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
(Gain)/Loss on obligation due to change in Assumption	-	-
Experience (Gain)/Loss on obligation	(371)	(2,26,206)
Actuarial (Gain)/Loss on plan asset	(371)	(2,26,206)

Actuarial Gain/(Loss) Recognized

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Due to Demographic Assumption*	-	(93,551)
Due to Financial Assumption	(5,753)	(9,312)
Due to Experience	5,382	(1,23,343)
Total Actuarial (Gain)/Loss	(371)	(2,26,206)

NOTES TO FINANCIAL STATEMENT (Contd..)

Past service cost recognized

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Average remaining future service till vesting benefit	-	-
Recognized Past service cost - non vested benefits	-	-
Recognized Past service cost - vested benefits	-	-
Unrecognized Past service cost - non vested benefits	-	-

Amounts to be recognized in the balance sheet and statement of profit & loss account

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Present value of obligation at end of period	76,197	38,814
Fair value of plan assets at end of period	-	-
Funded status	(76,197)	(38,814)
Unrecognised Actuarial Gain/(Loss)	-	-
Unrecognised past service cost - non vested benefits	-	-
Net Liability/ (Asset) recognised in the Balance Sheet	(76,197)	(38,814)

Profit and Loss Account – Expense

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Current service cost	35,349	1,68,327
Interest cost	2,405	3,655
Past service cost - (non vested benefit)	-	-
Past service cost - (vested benefit)	-	-
Unrecognised past service cost - non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised for the period	-	-
Expenses Recognised in the statement of Profit & Loss Account	37,754	171,982

Movement in net liability recognized in the Balance Sheet

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Opening net liability	38,814	93,038
Transfer in Liability	-	-
Expenses as above	37,754	1,71,982

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Contribution paid	-	-
Other Comprehensive Income(OCI)	(371)	(2,26,206)
Closing net Liability	76,197	38,814

Other Comprehensive Income (OCI)

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
	Rs.	Rs.
Actuarial (Gain)/Loss recognized for the period	(371)	(2,26,206)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(371)	(226,206)

Schedule III of the Companies Act 2013

Particulars	For The Year Ended 31-Mar-23	For The Year Ended 31-Mar-22
Current Laibility	94	49
Non-Current Liability	76,103	38,765
Heritage Club Benefits	-	-
Current Laibility	-	-
Non-Current Liability	-	-

21 Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company does not have credit risk.

B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to

NOTES TO FINANCIAL STATEMENT (Contd..)

managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

22 Fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category:

(Amount in rupees)

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

Particulars	As at March 2023		As at March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	11,22,35,615	-	12,17,76,053
Investment	2,15,99,997	-	56,97,315	-
Trade receivables	-	-	-	-
Other financial assets	-	95,81,67,852	-	1,41,79,296
Total Financial Assets	2,15,99,997	1,07,04,03,467	56,97,315	13,59,55,349
Other Non-Financials Assets				
Taxes Receivable	-	96,000	-	96,000
Prepaid Expense	-	73,599	-	1,25,184
Advance Against Expenses	-	10,000	-	10,000
Total Other Non-Financial Assets	-	1,79,599	-	1,35,184
Financial Liabilities				
Trade Payable	-	93,31,76,883	-	-
Other financial liabilities	-	91,586	-	1,36,803
Provisions	-	8,76,197	-	8,38,814
Borrowings(Other than debt securities)	-	-	-	-
Total Financial Liabilities	-	93,41,44,667	-	9,75,617
Non-Financial liabilities				
Current tax liabilities	-	25,21,183	-	-
Total Non-Financial liabilities	-	25,21,183	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31 March 23		As at 31 March 22	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
- Business Excellence Trust IV	2,15,99,997	-	56,97,315	-
Total	2,15,99,997	-	56,97,315	-

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

23 Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	As at 31-March 2023			As at 31-March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	11,22,35,615	-	11,22,35,615	12,17,76,053	-	12,17,76,053
Investment	-	2,15,99,997	2,15,99,997	-	56,97,315	56,97,315
Receivables	-	-	-	-	-	-
Other financial assets	95,81,67,852	-	95,81,67,852	1,41,79,296	-	1,41,79,296
Other Non-Financial Assets	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-
Non-Financial assets	-	-	-	-	-	-
Property, plant and equipment	-	4,36,859	4,36,859	-	5,94,823	5,94,823
Other non-financial assets	1,79,599	-	1,79,599	2,31,184	-	2,31,184
Deferred Tax Assets (net)	-	-	-	-	-	-
Total Assets	1,07,05,83,067	2,20,36,857	1,09,26,19,923	13,61,86,532	62,92,138	14,24,78,670
Liabilities						
Financial Liabilities						
Trade Payable	93,31,76,883	-	93,31,76,883	-	-	-
Other financial liabilities	91,586	-	91,586	1,36,803	-	1,36,803
Non Financial Liabilities	-	-	-	-	-	-
Provisions	8,76,197	-	8,76,197	8,38,814	-	8,38,814
Borrowings(Other than debt securities)	-	-	-	-	-	-
Other non - financial liabilities	-	-	-	-	-	-
Current tax liabilities	25,21,183	-	25,21,183	-	-	-
Accrued salary and benefits	-	-	-	-	-	-
Total Liabilities	93,66,65,850	-	93,66,65,850	9,75,617	-	9,75,617

NOTES TO FINANCIAL STATEMENT (Contd..)

24 Related Party Disclosure:

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited - Holding Company

Transactions with related parties: 31-03-2022

Particulars	Name of the related Party	For The Year Ended 31-Mar-23 Rs.	For The Year Ended 31-Mar-22 Rs.
Loan	Motilal Oswal Finvest Limited	-	-
Trade Payable	Motilal Oswal Financial Services Limited	-	33,154
Interest on Loan	Motilal Oswal Finvest Limited	15,257	10,927
Trade Payable	Motilal Oswal Finvest Limited	-	9,943

Note: 'Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)²
- Motilal Oswal Trustee Company Limited
- MO Alternate investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- Motilal Oswal Wealth Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Securites International Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- TM Investment Technologies Pvt. Ltd.
- Glide Tech Investment Advisory Private Limited
- MO Alternative IFSC Private Limited

25 : Due to Micro,small and medium enterprises

The Company does not have any due from Micro,small and medium enterprises

26 Segment Information

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTES TO FINANCIAL STATEMENT (Contd..)

27 A. Foreign currency transactions:

(i) Expenses incurred in Foreign Currency:

Particulars	For The Year Ended 31-Mar-23 Rs.	For The Year Ended 31-Mar-22 Rs.
Legal And Professional Fees	-	15,044
Membership & Subscription Fees	1,54,133	1,57,238
	1,54,133	1,72,282

(ii) Income Received in Foreign Currency:

Particulars	For The Year Ended 31-Mar-23 Rs.	For The Year Ended 31-Mar-22 Rs.
Research and advisory fees	2,23,19,797	1,51,60,510

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B. Outstanding Foreign currency exposure:

(i) Receivables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	1,13,300	6,925
	INR (Indian Rupees)	93,48,510	5,15,566
	GBP (Pound Sterling)	6,185	-
	INR (Indian Rupees)	6,29,400	-
	EUR(EURO Dollar)	-	-
	INR (Indian Rupees)	-	-
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	1,13,300	6,925
	INR (Indian Rupees)	93,48,510	5,15,566
	GBP (Pound Sterling)	6,185	-
	INR (Indian Rupees)	6,29,400	-
	EUR(EURO Dollar)	-	-
	INR (Indian Rupees)	-	-
Unhedged foreign currency exposure	USD (USA Dollar)	1,13,300	6,925
	INR (Indian Rupees)	93,48,510	5,15,566
	GBP (Pound Sterling)	6,185	-
	INR (Indian Rupees)	6,29,400	-
	EUR(EURO Dollar)	-	-
	INR (Indian Rupees)	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Deposit

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	1,81,700	1,81,700
	INR (Indian Rupees)	1,36,75,397	1,36,75,397
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	USD (USA Dollar)	1,81,700	1,81,700
	INR (Indian Rupees)	1,36,75,397	1,36,75,397

(iii) Investment

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	2,70,038	75,000
	INR (Indian Rupees)	2,15,99,997	56,97,315
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	USD (USA Dollar)	2,70,038	75,000
	INR (Indian Rupees)	2,15,99,997	56,97,315

28 In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

29 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No.: 111592

Place: Gandhinagar
Dated: 22nd April 2023

For Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
DIN - 07682114

Gaurav Kedia
Chief Executive Officer

Ajay Menon
Director
DIN - 00024589

Nitesh Nainmal Jain
Chief Financial Officer

Dharmi Naik
Company Secretary

Motilal Oswal Capital Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT (Contd..)

To
The Members of Motilal Oswal Capital Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Financial Statements of **Motilal Oswal Capital Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

3. Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

INDEPENDENT AUDITOR'S REPORT (Contd..)

4. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- v. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- g. In our opinion and to the best of our information and according to the explanations given to us no managerial remuneration has been paid by the Company to its directors during the year.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared or paid by the Company during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

S. Chandrasekhar
Partner
Membership No. 007592
UDIN: 23007592BGYMAV7675

Place: Mumbai
Date: April 25, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure A to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Capital Limited

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) a) The Company does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any working capital from banks and financial institutions on the basis of security of current assets. Thus, the provisions of clause 3(ii)(b) 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), 3(iii)(c), 3(iii)(d) and 3(iii)(e) and 3(iii)(f) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) There are no statutory dues referred to in sub- clause (a) above which have not been deposited as on 31 March 2023, on account of disputes.

INDEPENDENT AUDITOR'S REPORT (Contd..)

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) The Company does not have any borrowings. Hence, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c) and 3(ix)(d) of the Order are not applicable.

The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

(xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) Whistle blower complaints mechanism is not applicable to the Company and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.

(xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards.

(xiv) Internal Audit is not applicable to the company and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.

a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.

b) According to the information and explanations given to us, there is no CIC in the Group.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred no cash loss during the financial year covered by our audit however incurred cash loss of Rs. 3.08 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on clause 3(xviii) of the order is not applicable.
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to sec 135 of Companies Act 2013, Corporate Social Responsibility (CSR) is not applicable to the company. Hence reporting under clause xx (a) is not applicable to the company.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAV7675

Place: Mumbai

Date: April 25, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure B to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Capital Limited

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Motilal Oswal Capital Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting 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.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAV7675

Place: Mumbai

Date: April 25, 2023

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Non - current assets			
Non - current tax assets	4	213	7,674
Total non - current assets (A)		213	7,674
2. Current assets			
a) Financial assets			
(i) Investments	5	2,75,975	2,61,009
(ii) Trade receivables	6	13,937	15,933
(iii) Cash and cash equivalents	7	65,792	40,966
(iv) Bank Balance other than (iii) above	8	5,07,247	5,05,451
(v) Other current financial assets	9	220	220
b) Other current assets	10	10,221	10,650
		8,73,392	8,34,229
Total assets (A+B)		8,73,605	8,41,903
II. EQUITY AND LIABILITIES			
A. Equity:			
Equity share capital	11	8,00,000	8,00,000
Other equity	12	47,408	13,712
Total equity (A)		8,47,408	8,13,712
B. Liabilities			
1. Non Current liabilities			
a) Deferred tax liabilities (net)	13	7,796	4,029
Total non - current Liabilities (A)		7,796	4,029
2. Current liabilities			
a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 27)			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14	10,145	11,818
(ii) Other financial liabilities	15	1,912	5,436
b) Other current liabilities	16	1,468	2,228
c) Current tax liabilities	17	4,876	4,680
Total current liabilities (B)		18,401	24,162
Total equity and liabilities (A+B)		8,73,605	8,41,903

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

For Singhi & Co.

Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar

Partner
Membership No.: 007592

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors

Motilal Oswal Capital Limited

Motilal Oswal

Director
DIN : 00024503

Tejashree Khona

Company Secretary
Place : Mumbai
Date : 25 April 2023

Navin Agarwal

Director
DIN : 00024561

Juzer Dalal

Chief financial officer

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD YEAR ENDED 31ST MARCH, 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note no.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
Fees and commission income	18	43,832	31,299
1) Total revenue from operations		43,832	31,299
2) Other income	19	43,497	35,259
3) Total revenue (1 + 2)		87,329	66,558
Expenses			
(i) Finance cost	20	-	925
(ii) Other expenses	21	42,300	63,793
4) Total expenses		42,300	64,718
5) Profit/(loss) before tax (3 - 4)		45,029	1,840
Tax expense/(credit):	22		
(i) Current tax		7,566	-
(ii) Deferred tax expense/(credit)		3,767	2,578
6) Total tax expenses		11,333	2,578
7) Profit/(Loss) after tax (5 - 6)		33,696	(738)
8) Other comprehensive income		-	-
Total comprehensive income/(loss) for the year (7 + 8)		33,696	(738)
Earnings/(Loss) per equity share	30		
Basic and diluted (in Rupees)		0.42	(0.01)
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

S. Chandrasekhar
Partner
Membership No.: 007592

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Juzer Dalal
Chief financial officer

Place : Mumbai
Date : 25 April 2023

STATEMENT OF CASH FLOW

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit/(loss) before taxation	45,029	1,840
Adjustment for :		
Interest expense	-	925
Interest income on fixed deposits	(26,903)	(24,914)
Net (gain)/loss on fair value change	(14,967)	(10,142)
Operating profit/(loss) before working capital changes	3,159	(32,291)
Adjustment for working capital changes :		
1) Increase/(decrease) in current financial liabilities	(1,673)	4,023
2) Increase/(decrease) in other current liabilities	(760)	246
3) Increase/(decrease) in other Financial liabilities	(3,524)	5,436
4) (Increase)/decrease in trade receivables	1,996	(2,363)
5) (Increase)/decrease in other current assets	429	21,531
Net changes in working capital	(3,532)	28,874
Cash generated/ (used in) from operating activities	(373)	(3,417)
Income taxes paid (net of refunds)	91	341
Net cash flow (used in)/ generated from operating activities (A)	(282)	(3,076)
B. Cash flow from investing activities		
Interest received on fixed deposits	25,108	25,046
Net cash (used in)/ generated from investing activities (B)	25,108	25,046
C. Cash flow from financing activities		
Short-term borrowings	-	20,000
Repayment of short-term borrowings	-	(20,000)
Interest paid	-	(1,173)
Net cash (used in)/ generated from financing activities (C)	-	(1,173)
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	24,826	20,796
Cash and cash equivalent at the beginning of the year	40,966	20,170
Cash and cash equivalents at the end of the year (Refer Note no. 8)	65,792	40,966
* Composition of cash and cash equivalent		
Balance with scheduled bank - In current account	65,792	40,966
	65,792	40,966

Notes:

- (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.
- (ii) Figures in brackets indicate cash outflows.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

S. Chandrasekhar
Partner
Membership No.: 007592

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Juzer Dalal
Chief financial officer

Place : Mumbai
Date : 25 April 2023

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are in INR Hundred, unless otherwise stated)

(A) Equity share capital

(Amount in rupees)

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2021	80,00,000	8,00,000
Issued during the year	-	-
As at 31 March 2022	80,00,000	8,00,000
Issued during the year	-	-
As at 31 March 2023	80,00,000	8,00,000

For 31 March 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
8,00,000	-	-	-	8,00,000

For 31 March 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
8,00,000	-	-	-	8,00,000

(B) Other Equity

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 31 March 2021	14,450
Profit for the year	(738)
Balance as at 31 March 2022	13,712
Profit for the year	33,696
Balance as at 31 March 2023	47,408

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Navin Agarwal
Director
DIN : 00024561

Juzer Dalal
Chief financial officer

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate information

Motilal Oswal Capital Limited ("MOCL"/ the "Company") was incorporated on 19 September 2016.

The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, and Mumbai-400 025.

The Company provides Investment Advisory services to offshore clients. The Company has received registration as an investment advisor under section 203(c) of the Investment Advisers Act of 1940 on 25 May 2017, vide SEC File No 801-110707.

The financial statements were approved for issue by the Company's Board of Directors on 25 April 2023.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial instruments are measured at fair value.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO FINANCIAL STATEMENT (Contd..)

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Preparation of financial statements

The financial statements have been prepared as per the format prescribed under Division II of Schedule III to the Companies Act, 2013 on 11 October 2018 (as amended), the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity

(v) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

The Company recognizes revenue from contract with customers based on five step model as set out in Ind AS 115, "Revenue from Contract with customers" to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with customers. Revenue from contract with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;

NOTES TO FINANCIAL STATEMENT (Contd..)

- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized in accordance with the terms of the contract with the clients.

(ii) Interest income

Interest income is recognized using the effective interest rate.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax:

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.4. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Outstanding bank overdrafts are not considered integral part of the Company's cash management.

2.5. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statement of profit and 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 the Statement of profit and 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 25.

2.6. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 "Financial Instruments" and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

a. Financial assets carried at amortised cost

Financial assets are measured at amortised cost if both the following conditions are met:

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on 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.

b. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value

NOTES TO FINANCIAL STATEMENT (Contd..)

changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

c. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit 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 probable within 12 months after the balance date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable probability of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognized only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.7. Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.8. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.9. Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is MOCL's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of

NOTES TO FINANCIAL STATEMENT (Contd..)

such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income

2.10. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.11. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundred as per the requirements.

2.12. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.13. Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement

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:

- Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- 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 balance sheet date, Company assess whether financial assets carried at amortised cost are credit impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. 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.
- Recognition of deferred tax assets/ liabilities** - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future. Deferred tax liabilities are recognised on temporary difference created on unreleased loss booked on investments.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 4: Non - Current tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax	213	7,674
Total	213	7,674

Note 5 : Investment

Particulars	Subsidiary / Others	As at 31 March 2023		As at 31 March 2022	
		Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Unquoted)					
HDFC liquid fund direct plan (G)	Others	5,607.30	2,75,975	5,607.30	2,61,009
Total			2,75,975		2,61,009

Note 6: Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - unsecured (Refer Note-6(i))	13,937	15,933
Total	13,937	15,933

- 1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Considered good – Secured	-	-	-	-	-	-
(ii) Considered good – Unsecured	13,937	-	-	-	-	13,937
(iii) Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv) Trade Receivables – credit impaired	-	-	-	-	-	-
Less: loss allowance	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Considered good – Secured	-	-	-	-	-	-
(ii) Considered good – Unsecured	15,933	-	-	-	-	15,933
(iii) Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv) Trade Receivables – credit impaired	-	-	-	-	-	-
Less: loss allowance	-	-	-	-	-	-

Note 7: Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks		
In current accounts	65,792	40,966
	65,792	40,966

Note 8: Bank Balance other than (7) above

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed deposit with bank having maturity within twelve months	5,07,247	5,05,451
Total	5,07,247	5,05,451

Note

- Fixed deposit is made for period of one year, depending on the forecasted cash requirements of the Company, and earn interest at the respective fixed deposit rates.

Note 9: Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Other deposit	100	100
Security deposits	120	120
	220	220

Note

- The Company's financial assets include cash and deposits and trade receivables. Financial assets are classified as being at FVTPL or as receivables. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 10: Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Indirect tax credit receivable	10,221	10,650
	10,221	10,650

Note 11: Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each (Previous year Rs. 10 each)	80,00,000	8,00,000	80,00,000	8,00,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up (Previous year Rs. 10 each)	80,00,000	8,00,000	80,00,000	8,00,000
	80,00,000	8,00,000	80,00,000	8,00,000

11.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	80,00,000	8,00,000	80,00,000	8,00,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	80,00,000	8,00,000	80,00,000	8,00,000

11.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	79,99,994	99.99%
	79,99,994	99.99%	79,99,994	99.99%

11.3 Shares held by holding company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	79,99,994	99.99%

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

11.4 Shares held by Promoters

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	79,99,994	99.99%

11.5 Rights, preferences and restriction attached to each class of shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, there is no preferential amount as at 31st March 23. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

11.6 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2023.

Note 12: Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	13,712	14,450
Add: Transfer from Statement of Profit and Loss	33,696	(738)
Balance at the end of year	47,408	13,712

Nature and Purpose of Reserves

Surplus in the Statement of Profit and Loss

Surplus in the Statement of Profit and Loss pertain to the accumulated earnings / losses made by the company over the years.

Note 13: Deferred tax assets/(liabilities) (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets arising on account of:		
Business loss		-
Others	-	-
Total deferred tax assets(A)	-	-
Deferred tax liability arising on account of:		

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Net gain on mutual fund investment measured at FVTPL	7,796	4,029
Total deferred tax liabilities (B)	7,796	4,029
Deferred tax assets/(liabilities) (net) (A-B)	(7,796)	(4,029)

Note 14: Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,145	11,818
	10,145	11,818

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions				Total
	Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME	-				-
(ii) Others	10,145				10,145
(iii) Disputed dues - MSME	-				-
(iv) Disputed dues - others	-				-

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions				Total
	Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME	-				-
(ii) Others	11,818				11,818
(iii) Disputed dues - MSME	-				-
(iv) Disputed dues - others	-				-

Note 15 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Other payables (includes payable to vendors)	1,912	5,436
	1,912	5,436

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 16: Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Outstanding expenses	2,273	1,875
Withholding and other taxes payable	(805)	353
	1,468	2,228

Note 17: Current Tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income taxes	4,876	4,680
	4,876	4,680

Note 18 : Fees and commission income

Particulars	As at 31 March 2023	As at 31 March 2022
Investment advisory fees	43,832	31,299
	43,832	31,299

Note 19 : Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Interest income on financial assets measured amortized cost		
- Interest on fixed deposit	26,903	24,914
ii) Net gain/(loss) on foreign currency transaction and translation	1,627	203
iii) Net gain/(loss) on mutual fund investment measured at FVTPL	14,967	10,142
	43,497	35,259

Note 20 : Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowing measured at amortised cost	-	925
	-	925

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 21 : Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Business Support expense	32,918	20,729
Data processing charges	-	88
Printing and stationery	-	8
Legal and professional charges	2,719	30,256
Remuneration to auditors (Refer note no 28)	307	188
Communication expenses	5,163	2,366
Miscellaneous expenses	1,193	10,158
	42,300	63,793

Note 22.1: Tax expense

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax expense		
Current tax for the year	7,566	-
Tax adjustment in respect of earlier years		
Total current tax expense	7,566	-
Deferred taxes		
Change in deferred tax liabilities	3,767	2,578
Net deferred tax expense/ (credit)	3,767	2,578
Total tax expense/ (credit)	11,333	2,578

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 22.2: The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2023 and 31 March 2022.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(loss) before income tax expense	45,029	1,840
Tax at the rate of 25.17% (for 31 March 2021 - 25.17%)	11,333	463
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Net gain/(loss) on mutual fund investment measured at FVTPL	(3,767)	(463)
Deferred tax on account of:		
Others	-	25
Change in deferred tax liabilities	3,767	2,553
Income tax expense	11,333	2,578

Note 22.3: Net Deferred Tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax assets on account of:		
Others	-	-
Total deferred tax assets (A)	-	-
Deferred tax liability on account of :		
Net gain on mutual fund investment measured at FVTPL	7,796	4,029
Total deferred tax liabilities (B)	7,796	4,029
Net deferred tax assets/(liability) (A-B)	(7,796)	(4,029)

Note 22.4: Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss
Deferred tax assets on account of:				
Others	-	-	-	(25)
Total deferred tax assets	-	-	-	(25)
Deferred tax liabilities on account of:				
Net gain on mutual fund investment measured at FVTPL	7,796	3,767	4,029	2,553
Total deferred tax liabilities	7,796	3,767	4,029	2,553
Total deferred tax assets/liabilities (net)	(7,796)	(3,767)	(4,029)	(2,578)

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 23: Capital Management

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

Note : 24 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 provides Investment Advisory services to offshore clients and provides PMS services for which invoice is raised to MOAMC i.e. domestic revenue. The company earns advisory fees from offshore businesses.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service
	Investment advisory services - Offshore
Total Revenue from contracts with customers	43,832
Geographical Markets	
India	-
Outside India	43,832
Total Revenue from contracts with customers	43,832
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	43,832
Total Revenue from contracts with customers	43,832

b) Contract balances (refer note 6)

Trade receivable are non-interest bearing balances. The outstanding balance as on 31st March 2023. is Rs. 13,937 hundreds and as on 31st March 2022 is Rs.15,933 hundreds.

c) Performance obligations

The performance obligation of the Company is to provide advisory services, which is completed as per the terms and conditions of the advisory agreement.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred,unless otherwise stated)

Note : 25 Fair value measurements

Financial instruments by category:

The following table shows the carrying amount and fair value of financial assets and liabilities ,including their levels in the fair value hierarchy.

Particulars	Carrying Amount			Fair Value			Total
31-Mar-23	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial Assets							
Cash and cash equivalents	-	65,792	65,792				
Bank balance other than above	-	5,07,247	5,07,247				
Trade receivables	-	13,937	13,937				
Investments	2,75,975	-	2,75,975	2,75,975			2,75,975
Other current financial assets	-	220	220				
Total financial assets	2,75,975	5,87,196	8,63,171	2,75,975	-	-	2,75,975
Financial Liabilities							
Trade payables	-	10,145	10,145				
Other financial liabilities	-	1,912	1,912				
Total financial liabilities	-	12,057	12,057	2,75,975	-	-	2,75,975

The carrying value and the fair value of financial instruments by categories as of 31st March 2022 are as follows,

Particulars	Carrying Amount			Fair Value			Total
31-Mar-22	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial Assets							
Cash and cash equivalents	-	40,966	40,966				
Bank balance other than above	-	5,05,451	5,05,451				
Trade receivables	-	15,933	15,933				
Investments	2,61,009	-	2,61,009	2,61,009			2,61,009
Other current financial assets	-	220	220				-
Total financial assets	2,61,009	5,62,571	8,23,579	2,61,009	-	-	2,61,009
Financial Liabilities							
Trade payables	-	11,818	11,818				
Other financial liabilities	-	5,436	5,436				
Total financial liabilities	-	17,254	17,254	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which 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 value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date."

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in mutual funds only which have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note : 26 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

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer Company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	13,937	15,933
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	13,937	15,933

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities. i.e. other payables

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

(i) Maturities of non – derivative financial liabilities

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	10,145	-	-	10,145
Other financial liabilities	1,912			1,912
Total	12,057	-	-	12,057

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	11,818	-	-	11,818
Other financial liabilities	5,436			5,436
Total	17,254	-	-	17,254

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk as it has receivables in foreign currency."

The following table summarises the impact of sensitivity of foreign exchange rate with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the value of Trade Receivables held at balance sheet date

Sensitivity	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact on PBT for 5% increase in foreign exchange rate	697	797
Impact on PBT for 5% decrease in foreign exchange rate	(697)	(797)

(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

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table 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	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact on profit before tax for 1% increase in NAV/price	2,760	2,610

Note 27 : Due to micro and small enterprises

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount remaining unpaid at the end of the year	-	-
The interest amount remaining unpaid at the end of the year	-	-
Balance of Micro and Small Enterprise at the end of the year	-	-

Note 28 : Auditors' fees

Sensitivity	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit fees	230	188
Out of pocket expenses	77	-
	307	188

Note 29 : Segment Reporting

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus,

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Note 30 : Earnings / (Loss) per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(Loss) attributable to equity shareholders (Rupees)	33,696	(738)
Weighted average number of equity shares outstanding during the year	80,00,000	80,00,000
Nominal value per share (Rupees)	10	10
Earnings/(Loss) per share (Basic and diluted) (Rupees)	0.42	(0.01)

Note 31 : Transactions in foreign currency

(i) Earnings in foreign currency (on accrual basis)

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Advisory income	43,832	28,514
	43,832	28,514

(ii) Expenditure in foreign currency (on accrual basis)

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional fees	2,123	24,674
Data Backup Charges	7,286	-
Filing fees	117	110
	9,526	24,784

Note 32 : Unhedged foreign currency

Particulars of unhedged foreign currency exposure as at the reporting date

Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency exposures of the Company as at year end are:

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Trade receivables	USD	174	121
	INR	13,937	9,168

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 33 : Related party disclosures

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Asset Management Company Limited

(ii) Holding company of Motilal Oswal Asset Management Company Limited:

Motilal Oswal Financial Services Limited (Previously known as Motilal Oswal Securities Limited)

(iii) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)

Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)

MO Alternative IFSC Private Limited

Motilal Oswal Commodities Broker Private Limited

Motilal Oswal Investment Advisors Limited

India Business Excellence Management Company

Motilal Oswal Wealth Limited

Motilal Oswal Capital Markets (Hong Kong) Private Limited

Motilal Oswal Capital Markets Singapore Pte Limited

Motilal Oswal Securities International Private Limited

Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)

Motilal Oswal Trustee Company Limited

Motilal Oswal Asset Management (Mauritius) Private Limited

Glide Tech Investment Advisors Private Limited

Motilal Oswal Finsec IFSC Private Limited

TM Investment Technologies Private Limited

(iv) Key Management Personnel (KMP)

(a) Executive directors

Mr. Akhil Chaturvedi

Mr. Motilal Oswal

Mr. Navin Agrawal

(a) Other KMP

Mr. Prashant Joshi - CEO (w.e.f - 01.02.2022)

Mr. Juzer Dalal - CFO (w.e.f - 01.01.2022)

Ms. Aparna Karmase - Company Secretary (till -31.10.2022)

Ms. Tejashree Khona - Company Secretary (w.e.f - 01.11.2022)

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

(v) Enterprises in which KMP and their relatives exercise significant influence

Motilal Oswal Foundation
Motilal Oswal HUF

b. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2023	Year ended 31 March 2022
Advisory income	Motilal Oswal Asset Management (Mauritius) Private Limited	43,832	28,514
Business Support expense	Motilal Oswal Asset Management Company Limited	32,918	20,729
Interest expense	Motilal Oswal Finvest Limited	-	925
Loan taken	Motilal Oswal Finvest Limited	-	20,000
Loan repaid	Motilal Oswal Finvest Limited	-	20,000

Outstanding balances	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2023	Year ended 31 March 2022
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	13,937	9,168
Trade payable	Motilal Oswal Asset Management Company Limited	10,145	11,818

Note 34 : Contingent liabilities and Commitments

There are no contingent liabilities and commitments as at the balance sheet date.

Note 35 : The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31st March 2023 and 31st March 2022

Note 36 : Amounts below Rs. 50 have been rounded off and shown as "0"

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Tejashree Khona
Company Secretary
Place : Mumbai
Date : 25 April 2023

Navin Agarwal
Director
DIN : 00024561

Juzer Dalal
Chief financial officer

Motilal Oswal Trustee Company Limited

FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT (Contd..)

To
The Members of Motilal Oswal Trustee Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Financial Statements of **Motilal Oswal Trustee Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act ('SA's). 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

3. Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

INDEPENDENT AUDITORS' REPORT (Contd..)

4. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Company 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.

INDEPENDENT AUDITORS' REPORT (Contd..)

- v. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.

INDEPENDENT AUDITORS' REPORT (Contd..)

- g. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position as at March 31, 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. No dividend was declared or paid by the Company during the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.
Chartered Accountants
 Firm Registration No. 302049E

S. Chandrasekhar
 Partner
 Membership No. 007592
 UDIN: 23007592BGYMAM6807
 Place: Mumbai
 Date: April 25, 2023

INDEPENDENT AUDITORS' REPORT (Contd..)

Annexure A to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Trustee Company Limited

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) a) The Company does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any working capital from banks and financial institutions on the basis of security of current assets. Thus, the provisions of clause 3(ii)(b) 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), 3(iii)(c), 3(iii)(d) and 3(iii)(e) and 3(iii)(f) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) There are no statutory dues referred to in sub- clause (a) above which have not been deposited as on March 31, 2023, on account of disputes.
- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

INDEPENDENT AUDITORS' REPORT (Contd..)

- (ix) The Company does not have any borrowings. Hence, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c) and 3(ix)(d) of the Order are not applicable.

The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transaction have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards.
- (xiv) Internal Audit is not applicable to the company and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- b) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

INDEPENDENT AUDITORS' REPORT (Contd..)

- (xviii) There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on clause 3 (xviii) of the order is not applicable. .
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to sec 135 of Companies Act 2013, Corporate Social Responsibility (CSR) is not applicable to the company. Hence reporting under clause xx (a) is not applicable to the company.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAM6807

Place: Mumbai

Date: April 25, 2023

INDEPENDENT AUDITORS' REPORT (Contd..)

Annexure B to the Independent Auditors' Report of even date on the financial statements of Motilal Oswal Trustee Company Limited

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Motilal Oswal Trustee Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

INDEPENDENT AUDITORS' REPORT (Contd..)

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting 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.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

S. Chandrasekhar

Partner

Membership No. 007592

UDIN: 23007592BGYMAM6807

Place: Mumbai

Date: April 25, 2023

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
A. Non-current assets			
a) Property, plant and equipment	4	0	0
b) Financial assets			
Investments	5	50,078	49,476
c) Non - current tax assets (net)	6	1,958	592
Total non-current assets (A)		52,036	50,068
B. Current assets			
a) Financial assets			
i) Trade receivables	7	3,235	1,840
ii) Cash and cash equivalents	8	15,679	14,133
b) Other current assets	9	338	22
Total current assets (B)		19,252	15,995
Total Assets (A+B)		71,288	66,063
II. EQUITY AND LIABILITIES			
A. Equity			
Equity share capital	10	10,000	10,000
Other equity	11	57,163	51,784
Total equity (A)		67,163	61,784
B. Liabilities			
1. Non-current liabilities			
a) Deferred tax liabilities (net)	12	1,434	1,365
b) Provisions	13	329	58
Total non-current liabilities (B)		1,763	1,423
2. Current liabilities			
a) Financial liabilities			
Other financial liabilities	14	1,571	1,244
b) Other current liabilities	15	651	176
c) Provisions	16	140	1,436
Total current liabilities (C)		2,362	2,856
Total equity and liabilities (A+B+C)		71,288	66,063

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 34 form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

S. Chandrasekhar

Partner

Membership No.: 007592

Sandeep Ghose

Director

DIN : 07482589

Sharad Mittal

Director

DIN:06697890

Place : Mumbai

Date : 25 April 2023

Place : Mumbai

Date : 25 April 2023

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
1) Revenue from operations	17	32,345	24,797
2) Other income	18	627	11,720
3) Total Income (1 + 2)		32,972	36,517
Expenses			
(i) Employee benefit expense	19	10,447	8,177
(ii) Other expenses	20	15,177	14,755
4) Total expenses		25,624	22,932
5) Profit/(loss) before tax (3 - 4)		7,348	13,585
Tax expense/(credit):	21		
(i) Current tax		1,721	2,201
(ii) Deferred tax expense/(credit)		69	581
6) Total tax expenses (i+ii)		1,790	2,782
7) Profit/(loss) for the period (5 - 6)		5,558	10,803
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(179)	27
8) Other comprehensive income/(loss)		(179)	27
Total comprehensive income/(loss) for the period (7 + 8)		5,379	10,830
Earnings/(loss) per equity share			
Basic and diluted (in Rupees)	29	5.56	10.80
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 34 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 Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

S. Chandrasekhar

Partner

Membership No.: 007592

Place : Mumbai

Date : 25 April 2023

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Sandeep Ghose

Director

DIN : 07482589

Place : Mumbai

Date : 25 April 2023

Sharad Mittal

Director

DIN:06697890

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit/(loss) before tax	7,348	13,585
Adjustment for		
Net (gain)/loss on fair value change of investments	(603)	(4,923)
Gratuity provision	(179)	27
Operating profit/(loss) before working capital changes	6,566	8,689
Adjustment for working capital changes :		
Increase/(Decrease) long-term provision	271	58
Increase/(Decrease) in short-term provisions	(1,296)	1,436
Increase/(Decrease) in other financial liabilities	326	261
Increase/(Decrease) in other current liabilities	476	(128)
(Increase)/Decrease in trade receivables	(1,395)	899
(Increase)/Decrease in other current assets	(316)	(14)
Net changes in working capital	(1,934)	2,512
Cash generated from operating activities (A)	4,632	11,201
Income taxes paid (net of refunds)	(3,087)	(2,359)
Net cash flow (used in)/ generated from operating activities	1,546	8,842
B. Cash flow from investing activities		
Purchase of non-current investments	-	-
Net cash flow (used in) investing activities (B)	-	-
C. Cash flow from financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	1,546	8,842
Cash and cash equivalents at the beginning of the year	14,133	5,291
Cash and cash equivalents at the end of the year	15,679	14,133
Balance with scheduled bank - In current account	15,679	14,133
	15,679	14,133

Notes:

- 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.
- Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

S. Chandrasekhar
Partner
Membership No.: 007592

Place : Mumbai
Date : 25 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Trustee Company Limited

Sandeep Ghose
Director
DIN : 07482589

Sharad Mittal
Director
DIN:06697890

Place : Mumbai
Date : 25 April 2023

STATEMENT OF CHANGE IN EQUITY

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in INR Hundred, unless otherwise stated)

(A) Equity Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2022	100,000	10,000
Changes during the year	-	-
As at 31 March 2023	100,000	10,000

For 31 March 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
10,000	-	-	-	10,000

For 31 March 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
10,000	-	-	-	10,000

(B) Other Equity

Particulars	Reserves and Surplus	Other comprehensive income	Total
	Retained earnings	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 31 March 2021	40,955	-	40,955
Profit for the year	10,803	27	10,829
Balance as at 31 March 2022	51,757	27	51,784
Profit for the year	5,558	(179)	5,379
Balance as at 31 March 2023	57,315	(152)	57,163

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 34 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

S. Chandrasekhar

Partner

Membership No.: 007592

Place : Mumbai

Date : 25 April 2023

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Sandeep Ghose

Director

DIN : 07482589

Place : Mumbai

Date : 25 April 2023

Sharad Mittal

Director

DIN:06697890

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate information

Motilal Oswal Trustee Company Limited ("MOTC"/the "Company") was incorporated on 14 November 2008. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company acts as the Trustee to Motilal Oswal Mutual Fund vide Trust Deed dated 21 May 2009. Security Exchange Board of India ("SEBI") has granted registration to Motilal Oswal Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide Registration No. MF/063/09/04 dated 29 December 2009.

The financial statements were approved for issue by the company's Board of Directors on 25 April 2023.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Preparation of financial statements

The financial statements have been prepared as per the format prescribed under Division II of Schedule III to the Companies Act, 2013 on 11 October 2018 (as amended), the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

NOTES TO FINANCIAL STATEMENT (Contd..)

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(v) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

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.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

NOTES TO FINANCIAL STATEMENT (Contd..)

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Trustee fees

Performance obligations are satisfied over a period of time and trustee fees are recognized at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Trust Deed and is applied on the assets under management of each scheme of Motilal Oswal Mutual Fund.

2.3. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful life
Computers	3 years

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted and substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, Outstanding bank overdrafts are not considered integral part of the Company's cash management.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

NOTES TO FINANCIAL STATEMENT (Contd..)

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 24.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 "Financial Instruments" and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

Financial assets are measured at amortised cost if both the following conditions are met:

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and

NOTES TO FINANCIAL STATEMENT (Contd..)

- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

2.10. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid/payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iii) Other long-term/short-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.

2.12. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (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 or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.13. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundred as per the requirements

2.14. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.15. Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement

3. Key accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) **Provision and contingent liability:** On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset** The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- (c) **Recognition of deferred tax assets** - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) **Property, plant and equipment and Intangible Assets:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 4: Property, plant and equipment

Current year

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 01 April 2022	Additions	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer	1,404	-	-	1,404	1,404	-	-	1,404	0	0
	1,404	-	-	1,404	1,404	-	-	1,404	0	0

Previous year

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer	1,404	-	-	1,404	1,404	-	-	1,404	-	-
	1,404	-	-	1,404	1,404	-	-	1,404	-	-

Note 5 : Investment

Particulars	Subsidiary / Others	As at 31 March 2023		As at 31 March 2022	
		Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Unquoted)					
Motilal Oswal Most Focused Multicap 35 Fund	Others	104,344.91	35,376	104,344.91	36,265
Motilal Oswal Most Focused Midcap 30 Fund (growth)	Others	26,623.80	14,702	26,623.80	13,211
Total			50,078		49,476

Note 6 : Non current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax and tax deducted at source (Net of provision for income tax 31 March 2023 Rs 3,206 ; 31 March 2022 Rs 2,780)	1,958	592
Total	1,958	592

Note 7 : Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - unsecured (refer note 7(i))	3,235	1,840
Total	3,235	1,840

- 1) No trade are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 7 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Considered good – Secured	-	-	-	-	-	-
(ii) Considered good – Unsecured	3,235	-	-	-	-	3,235
(iii) Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv) Trade Receivables – credit impaired	-	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Considered good – Secured	-	-	-	-	-	-
(ii) Considered good – Unsecured	1,840	-	-	-	-	1,840
(iii) Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv) Trade Receivables – credit impaired	-	-	-	-	-	-

Note 8 : Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks		
In current accounts	15,679	14,133
Total	15,679	14,133

Note 9 : Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	187	14
Others	8	8
Indirect tax credit receivable	143	0
Total	338	22

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 10 : Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount		Number of shares
Authorised				
Equity shares of Rs. 10 each (Previous year Rs. 10 each)	100,000	10,000	100,000	10,000
Issued, Subscribed and fully Paid up				
Equity shares of Rs. 10 each fully paid up (Previous year Rs. 10 each)	100,000	10,000	100,000	10,000
	100,000	10,000	100,000	10,000

10.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	100,000	10,000	100,000	10,000
Add: shares issued during the year	-	-	-	-
At the end of the year	100,000	10,000	100,000	10,000

10.2 Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited	100,000	100%	100,000	100%
	100,000	100%	100,000	100%

10.3 Shares held by holding/promoter company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited	100,000	100%	100,000	100%

10.4 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

10.5 The company has not issued any bonus shares for consideration other than cash nor there been any buybacks of shares during five years immediately preceeding 31 March 2023.

Note 11 : Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Surplus in the statement of profit and loss		
Balance at beginning of the year	51,757	40,955
Add: Transfer from Statement of Profit and Loss	5,558	10,803
Balance at the end of year	57,315	51,757
 Other comprehensive income		
Balance at beginning of the year	27	-
Add: Other comprehensive income for the year	(179)	27
Balance as at the end of the year	(152)	27
Total	57,163	51,784

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertains to the accumulated earnings/losses made by the company over the years.

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax asset/(liabilities) arising on account of:		
Timing difference	-	-
Loss on mutual fund investment measured at FVTPL	1,434	1,365
Deferred tax assets/(liabilities) (net)	1,434	1,365

Note 13 : Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity payable	329	58
Total	329	58

Note 14 : Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Other Payables	1,571	1,244
Total	1,571	1,244

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 15 : Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Withholding and other taxes payable	651	176
Total	651	176

Note 16 : Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity unfunded	0	0
Ex - gratia payable	-	1,296
Compensated absences	140	140
Total	140	1,436

Note 17 : Fees and commission income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Trusteeship fees	32,345	24,797
	32,345	24,797

Note 18 : Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain on mutual fund investment measured at FVTPL	603	4,923
Interest income on income tax refund	24	6,797
	627	11,720

Note 19 : Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, bonus and allowances	9,791	7,697
Employers contribution to p.f	549	390
Staff welfare expenses	14	6
Gratuity	93	84
	10,447	8,177

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 20 : Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional fees	617	514
Auditors remuneration (Refer Note no. 26)	297	237
Director's fees, allowances and expenses	14,000	14,000
Communication expenses	1	-
Computer repairs and maintenance	179	-
Miscellaneous expenses	83	4
	15,177	14,755

Note : 21.1 Tax expense

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is 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 2023	Year ended 31 March 2022
Current tax expense		
Current tax for the year	1,721	2,201
Total current tax expense	1,721	2,201
Deferred taxes		
Change in deferred tax liabilities	69	581
Net deferred tax expense	69	581
Tax expense for the year	1,790	2,782

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Note : 21.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	7,348	13,585
Tax at the rate of 25.17% (for 31 March 2022 - 25.17%)	1,849	3,419
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Net gain/(loss) on mutual fund investment measured at FVTPL	(152)	(683)
Deferred tax on account of :		
Tax impact due to Gratuity	23	46
Tax impact due to net gain/(loss) on mutual fund investment measured at FVTPL	69	
Income tax expense	1,790	2,782

Note : 21.3 Particulars

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax liabilities on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	-
Unrealised gain/(loss)	1,434	1,365
Total deferred tax liabilities	1,434	1,365
Net deferred tax liabilities	1,434	1,365

Note : 21.4 Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss
Deferred tax liabilities on account of:				
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	-	-	-	(18)
Unrealised loss	1,434	69	1,365	(563)
Total deferred tax liabilities	1,434	69	1,365	(581)
Total deferred tax Assets/(liabilities) (net)	1,434	69	1,365	(581)

Note : 22 Capital Management

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note 23 Revenue from contracts with customers

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company acts as the Trustee to Motilal Oswal Mutual Fund. The company earns Trustee fees from Motilal Oswal Mutual Fund.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

	Type of service Trustee fees
Total Revenue from contracts with customers	32,345
Geographical Markets	
India	32,345
Outside India	-
Total Revenue from contracts with customers	32,345
Timing of revenue recognition	
Services transferred at a point in time	32,345
Services transferred over time	
Total Revenue from contracts with customers	32,345

b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2023 is Rs. 3,235 hundreds, 31 March 2022 is Rs. 1,840 hundreds.

c) Performance obligations

The performance obligation of the company is to act as trustee to the mutual fund schemes, which is completed as per the terms and conditions of the trust agreement.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note : 24 Fair value measurements

Financial instruments by category:

The following table shows the carrying amount and fair value of financial assets and liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying Amount			Fair Value			Total
31-Mar-23	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets							
Cash and cash equivalents							
Balance with banks	-	15,679	15,679				
Trade receivables	-	3,235	3,235				
Investments	50,078	-	50,078	50,078			50,078
Total Financial Assets	50,078	18,914	68,992	50,078	-	-	50,078
Financial Liabilities							
Provision	-	140	140				
Other financial liabilities	-	1,571	1,571				
	-	1,711	1,711	-	-	-	-

The carrying value and the fair value of financial instruments by categories as of 31st March 2022 are as follows,

Particulars	Carrying Amount			Fair Value			Total
31-Mar-22	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets							
Cash and cash equivalents		-					
Balance with banks	-	14,133	14,133				
Trade receivables	-	1,840	1,840				
Loans							
Investments	49,476	-	49,476	49,476			49,476
Total Financial Assets	49,476	15,973	65,449	49,476	-	-	49,476
Financial Liabilities							
Trade payables							
Provision	-	1,494	1,494				
Other financial liabilities	-	1,244	1,244				
	-	2,738	2,738	-	-	-	-

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in Mutual funds only which have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note : 25 Financial risk management

"The company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the 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, trade receivables and cash and cash equivalents that derive directly from its operations."

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	3,235	1,840
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	3,235	1,840
Provision for expected credit loss	-	-

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. other payables.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	1,571			1,571
Total	1,571	-	-	1,571

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	1,244			1,244
Total	1,244	-	-	1,244

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

(iii) Price risk

The company is exposed to price risk from its investment in mutual fund, classified in the balance sheet at fair value through profit and loss.

The Investments in long term mutual fund is for high RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 1% increase in NAV/price	501	495
Impact on profit before tax for 1% decrease in NAV/Price	(501)	(495)

Note 26 Due to micro and small enterprises

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particular	31 March 2023	31 March 2022
The principal amount remaining unpaid at the end of the year		
The interest amount remaining unpaid at the end of the year		
Balance of Micro and Small enterprise at the end of the year		

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note : 27 Auditors' fees (exclusive of taxes)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit fees	220	237*
Out of pocket expenses	77	-
	297	237

* This is inclusive of remuneration paid to previous auditors

Note : 28 Segment information:

The Company's principal activity is to acts as a Trustee for the schemes of Motilal Oswal Mutual Fund and primarily operated in India and regularly reviewed by Chief Operating decision maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Note : 29 Earnings/(loss) per equity share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(loss) attributable to equity shareholders	5,558	10,803
Weighted average number of equity shares outstanding during the year	100,000	100,000
Nominal value per share (in Rupees)	10	10
Earnings/(loss) per share (Basic and diluted) (in Rupees)	5.56	10.80

Note : 30 Related party disclosure:-

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of The Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Financial Services Limited (Formerly known as Motilal Oswal Securities Limited)

(ii) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
Motilal Oswal Asset Management Company Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
 Motilal Oswal Alternative IFSC Private Limited
 Motilal Oswal Commodities Broker Private Limited
 Motilal Oswal Investment Advisors Limited
 India Business Excellence Management Company
 Motilal Oswal Wealth Management Limited
 Motilal Oswal Capital Markets (Hongkong) Private Limited
 Motilal Oswal Capital Markets Singapore Pte Limited
 Motilal Oswal Securities International Private Limited
 Motilal Oswal Home Finance Limited (formerly known as Aspire home finance Limited)
 Motilal Oswal Asset Management (Mauritius) Private Limited
 Motilal Oswal Capital Limited
 Glide Tech Investment Advisors Private Limited
 Motilal Oswal Finsec IFSC Private Limited

(iii) Key Management Personnel (KMP)

(a) Non - executive directors

Mr. B. G. Daga (till 20 October 2021)
 Mr. Vijay Agarwal (w.e.f. 27 September 2021)
 Mr. Viraj Kulkarni
 Mr. Sandip Ghose
 Mr. Vishal Tulsyan (till 07 March 2023)
 Mr. Sharad Mittal (w.e.f. 09 March 2023)

b. Transactions and balances with related parties

Nature of transactions	Name of the Related party	Key Managerial Personnel / Relative of KMP(B)	
		Year ended 31 March 2023	Year ended 31 March 2022
Mr. B. G. Daga	Non - executive directors	-	2,400
Mr. Viraj Kulkarni	Non - executive directors	4,000	4,400
Mr. Sandip Ghose	Non - executive directors	5,000	4,400
Mr. Vijay Agarwal	Non - executive directors	5,000	2,800

Note : 31 Contingent liabilities and Commitments

There are no contingent liabilities and commitments as at the balance sheet date.

Note : 32 Unhedged foreign currency

The Company is not having any unhedged foreign currency exposure as on 31 March 2023

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, unless otherwise stated)

Note : 33 Transactions with Struck-off companies

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Note : 34 Amounts below Rs. 50 have been rounded off and shown as "0"

For Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

S. Chandrasekhar

Partner

Membership No.: 007592

Place : Mumbai

Date : 25 April 2023

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Sandeep Ghose

Director

DIN : 07482589

Place : Mumbai

Date : 25 April 2023

Sharad Mittal

Director

DIN:06697890

Motilal Oswal Commodities Broker Private Limited

FINANCIAL STATEMENT

Balance Sheet

Balance Sheet 31-Mar-2023

Particular	Note	YTD Mar FY23	YTD Mar FY22
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	56,43,732	55,45,352
(b) Bank balance other than (a) above	5	4,57,788	4,71,558
(c) Receivables			
(i) Trade Receivables	6	2,54,02,48,794	2,54,02,48,794
(d) Loans	7	4,16,500	4,16,500
(e) Other financial assets	8	1,88,71,364	1,88,71,364
Total financial assets (A)		2,56,56,38,178	2,56,55,53,568
2. Non-financial assets			
(a) Current tax assets (net)	9	56,45,115	56,42,209
(b) Deferred tax assets (net)	10	27,48,058	28,65,361
(c) Property, plant and equipment	11	2,90,653	3,00,077
(d) Other intangible assets	11	1,245	1,245
(e) Other non-financial assets	12	6,41,88,486	6,41,72,223
Total non-financial assets (B)		7,28,73,557	7,29,81,115
Total Assets (A+B)		2,63,85,11,735	2,63,85,34,683
II. LIABILITIES AND EQUITY			
1. Financial liabilities			
(a) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	13	-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		2,63,66,861	3,03,00,721
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		2,45,75,52,461	2,45,75,52,461
(b) Borrowings (Other than Debt securities)	14	10,00,000	-
(c) Other financial liabilities	15	6,53,26,886	6,19,64,877
Total financial liabilities (A)		2,55,02,46,208	2,54,98,18,059
2. Non - financial liabilities			
(a) Provisions	16	-	3,64,700
(b) Other non - financial liabilities	17	13,562	13,562
Total non-financial liabilities (B)		13,562	3,78,262
3. Equity			
(a) Equity share capital	18	41,00,440	41,00,440
(b) Other equity	19	8,41,51,525	8,42,37,922
Total equity (C)		8,82,51,965	8,83,38,362
Total Liabilities and Equity (A+B+C)		2,63,85,11,735	2,63,85,34,683

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg No: 124609W

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Aneel Lasod
Partner
M.No.40117
Place :Mumbai
Date : 24th April 2023

Harsh Joshi
Director
DIN : 02951058

Kishore Narne
Director
DIN : 07974034

Statement of Profit And Loss

Profit & Loss Statement 31-Mar-2023

Statement of Profit and Loss	Note	YTD Mar 23	YTD Mar 22
1) Income:			
(a) Revenue from operations			
(a) Interest income	20	29,634	45,271
Total revenue from operations		29,634	45,271
(b) Other income	21	9,173	224,825
Total income (a+b) (1)		38,807	270,096
2) Expenses:			
(a) Finance costs	22	10,897	1,56,496
(b) Employee benefit expense	23	(3,63,725)	2,857
(c) Depreciation and amortisation expense	24	9,423	38,679
(d) Other expenses	25	3,51,306	1,34,370
Total expenses (2)		7,901	3,32,402
3) Profit before tax (3) = (1) - (2)		30,906	(62,306)
4) Tax expenses / (credit)			
(a) Deferred tax expenses / (credit)		1,17,303	32,015
Total tax expenses (4)		1,17,303	32,015
5) Profit for the period (5) = (3) - (4)		(86,397)	(94,321)
6) Total comprehensive income (6) = (5)		(86,397)	(94,321)

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg No: 124609W

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Aneel Lasod
Partner
M.No.40117
Place :Mumbai
Date : 24th April 2023

Harsh Joshi
Director
DIN : 02951058

Kishore Narne
Director
DIN : 07974034

Cash Flow Statement

Cash flow Statement 31-Mar-2023

Cash flow statement	March 23 INR	March 22 INR
A. Cash flow from Operating Activities :		
Profit before taxation	30,906	(62,306)
Adjustments for :		
Depreciation, amortisation and impairment	9,423	38,679
Gratuity	(3,64,700)	-
	(3,55,277)	38,679
Operating profit before Working Capital changes	(3,24,371)	(23,627)
Adjustments for Working Capital changes		
(Increase)/Decrease in other financial assets	13,770	(2,512)
(Increase)/Decrease in other non financial asset	(16,263)	25,40,921
Increase/(Decrease) in other financial liabilities	33,62,010	(35,03,950)
Increase /(Decrease) in Borrowings	10,00,000	(8,35,432)
Increase /(Decrease) in Trade Payables	(39,33,860)	-
Net change in working capital	4,25,657	(18,00,973)
Cash generated from /(used in) Operations	1,01,286	(18,24,600)
Direct taxes paid net (including MAT credit utilised)	(2,906)	17,74,602
Net cash generated from /(used in) operating activities (A)	98,380	(49,999)
B. Cash flow from Investing Activities :		
Sale of investments	-	(1)
Fixed deposit having maturity more than three months (net of maturity)	-	1,00,000
Net Cash generated from /(used in) Investing Activities (B)	-	99,999
C. Cash flow from financing activities	-	-
D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)	98,380	50,000
E. Cash and cash equivalents at the beginning of the year		
Cash in hand	18,030	18,030
Scheduled bank - In current account	21,77,322	22,27,322
Fixed Deposit with Banks	33,50,000	32,50,000
Total (E)	55,45,352	54,95,352
Cash and cash equivalents at the end of the year :		
Cash in hand	18,030	18,030
Scheduled bank - In current account	22,75,702	21,77,322
Fixed Deposit with Banks	33,50,000	33,50,000
Total (F)	56,43,732	55,45,352

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg No: 124609W

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Aneel Lasod
Partner
M.No.40117
Place :Mumbai
Date : 24th April 2023

Harsh Joshi
Director
DIN : 02951058

Kishore Narne
Director
DIN : 07974034

Statement of Changes In Equity

Statement of Changes in Equity for the year ended 31 March 2023

Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1st April 2021	4,10,044	41,00,440
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2021	4,10,044	41,00,440
Changes during the year	-	-
As at 31 March 2022	4,10,044	41,00,440
Add/Less: Changes due to prior period errors	-	-
As at 1 April 2022	4,10,044	41,00,440
Changes during the year	-	-
As at 31 March 2023	4,10,044	41,00,440

Other equity

Particulars	Reserves and Surplus				Total
	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	
Balance as at 01 April 2021	60,00,000	2,00,000	7,73,45,875	7,86,368	8,43,32,243
Add/Less: Changes due to prior period errors	-	-	-	-	-
Restated balance as at 01 April 2021	60,00,000	2,00,000	7,73,45,875	7,86,368	8,43,32,243
Addition during the year	-	-	-	-	-
Profit during the year	-	-	(94,321)	-	(94,321)
Actural gain/(loss) during the year (net of tax)	-	-	-	-	-
Balance as at 31 March 2022	60,00,000	2,00,000	7,72,51,554	7,86,368	8,42,37,922
Add/Less: Changes due to prior period errors	-	-	-	-	-
Restated balance as at 01 April 2022	60,00,000	2,00,000	7,72,51,554	7,86,368	8,42,37,922
Addition during the year	-	-	-	-	-
Profit during the year	-	-	(86,397)	-	(86,397)
Actural gain/(loss) during the year (net of tax)	-	-	-	-	-
Closing balance as at 31 March 2023	60,00,000	2,00,000	7,71,65,157	7,86,368	8,41,51,525

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg No: 124609W

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Aneel Lasod
Partner
M.No.40117
Place :Mumbai
Date : 24th April 2023

Harsh Joshi
Director
DIN : 02951058

Kishore Narne
Director
DIN : 07974034

Notes to Financial Statement (Contd..)

1. Corporate information

The company is a registered commodities broker on Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL) and is primarily engaged in the business of providing commodities markets related transaction services. The company is also engaged in the business of proprietary trading in commodities.

The company has surrendered its license from Multi Commodity Exchange of India Limited (MCX) vide member id 29500 and membership number MCX/TCM/CORP/0725, date of registration 24th February, 2006 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX) vide member id 00114 and membership number NCDEX/TCM/CORP/0033, date of registration 9th January 2004 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX SPOT (NeML)) vide member id 10014, date of registration 9th August 2007 and date of submission of surrender of membership application to exchange is 17th April, 2018.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements for the year ended March 31 2023 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

2.2. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

Notes to Financial Statement (Contd..)

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in note xx, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.3. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Notes to Financial Statement (Contd..)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers

Notes to Financial Statement (Contd..)

defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

2.4. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.5. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage fee income

It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

(ii) Interest income

Interest income is recognized using the effective interest rate.

Notes to Financial Statement (Contd..)

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Fees and commission income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognized on accrual basis over the life of the instrument.

2.6. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Provision for current tax is made on the basis of estimated taxable income of the accounting year in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Notes to Financial Statement (Contd..)

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.7. Brokerage Sharing with Intermediaries

Brokerage sharing with intermediaries is charged to Statement of Profit and Loss on accrual basis.

2.8. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companys of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.10. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Notes to Financial Statement (Contd..)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.11. Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.12. Inventories

Commodities are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of commodity. Cost is considered on weighted average basis.

Financial instruments held as inventory are measured at fair value through profit or loss.

2.13. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.14. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Notes to Financial Statement (Contd..)

(ii) Post-employment obligations

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.16. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to Financial Statement (Contd..)

2.18. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.19. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.20. Fiduciary assets

Assets held by the Company in its own name, but on the account of third parties, are not reported in the standalone balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

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:

Notes to Financial Statement (Contd..)

- (a) **Provision and contingent liability** : On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset** : Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) **Recognition of deferred tax assets** : Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Stock based compensation** : The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

Notes to Financial Statement (Contd..)

4 Cash and Cash Equivalents

	YTD Mar FY23	YTD Mar FY22
Cash on hand	18,030	18,030
Balances with banks		
In current accounts	22,75,702	21,77,322
Fixed deposit with bank (maturity within 3 months)	33,50,000	33,50,000
Total	56,43,732	55,45,352

5 Bank Balance Other Than Cash and Cash equivalents

	YTD Mar FY23	YTD Mar FY22
Accrued interest on fixed deposit (maturity more than 12 months)	4,57,788	4,71,558
Total	4,57,788	4,71,558

6 Receivables

	YTD Mar FY23	YTD Mar FY22
(i) Trade receivables		
Unsecured, considered good	2,54,55,60,960	2,54,55,60,960
Less : Allowances for impairment losses	(53,12,166)	(53,12,166)
Total	2,54,02,48,794	2,54,02,48,794

Note: No trade are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6.1 : Receivable ageing schedule

For the year ended 31 March 2023

Notes to financial statement

Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i)	Undisputed Trade receivables - considered good	-	-	-	-	4,07,95,028	4,07,95,028
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade receivables - considered good	-	-	-	-	2,49,94,53,766	2,49,94,53,766
(v)	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Notes to Financial Statement (Contd..)

For the year ended 31 March 2022

Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i)	Undisputed Trade receivables - considered good	-	-	-	-	4,07,95,028	4,07,95,028
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade receivables - considered good	-	-	-	-	2,49,94,53,766	2,49,94,53,766
(v)	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade receivables - credit impaired	-	-	-	-	-	-

7 Loans

	YTD Mar FY23	YTD Mar FY22
(A) Loans - At amortised cost		
Loans to employees	4,16,500	4,16,501
Total (A) Gross	4,16,500	4,16,501
Less : Impairment loss allowance	-	-
Total (A) Net	4,16,500	4,16,501

8 Other Financial Assets

	YTD Mar FY23	YTD Mar FY22
Rent, electricity, and other deposits	69,645	69,645
Deposits with exchange and other receivables	1,87,57,379	1,87,57,379
Interest accrued but not due on fixed deposit	224	224
Securities in trade	44,116	44,116
Total	1,88,71,364	1,88,71,364

9 Current Tax Assets (Net)

	YTD Mar FY23	YTD Mar FY22
Advance tax and tax deducted at source (net of provisions)	56,45,115	56,42,209
Total	56,45,115	56,42,209

Notes to Financial Statement (Contd..)

10 Deferred Tax (Net)

	YTD Mar FY23	YTD Mar FY22
Deferred tax assets	27,48,058	28,97,376
Deferred tax liabilities	-	32,015
Net DTA/DTL	27,48,058	28,65,361
Net Deferred Tax Assets	27,48,058	28,65,361

Note: 11

Property Plant and Equipments

Current year

Particulars	Gross block				Accumulated depreciation/amortization				Net block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 Mar 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 Mar 2023	Balance as at 01 April 2022	Balance as at 31 Mar 2023
Property, plant and equipment										
Buildings	73,71,988	-	-	73,71,988	73,67,431	-	-	73,67,431	4,557	4,557
Plant and machinery	2,58,847	-	-	2,58,847	2,41,230	1,487	-	2,42,717	17,617	16,130
Furniture and fixtures	1,14,852	-	-	1,14,852	1,10,825	-	-	1,10,825	4,027	4,027
Vehicles	81,885	-	-	81,885	39,972	7,619	-	47,591	41,913	34,294
Office equipments	3,57,666	-	-	3,57,666	3,39,464	318	-	3,39,782	18,202	17,884
Computers	56,82,747	-	-	56,82,747	54,68,985	-	-	54,68,985	2,13,762	2,13,762
Total (A)	1,38,67,985	-	-	1,38,67,985	1,35,67,908	9,423	-	1,35,77,331	3,00,076	2,90,653
Intangible assets under development									-	-
Total (B)	-	-	-	-	-	-	-	-	-	-
Intangible assets										
Computer software	49,82,061	-	-	49,82,061	49,80,816	-	-	49,80,816	1,245	1,245
Total (B)	49,82,061	-	-	49,82,061	49,80,816	-	-	49,80,816	1,245	1,245
Total (A) + (B)	1,88,50,046	-	-	1,88,50,046	1,85,48,723	9,423	-	1,85,58,147	3,01,322	2,91,898

Last year

Particulars	Gross block				Accumulated depreciation/amortization				Net block	
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 30 Sep 2021	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2021	Balance as at 31 March 2022
Property, plant and equipment										
Buildings	73,71,988	-	-	73,71,988	73,67,431	-	-	73,67,431	4,557	4,557
Plant and machinery	2,58,847	-	-	2,58,847	2,39,617	1,613	-	2,41,230	19,230	17,617
Furniture and fixtures	1,14,852	-	-	1,14,852	1,10,825	-	-	1,10,825	4,027	4,027
Vehicles	81,885	-	-	81,885	31,706	8,266	-	39,972	50,179	41,913
Office equipments	3,57,666	-	-	3,57,666	3,35,088	4,376	-	3,39,464	22,578	18,202
Computers	56,82,747	-	-	56,82,747	54,44,561	24,424	-	54,68,985	2,38,186	2,13,762
Total (A)	1,38,67,985	-	-	1,38,67,985	1,35,29,229	38,679	-	1,35,67,908	3,38,756	3,00,076
Intangible assets under development										-
Total (B)	-	-	-	-	-	-	-	-	-	-
Intangible assets										
Computer software	49,82,061	-	-	49,82,061	49,80,816	-	-	49,80,816	1,245	1,245
Total (B)	49,82,061	-	-	49,82,061	49,80,816	-	-	49,80,816	1,245	1,245
Total (A) + (B)	1,88,50,046	-	-	1,88,50,046	1,85,10,044	38,679	-	1,85,48,723	3,40,001	3,01,322

Notes to Financial Statement (Contd..)

12 Other Non-Financial Assets

	YTD Mar FY23	YTD Mar FY22
Prepaid expenses	1,233	-
Advances and other non-financial assets	41,38,347	41,38,347
Indirect tax credit receivable	5,98,28,560	5,98,13,530
Capital advances	25,300	25,300
For supply of services	1,95,046	1,95,046
Total	6,41,88,486	6,41,72,223

13 Payables

	YTD Mar FY23	YTD Mar FY22
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than Micro small & medium enterprises	2,63,66,861	3,03,00,721
(ii) Other payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than Micro small & medium enterprises	2,45,75,52,461	2,45,75,52,461
Total	2,48,39,19,322	2,48,78,53,182

Note 13.1 : Payable ageing schedule

For the year ended 31 March 2023

Notes to financial statement

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	3,03,00,721	3,03,00,721
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	2,45,75,52,461	2,45,75,52,461

For the year ended 31 March 2022

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	3,03,00,721	3,03,00,721
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	2,45,75,52,461	2,45,75,52,461

Notes to Financial Statement (Contd..)

14 Borrowings (Other than debt securities)

	YTD Mar FY23	YTD Mar FY22
At Amortised cost		
Unsecured- From Subsidiary	10,00,000	-
Total (A)	10,00,000	-
Borrowings in India	10,00,000	-
Total (B)	(10,00,000)	-
Unsecured	10,00,000	-
Total (C)	(10,00,000)	-

15 Other financial liabilities

	YTD Mar FY23	YTD Mar FY22
Interest accrued and due on borrowings	15,470	5,662
Margin money	2,03,701	2,03,701
Other payables (includes payable to vendors)	6,22,15,904	6,21,58,879
Book overdraft	28,91,811	(4,03,366)
Total	6,53,26,886	6,19,64,877

16 Provisions

	YTD Mar FY23	YTD Mar FY22
For employee benefits		
Gratuity unfunded	-	3,64,700
Total	-	3,64,700

17 Other non financial liabilities

	YTD Mar FY23	YTD Mar FY22
Accrued salaries and benefits	13,562	13,562
Total	13,562	13,562

18 Equity Share Capital YTD Mar FY23

	Number	Amount
Authorised shares		
Equity shares of Re. 1 each		-
Redeemable preference shares of Re. 100 each		-
Total		-
Issued and subscribed		
Equity shares of Re. 1 each		-
Paid-up		
Equity shares of Re. 1 each		41,00,440
Total		41,00,440
Minority Interest on Share Capital - Computed		-
Minority Interest on Share Capital - Adjusted		-
Total Minority Interest on Share Capital		-
Share Capital transferred to Balance Sheet		41,00,440

Notes to Financial Statement (Contd..)

Equity Share Capital YTD Mar FY22

	Number	Amount
Authorised shares		
Equity shares of Re. 1 each		-
Redeemable preference shares of Re. 100 each		-
Total		-
Issued and subscribed		
Equity shares of Re. 1 each		-
Paid-up		
Equity shares of Re. 1 each		41,00,440
Total		41,00,440
Minority Interest on Share Capital - Computed		-
Minority Interest on Share Capital - Adjusted		-
Total Minority Interest on Share Capital		-
Share Capital transferred to Balance Sheet		41,00,440

19 Other Equity

	YTD Mar FY23	YTD Mar FY22
Capital redemption reserve		
Balance at the beginning of the year	60,00,000	60,00,000
Balance as at the end of the year	60,00,000	60,00,000
General reserve		
Balance at the beginning of the year	2,00,000	2,00,000
Balance as at the end of the year	2,00,000	2,00,000
Retained earnings		
Balance at the beginning of the year	7,72,51,554	7,73,45,875
Balance at the beginning of the year - after Minority Interest	7,72,51,554	7,73,45,875
Add: Net profit for the year	(86,397)	(94,321)
Balance as at end of the year	7,71,65,157	7,72,51,554
Other comprehensive income		
Balance at the beginning of the year	7,86,368	7,86,368
Balance as at the end of the year	7,86,368	7,86,368
Total	8,41,51,525	8,42,37,922

Capital Redemption reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. General reserve is used to transfer to debenture redemption reserve.

Notes to Financial Statement (Contd..)

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

20 Interest Income

	YTD Mar FY23	YTD Mar FY22
On financial assets measured at amortised cost		
Interest on deposits with banks	29,634	45,271
Total	29,634	45,271

21 Other Income

	YTD Mar FY23	YTD Mar FY22
Interest on Income Tax Refund	9,173	224,825
Total	9,173	224,825

22 Finance Cost

	YTD Mar FY23	YTD Mar FY22
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	10,897	156,496
Total	10,897	156,496

23 Employee benefit expense

	YTD Mar FY23	YTD Mar FY22
Contribution to provident fund and other benefits	975	2,857
Gratuity	(3,64,700)	-
Total	(3,63,725)	2,857

24 Depreciation and amortisation expense

	YTD Mar FY23	YTD Mar FY22
Depreciation / amortization of property, plant and equipment and intangible assets	9,423	38,679
Total	9,423	38,679

Notes to Financial Statement (Contd..)

25 Other expenses

	YTD Mar FY23	YTD Mar FY22
Rates and taxes	-	7,575
Rent	13,650	-
Legal and professional charges	91,500	60,650
Remuneration to auditors	40,000	(1,00,000)
Printing and stationery	-	2,500
Miscellaneous expenses	2,06,156	1,63,645
Total	3,51,306	1,34,370

26 AUDITORS REMUNERATION :

	3/31/2023	3/31/2022
Audit fees	40,000	40,000
Tax Audit fees	-	-
In any other capacity, in respect of:		
Other Services	-	-
Total	40,000	40,000

27 BASIC & DILUTED EARNINGS PER SHARE:

	3/31/2023	3/31/2022
Net Profit /(Loss) attributable to equity shareholders [A] (Rs.)	(86,397)	(94,321)
Number of equity shares issued [B]	4,10,044	4,10,044
Basic & Diluted Earnings/(Loss) per share [A/B] (Rs.)	(0.21)	(0.23)

28 SEGMENT REPORTING:

As per IND AS 108 para 4, Segment has been disclosed in Consolidated Financial Statement of the Holding Company i.e. Motilal Oswal Financial Services Limited, hence no separate disclosure has been given.

29 PROVISIONS MADE FOR THE YEAR ENDED 31.03.2023 COMPRISES OF:

Particulars	Opening balance	Provided during the year ended 31.03.23	Provision Paid / reversed during the year ended 31.03.23	Closing balance as of 31.03.23
Ex-gratia	-	-	-	-
Gratuity	3,64,700	-	3,64,700	-

Particulars	Opening balance	Provided during the year ended 31.03.22	Provision Paid / reversed during the year ended 31.03.22	Closing balance as of 31.03.22
Ex-gratia	-	-	-	-
Gratuity	3,64,700	-	-	3,64,700

Notes to Financial Statement (Contd..)

30 Contingent liabilities & Capital Commitments:

Contingent liabilities:

- a) Demand in respect of Income Tax matters for which appeal is pending is Rs.8,54,34,376/- (Previous Year Rs.8,54,34,376 /-). This is disputed by the company and hence not provided for. The company has paid demand by way of deposit of Rs.42,25,000/- by way of regular assessment till date. Above liability does not include interest u/s 234B and 234C as the same depends on the outcome of the demand.

- 31 Trade receivables in case of the company includes Rs. 24,994 Lakhs (Previous year Rs. 24,994 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at Rs. 24,575 Lakhs (Previous year Rs.24,575 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

32 Corporate Social Responsibility

Recognizing the responsibilities towards society, as a part of on-going activities, the company has contributed towards various Corporate Social Responsibility initiatives like supporting underprivileged in education, medical treatments, etc and various other charitable and noble aids.

- a) Gross amount required to be spent by the company during the year is Rs. Nil (Previous year : Rs. Nil)

Note: The Company does not satisfy the criteria mentioned in Section 135 of The Companies Act, 2013 owing to previous year losses therefore, CSR Provisions are not applicable.

33 RELATED PARTY DISCLOSURE :

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

I) List of related parties and their relationships

Holding Company:

Motilal Oswal Financial Services Limited

Fellow subsidiaries:

- 1) Motilal Oswal Investment Advisors Limited
- 2) Motilal Oswal Finvest Limited
- 3) Motilal Oswal Wealth Limited
- 4) MO Alternate Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
- 5) Motilal Oswal Asset Management Company Limited
- 6) Motilal Oswal Asset Management (Mauritius) Private Limited
- 7) Motilal Oswal Trustee Company Limited
- 8) Motilal Oswal Capital Market (Hongkong) Private Limited
- 9) Motilal Oswal Capital Markets (Singapore) Pte. Limited
- 10) Motilal Oswal Securities International Private Limited

Notes to Financial Statement (Contd..)

- 11) Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- 12) India Business Excellence Management Company
- 13) Motilal Oswal Capital Limited
- 14) Motilal Oswal Finsec IFSC Limited
- 15) Glide Tech Investment Advisory Private Limited
- 16) TM Investment Technologies Private Limited
- 17) MO Alternative IFSC Private Limited

Key management personnel

- Mr Kishore Narne - Director
- Mr Anupam Agal - Director
- Mr Harsh Joshi - Director

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Interest Expense	Motilal Oswal Fininvest Limited	-	-	10,897	1,56,496	10,897	1,56,496
Loans (Maximum balance)	Motilal Oswal Fininvest Limited	-	-	10,00,000	21,35,805	10,00,000	21,35,805

Note: 'Income/liabilities figures are shown in brackets.

Note 34 : Tax disclosures

Particular	Year ended 31 March 2023	Year ended 31 March 2022
1 Tax expense		
Current tax expense		
Current tax for the year	-	-
Tax adjustment in respect of earlier years	-	-
Total current tax expense	-	-
Deferred taxes		
Change in deferred tax	1,17,303	32,015
Net deferred tax expense	1,17,303	32,015
2 Particulars	31-Mar-23	31-Mar-22
Deferred tax assets on account of:		
Provision for gratuity	-	91,788
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	4,821	30,336
Provision for VAT	13,36,966	13,36,966
Loss on sale of Office premises	14,06,272	14,06,272
Total deferred tax assets (A)	27,48,059	28,65,362
Net deferred tax assets	27,48,059	28,65,362
Note :		

Notes to Financial Statement (Contd..)

Since it is not probable that sufficient tax profits would be available for set off of current tax losses, deferred tax assets have been created to the extent of deferred tax liabilities.

3 Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022	Recognised through profit and loss	As at 31 March 2021
Deferred tax assets on account of:					
Provision for gratuity	-	(91,788)	91,788	-	91,788
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	4,821	(25,515)	30,336	(32,015)	62,350
Provision for VAT	13,36,966	-	13,36,966	-	13,36,966
Loss on sale of Office premises	14,06,272	-	14,06,272	-	14,06,272
Total deferred tax assets					
Total deferred tax Assets/liability (net)	27,48,059	(1,17,303)	28,65,362	(32,015)	28,97,376

Note 35 : Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	31 March 23			31 March 22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	56,43,732	-	56,43,732	55,45,352	-	55,45,352
Bank balance other than cash and cash equivalents above	4,57,788	-	4,57,788	4,71,558	-	4,71,558
Trade receivables	-	2,54,02,48,794	2,54,02,48,794	2,54,02,48,794	-	2,54,02,48,794
Other financial assets	-	1,88,71,364	1,88,71,364	-	1,88,71,364	1,88,71,364
Non-Financial assets						
Property, plant and equipment	-	2,90,653	2,90,653	-	3,00,077	3,00,077
Intangible assets	-	1,245	1,245	-	1,245	1,245
Current tax assets	56,45,115	-	56,45,115	56,42,209	-	56,42,209
Deferred tax assets	27,48,058	-	27,48,058	28,65,361	-	28,65,361
Other non-financial assets	1,95,046	6,39,93,440	6,41,88,486	1,95,046	6,39,77,177	6,41,72,223
Total Assets	1,46,89,739	2,62,34,05,496	2,63,80,95,235	2,55,49,68,319	8,31,49,863	2,63,81,18,181

Notes to Financial Statement (Contd..)

Assets	31 March 23			31 March 22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	-	2,48,39,19,322	2,48,39,19,322	2,48,78,53,182	-	2,48,78,53,182
Other financial liabilities	-	6,53,26,886	6,53,26,886	6,19,64,877	-	6,19,64,877
Non Financial Liabilities						
Current tax liabilities (net)						
Provisions	-	-	-	3,64,700	-	3,64,700
Other non financial liabilities	13,562	-	13,562	13,562	-	13,562
Total Liabilities	13,562	2,54,92,46,208	2,54,92,59,770	2,55,01,96,321	-	2,55,01,96,321

Note 36 : Fair value measurement

Financial instruments by category:

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	56,43,732	-	55,45,352
Bank balance other than cash and cash equivalents above	-	4,57,788	-	4,71,558
Trade receivables	-	2,54,02,48,794	-	2,54,02,48,794
Loans	-	4,16,501	-	4,16,501
Other financial assets	-	1,88,71,364	-	1,88,71,364
Total Financial Assets	-	2,56,56,38,179	-	2,56,55,53,568
Financial Liabilities				
Trade payables	-	2,48,39,19,322	-	2,48,78,53,182
Borrowings (Other than Debt securities)	-	10,00,000	-	-
Other financial liabilities	-	6,53,26,886	-	6,19,64,877
		2,55,02,46,208	-	2,54,98,18,059

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Notes to Financial Statement (Contd..)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

- 37** There is no amount outstanding for more than thirty days to any Small Scale Industrial Undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the company.
- 38** Previous year figures have been regrouped/rearranged where necessary to confirm to year's classification.
- 39** Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934

For Aneel Lasod And Associates
Chartered Accountants
Firm Reg No: 124609W

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Aneel Lasod
Partner
M.No.40117
Place :Mumbai
Date : 24th April 2023

Harsh Joshi
Director
DIN : 02951058

Kishore Narne
Director
DIN : 07974034

India Business Excellence Management Company

FINANCIAL STATEMENT

Independent Practitioner's Fit For Consolidation Report

**To the Board of Directors of
India Business Excellence Management Company**

Opinion

We have verified the accompanying financial statements of India Business Excellence Management Company, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

These accompanying financial statements of the Company has been converged from International Financial Reporting Standard ("IFRSs") unaudited financial statements of the Company to IND AS and were certified by the management of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and are in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We verified the financial statements as per the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Practitioner's Responsibilities 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 verification 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 ICAI's Code of Ethics. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 correct view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards 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 correct view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Practitioner's Fit For Consolidation Report

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Practitioner's Responsibilities for the Verification of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a practitioner's report that includes our opinion. Reasonable assurance is a high level of assurance. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of a verification, we exercise professional judgment and maintain professional skepticism throughout our verification. We also:

- i. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ii. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our verification and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

Other Matters

This report has been issued to the Management of the Company based on the unaudited financial statement of the Company to assist the auditors of the ultimate holding company with their audit of the consolidated financial statements and should not be used for any other purpose.

For PGS & ASSOCIATES

Chartered Accountants

Firm Registration No.: 122384W

UDIN: 23111592BGXFDK8288

Premal Gandhi

Partner

Membership No.: 111592

Place: Mumbai

Date: 27th April 2023

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2023

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. Assets			
1. Financial assets			
(a) Cash and cash equivalents	3	6,95,58,489	1,35,77,916
(b) Receivables			
(l) Trade receivables	4	3,91,09,631	4,35,20,731
(c) Investments	5	1,00,569	92,519
Sub - total financial assets		10,87,68,689	5,71,91,166
2. Non - financial assets			
(a) Other non - financial assets	6	21,14,06,936	20,18,21,230
Sub - total non financial assets		21,14,06,936	20,18,21,230
Total Assets		32,01,75,625	25,90,12,396
II. Liabilities And Equity			
Liabilities			
1. Financial liabilities			
(a) Trade Payables			
(l) total outstanding dues of creditor other than micro enterprises and small enterprises	7	8,35,01,278	4,26,39,911
(b) Other financial liabilities	8	16,72,865	54,26,646
Sub - total financial liabilities		8,51,74,143	4,80,66,557
2. Non - Financial liabilities			
(a) Current tax liabilities (net)	9	-	3,13,688
Sub - total financial liabilities		-	3,13,688
3. Equity:			
(a) Equity share capital	10	18,32,005	18,32,005
(b) Other equity	11	23,31,69,477	20,88,00,146
Sub - total equity		23,50,01,482	21,06,32,151
Total Liabilities and equity		32,01,75,625	25,90,12,396

Notes referred to above form an integral part of these financial statements

As per our certificate of attached even date

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN: 23111592BGXFDK8288

Premal H. Gandhi

Partner

Membership No. : 111592

Place : Mumbai

Date : 27th April 2023

For India Business Excellence Management Co.

Authorised Signatory

Place : Mumbai

Date : 27th April 2023

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2023

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from Operations:			
(i) Dividend Income	12	3,37,15,130	96,80,09,900
(ii) Fees & commission income	13	3,34,47,262	11,69,15,789
Total (A)		6,71,62,392	1,08,49,25,689
Expenses :			
(i) Fees & commission expense	14	5,39,51,964	31,50,01,219
(ii) Other Expenses	15	72,11,432	1,86,79,166
Total (B)		6,11,63,396	33,36,80,385
Profit before tax	(C) = (A) - (B)	59,98,996	75,12,45,304
Tax Expenses :			
Provision for Tax	(D)	401	21,87,405
Profit for the Year/Period	(E) = (C) - (D)	59,98,595	74,90,57,899
Earnings Per Share (Rupees)			
Equity share of par value USD 1/- each			
Basic and Diluted		149.96	18,726.45

Notes referred to above form an integral part of these financial statements
As per our certificate of attached even date

For PGS & Associates

Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFDK8288

Premal H. Gandhi

Partner
Membership No. : 111592

Place : Mumbai
Date : 27th April 2023

For India Business Excellence Management Co.

Authorised Signatory

Place : Mumbai
Date : 27th April 2023

STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW AS AT 31ST MARCH, 2023

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit / (Loss) before taxation	59,98,996	75,12,45,304
Adjustment for FCTR	1,83,70,736	1,63,37,002
Operating profit	2,43,69,732	76,75,82,306
Adjustment for working capital changes		
1) Increase/(decrease) in trade payables	4,08,61,368	4,26,39,911
2) Increase/(decrease) in other financial liabilities	(37,53,781)	49,64,141
3) (Increase)/decrease in trade receivables	44,11,099	7,16,91,840
4) Increase/(decrease) in Other non - financial assets	(95,85,706)	(15,67,01,820)
Cash generated from operations	5,63,02,712	73,01,76,378
Taxes Paid (Net of Refunds)	(3,14,089)	(22,58,674)
Net cash generated from operating activities	5,59,88,623	72,79,17,704
B. Cash flow from investing activities		
Current investments	(8,050)	(2,950)
Net cash used in investing activities	(8,050)	(2,950)
C. Cash flow from financing activities		
Dividend paid	-	(71,53,94,151)
Net cash used in financing activities	-	(71,53,94,151)
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	5,59,80,573	1,25,20,604
Cash & cash equivalents as at beginning of the year	1,35,77,916	10,57,312
Cash & cash equivalents as at end of the year	6,95,58,489	1,35,77,916
Components of Cash & cash equivalents (also refer note 3)		
Balance with bank		
in current account	6,95,58,489	1,35,77,916
	6,95,58,489	1,35,77,916

Notes:

- 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).
- Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFDK8288

For India Business Excellence Management Co.

Premal H. Gandhi
Partner
Membership No. : 111592

Authorised Signatory

Place : Mumbai
Date : 27th April 2023

Place : Mumbai
Date : 27th April 2023

NOTES TO FINANCIAL STATEMENT (Contd..)

Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are converted in Rupees, unless otherwise stated)

Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2021	40,000	18,32,005
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2021	40,000	18,32,005
Changes during the year	-	-
As at 31 March 2022	40,000	18,32,005
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2022	40,000	18,32,005
Changes during the year	-	-
As at 31 March 2023	40,000	18,32,005

Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2023		31 March 2022		31 March 2023	31 March 2022
	Foreign exchange translation reserve	Retained Earnings	Foreign exchange translation reserve	Retained Earnings		
Balance at the beginning of the reporting period	4,50,12,995	16,37,87,151	2,86,75,993	13,01,23,402	20,88,00,146	15,87,99,395
Add/Less: Changes due to prior period errors	-	-	-	-	-	-
Restated balance	4,50,12,995	16,37,87,151	2,86,75,993	13,01,23,402	20,88,00,146	15,87,99,395
Profit during the year	-	59,98,595	-	74,90,57,900	59,98,595	74,90,57,900
Addition during the year	1,83,70,736	-	1,63,37,002	-	1,83,70,736	1,63,37,002
Less: Dividend paid	-	-	-	(71,53,94,151)	-	(71,53,94,151)
Balance at the end of the reporting period	6,33,83,731	16,97,85,746	4,50,12,995	16,37,87,151	23,31,69,477	20,88,00,146

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN: 23111592BGXFDK8288

Premal H. Gandhi

Partner

Membership No. : 111592

Place : Mumbai

Date : 27th April 2023

For India Business Excellence Management Co.

Authorised Signatory

Place : Mumbai

Date : 27th April 2023

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate information

The Company was incorporated in Mauritius under the Companies Act 2001 on 27 September 2006 as a private company limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission (the "FSC"). The address of the Company's registered office is IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The Company has obtained authorization from the FSC to act as a CIS Manager under Section 98 of the Securities Act 2005 to Fund I and to Fund IIIA on 7 January 2009 and 22 May 2017 respectively. On 29 April 2011, the Company has also received the FSC's authorization to provide advisory services to Fund IIA incorporated on 4 July 2011.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

2.2. Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company's functional and presentation currency as the USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards ("IFRS"). These Indian Rupee ("INR") statements and amounts are in accordance with Ind AS in India and are disclosed and included solely for convenience

NOTES TO FINANCIAL STATEMENT (Contd..)

and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Investment Management Agreement with Fund I

The Company had entered into an Investment Management Agreement with Fund I. Pursuant to this agreement; the Company assumes the investment management functions and has obtained the relevant authorizations to carry out the role of Investment Manager.

The Company is entitled to a management fee payable as follows:

- (i) during the first year, 2% of the aggregate Capital Commitment of Fund I
- (ii) from the second year onwards during the Commitment Period 2% per annum of the aggregate Capital Commitment of Fund I and
- (iii) after the Commitment Period, 2% per annum of the aggregate direct investment.

As from 27 December 2010, date of the end of commitment period, management fees have been calculated based on 2% per annum of the aggregate of the direct investments.

As per the Constitution of Fund I, its life had to terminate on 27 September 2016. Fund I has extended its life by 2.75 years up to 30 June 2020 based on approval of Class A Participating Shareholders to enable Fund I to maximise returns of its remaining portfolio companies. Following a decision of the Board of directors, the Company stopped charging management fees to Fund I effectively January 2017.

The life of the Fund I had further been extended to 31 December 2022, upon recommendation from the Board of Fund I on 17 April 2020 and based on approval of Class A Participating Shareholders.

(ii) Investment Management Agreement with Fund - IIIA

The Company had entered into an Investment Management Agreement with Fund-III A and assumes the investment management functions. The Company has obtained the relevant authorizations to carry out the role of Investment Manager.

NOTES TO FINANCIAL STATEMENT (Contd..)

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-IIIA at a rate of not more than 2% per annum based on the aggregate capital commitment of the relevant Class A Shareholders. As per the Constitution of Fund-IIIA, the fees payable to the Company would be upto 2% per annum, as reduced by the management fees being charged at India Business Excellence Fund - III, the Indian Fund in which Fund-IIIA invests.

The Board of directors of Fund IIIA had resolved, on 3 November 2017, that the management fees to be paid to the Company be calculated at 0.5% of the aggregate capital commitments of its Class A Shareholders.

(iii) Advisory Income:

Under the terms of Amended and Restated Investment Advisory Agreement dated 22 August 2013 the Company has been appointed by Fund-IIA as Investment Advisor to provide advisory and consultancy services on investment, divestment and all other related matters and to execute and deliver the documents on its behalf (excluding authority to acquire or dispose of investments except with the approval of the Board) subject to the overall supervision of the Board of the Fund IIA as specified in the Private Placement Memorandum of the latter.

(iv) Dividend Income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENT (Contd..)

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan

NOTES TO FINANCIAL STATEMENT (Contd..)

commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognised only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.11. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares

NOTES TO FINANCIAL STATEMENT (Contd..)

outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.15. Expenses

Advisory Expenses:

The Company has entered into an Investment Advisory Service Agreement with MO Alternate Investment Advisors Private Limited ("MO Alternate"). Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MO Alternate. Effective as from 1 April 2007, the Company pays to MO Alternate a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MO Alternate from the purpose of such investment and divestment advice.

Sub advisory expenses:

The Company has entered in an Amended and Restated Sub-advisory Agreement with MO Alternate on 22 August 2013. Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MO Alternate. The Company pays to MO Alternate a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MO Alternate from the purpose of such investment advice. In addition to the minimum fees, MO Alternate is also entitled to a performance incentive fee payable on the half yearly basis as may be decided by the Board of the Company and paid within 30 days of such decision by the Board.

Placement agreement:

The Company has entered into placement agreement with several placement agents and the fees payable to the agents between the parties from time to time and the payment mode are defined in the agreement.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 3 : Cash and Bank Balances

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with bank	6,95,58,489	1,35,77,916
	6,95,58,489	1,35,77,916

Note 4 : Trade Receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Trade Receivables(Outstanding for less than six months)	3,91,09,631	4,35,20,731
	3,91,09,631	4,35,20,731

Note 4 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,91,09,631	-	-	-	-	3,91,09,631
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,35,20,731	-	-	-	-	4,35,20,731
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 5 : Investments

	As at 31 March 2023	As at 31 March 2022
India Business Excellence Fund-I (200 Units of USD 0.01 each)	1,00,569	92,519
	1,00,569	92,519

Note 6 : Other non financial assets

	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	21,14,06,936	20,18,21,230
	21,14,06,936	20,18,21,230

Note 7 : Trade Payables

	As at 31 March 2023	As at 31 March 2022
Due to creditors other than micro enterprise and small enterprise	8,35,01,278	4,26,39,911
	8,35,01,278	4,26,39,911

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 7 (i) : Payables ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	8,35,01,278	-	-	-	8,35,01,278
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	-	-	-	-	-
Others	4,26,39,911	-	-	-	4,26,39,911
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Note 8 : Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Creditors for Expenses	16,72,865	54,26,646
	16,72,865	54,26,646

Note 9 : Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for Taxation	-	3,13,688
	-	3,13,688

Note 10 : Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Rupees	Number of Shares	Rupees
Authorised :				
Equity Shares of USD 1 each	40,000	18,32,005	40,000	18,32,005
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	40,000	18,32,005	40,000	18,32,005
Total	40,000	18,32,005	40,000	18,32,005

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Shares held by promoters at the end of year

Shareholding pattern as on March 31, 2023

Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
MO Alternate Investment Advisors Private Limited	40,000	100.00	0.00
Total A	40,000	100.00	

Shareholding pattern as on March 31, 2022

Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
MO Alternate Investment Advisors Private Limited	40,000	100.00	0.00
Total A	40,000	100.00	

Note 11 : Other Equity

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
a) Foreign exchange translation reserve		
Balance at the beginning of the year	4,50,12,995	2,86,75,993
Add: Transferred during the year	1,83,70,736	1,63,37,002
Balance at the end of year	6,33,83,731	4,50,12,995
b) Retained Earnings		
Balance at the beginning of the year	16,37,87,151	13,01,23,402
Add: Transfer from Statement of Profit and Loss	59,98,595	74,90,57,900
Less : Dividend paid	-	(71,53,94,151)
Balance at the end of year	16,97,85,746	16,37,87,151
	23,31,69,477	20,88,00,146

Note 12 : Dividend income

	For the year ended 31 March 2023	For the year ended 31 March 2022
From subsidiary companies	3,37,15,130	96,80,09,900
	3,37,15,130	96,80,09,900

Note 13 : Fees & commission income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Management and advisory fees	2,85,97,123	11,69,06,854
Other Income	48,50,139	8,935
	3,34,47,262	11,69,15,789

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note 14 : Fees & commission Expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Advisory and sub-advisory fees	4,13,43,096	16,46,10,307
Placement Fees	1,26,08,868	15,03,90,912
	5,39,51,964	31,50,01,219

Note 15 : Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Audit fees	9,83,176	7,75,004
Insurance	6,62,809	4,71,867
Legal and professional fees	32,10,575	79,39,394
Rates and taxes	11,78,319	11,02,340
Miscellaneous Expenses	11,76,553	83,90,561
	72,11,432	1,86,79,166

Note : 16.1 Tax expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense		
Current tax for the year	401	21,87,405
Tax adjustment in respect of earlier years	-	-
Total current tax expense	401	21,87,405
	401	21,87,405
Note : 16.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	59,98,996	75,12,45,304
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt income	(3,37,15,933)	(149)
Items outside scope of taxation	(48,41,951)	(5,91,305)
Non allowable expenses	8,46,874	59,19,009
Unauthorised deductions	5,51,02,507	30,70,69,420
Income subject to partial exemption of 80 %	(2,33,90,493)	(1,03,46,32,437)
Profit adjusted for tax purposes	0	2,90,09,842
Tax calculated at the rate of 15%	-	43,51,477
Deemed tax credit at 80%	-	(21,64,072)
Under provision for the previous year	401	-
Tax charge for the year	401	21,87,405
Income tax expense	401	21,87,405

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note : 17 Capital Management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Particulars	31 March 23	31 March 22
Cash and cash equivalents	6,95,58,489	1,35,77,916
Total Cash and cash equivalents	6,95,58,489	1,35,77,916
Equity	18,32,005	18,32,005
Retained earnings	23,31,69,477	20,88,00,146
Total Capital	23,50,01,482	21,06,32,151

Note : 18 Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March 23			31 March 22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	6,95,58,489	-	6,95,58,489	1,35,77,916	-	1,35,77,916
Trade receivables	3,91,09,631	-	3,91,09,631	4,35,20,731	-	4,35,20,731
Investments	-	1,00,569	1,00,569	-	92,519	92,519
Non-Financial assets						
Other non-financial assets	-	21,14,06,936	21,14,06,936	-	20,18,21,230	20,18,21,230
Total Assets	10,86,68,120	21,15,07,505	32,01,75,625	5,70,98,647	20,19,13,749	25,90,12,396
Liabilities						
Financial Liabilities						
Trade payables	8,35,01,278	-	8,35,01,278	4,26,39,911	-	4,26,39,911
Other financial liabilities	16,72,865	-	16,72,865	54,26,646	-	54,26,646
Non Financial Liabilities						
Current tax liabilities (net)	-	-	-	3,13,688	-	3,13,688
Total Liabilities	8,51,74,143	-	8,51,74,143	4,83,80,245	-	4,83,80,245

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Note : 19 Fair value measurements

Financial instruments by category:

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	6,95,58,489	-	1,35,77,916
Trade receivables	-	3,91,09,631	-	4,35,20,731
Investments	1,00,569	-	92,519	-
Total Financial Assets	1,00,569	10,86,68,120	92,519	5,70,98,647
Financial Liabilities				
Trade payables	-	8,35,01,278	-	4,26,39,911
Other financial liabilities	-	16,72,865	-	54,26,646
	-	8,51,74,143	-	4,80,66,557

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date."

The fair values for investment in mutual fund are based on the quoted market prices and Fair value of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value hierarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note : 20 Financial risk management

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A) Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

"To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly."

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	3,91,09,631	4,35,20,731
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	3,91,09,631	4,35,20,731
Provision for expected credit loss	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	8,35,01,278			8,35,01,278
Other financial liabilities	16,72,865			16,72,865
Total	8,51,74,143	-	-	8,51,74,143

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	4,26,39,911			4,26,39,911
Other financial liabilities	54,26,646			54,26,646
Total	4,80,66,557	-	-	4,80,66,557

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.

D) Foreign currency risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency."

E) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

F) Price risk

The company is exposed to price risk from its investment in mutual fund, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/Price	10,057	9,252
Impact on profit before tax for 10% decrease in NAV/Price	(10,057)	(9,252)

21) Taxation

Provision for the current tax has been made for Rs 401 Previous year Rs. 21,87,405/-

22) Basic and diluted Earnings/(Loss) per share:

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit attributable to equity shareholders [A] (Rupees)	59,98,595	74,90,57,900
Weighted Average of equity shares issued [B] (face value of Re. 1 each)	40,000	40,000
Basic and Diluted Earnings per share [A/B] (Rupees)	149.96	18,726.45

23) Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

24) Related parties transactions

(i) Relationships during the period

A) Enterprises where control exists

- MO Alternate Investment Advisors Private Limited – Holding Company
- Motilal Oswal Financial Services Limited – Holding Company of MO Alternate Investment Advisors Private Limited

B) Fellow subsidiaries

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)

- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited
- MO Alternative IFSC Private Limited

ii) Transactions with related parties

Transactions	Name of the related Party	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividend paid	MO Alternate Investment Advisors Private Limited	-	71,53,94,151
Advisory Fee	MO Alternate Investment Advisors Private Limited	4,13,43,096	17,16,75,811

iii) Outstanding balances

Transactions	Name of the related Party	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Trade Payables	MO Alternate Investment Advisors Private Limited	8,35,01,278	4,26,39,911
Prepaid Advisory Fee	MO Alternate Investment Advisors Private Limited	17,61,24,271	16,22,19,706

For PGS & Associates

Chartered Accountants
Firm Registration No. 122384W
UDIN: 23111592BGXFDK8288

For India Business Excellence Management Co.

Premal H. Gandhi

Partner
Membership No. : 111592

Authorised Signatory

Place : Mumbai
Date : 27th April 2023

Place : Mumbai
Date : 27th April 2023

Motilal Oswal Asset Management (Mauritius) Private Limited

FINANCIAL STATEMENT

INDEPENDENT REPORT

To the Board of Directors of

Motilal Oswal Capital Markets (Mauritius) Private Limited and Motilal Oswal Financial Services Limited

Opinion

We have verified the accompanying financial statements of Motilal Oswal Asset Management (Mauritius) Private Limited, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

These accompanying financial statements of the Company has been converged from International Financial Reporting Standard ("IFRSs") unaudited financial statements of the Company to IND AS and were certified by the management of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and are in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We verified the financial statements as per the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Practitioner's Responsibilities 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 verification 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 ICAI's Code of Ethics. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 correct view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards 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 correct view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT REPORT

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Practitioner's Responsibilities for the Verification of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a practitioner's report that includes our opinion. Reasonable assurance is a high level of assurance. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of a verification, we exercise professional judgment and maintain professional skepticism throughout our verification. We also:

- i. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ii. 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our verification and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

Other Matters

This report has been issued to the Management of the Company based on the unaudited financial statement of the Company to assist the auditors of the ultimate holding company with their audit of the consolidated financial statements and should not be used for any other purpose.

For PGS & ASSOCIATES

Chartered Accountants

Firm Registration No.: 122384W UDIN: 23111592BGXFCP2770

Premal Gandhi Partner

Membership No.: 111592 Place: Mumbai

Date: 26th April 2023

Balance Sheet

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in rupees)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	67,15,362	1,66,98,144
(b) Receivables			
(I) Trade receivables	4	4,13,23,009	3,53,36,522
(c) Investments	5	8,216	7,559
Sub - total financial assets		4,80,46,587	5,20,42,225
2. Non - financial assets			
(a) Other non - financial assets	6	8,61,114	1,94,77,036
Sub - total non - financial assets		8,61,114	1,94,77,036
Total assets		4,89,07,701	7,15,19,261
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade payables			
(ii) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	7	1,43,25,896	93,97,283
(b) Other financial liabilities	8	2,77,510	7,69,215
Sub - total financial liabilities		1,46,03,406	1,01,66,498
2. Equity:			
(a) Equity share capital	9	4,79,41,476	4,79,41,476
(b) Other equity	10	(1,36,37,181)	1,34,11,287
Sub - total equity		3,43,04,295	6,13,52,763
Total Liabilities and equity		4,89,07,701	7,15,19,261

Notes referred to above form an integral part of these financial statements

As per our certificate of attached even date

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN:23111592BGXFCP2770

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**Premal H. Gandhi**

Partner

M.No. : 111592

Krishna Arnasala Pather

Director

Keerti Anju Ramnarain

Director

Place : Mumbai

Date : 26 April, 2023

Statement of Profit and Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(Amount in rupees)

Particulars	Note No	Year Ended March 31, 2023 In Rupees	Year Ended March 31, 2022 In Rupees
1) Income			
Revenue from operations			
Fees and commission income	11	2,76,97,611	9,10,99,149
Total Income		2,76,97,611	9,10,99,149
Expenses :			
Other Expenses	12	5,82,76,205	4,39,34,147
Total expenses		5,82,76,205	4,39,34,147
Profit/(Loss) before taxation		(3,05,78,594)	4,71,65,001
Tax expenses			
Current Tax		10,06,857	14,83,512
Profit/(Loss) after taxation		(3,15,85,451)	4,56,81,489
No. of Equity shares		3,32,599	3,32,599
Earnings per share (EPS)		(94.97)	137.35

Notes referred to above form an integral part of these financial statements

As per our certificate of attached even date

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN:23111592BGXFCP2770

Premal H. Gandhi

Partner

M.No. : 111592

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**Krishna Arnasala Pather**

Director

Keerti Anju Ramnarain

Director

Place : Mumbai

Date : 26 April, 2023

Statement of Cash Flow

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit / (Loss) before taxation	(3,05,78,594)	4,71,65,001
Adjustment for FCTR	45,36,983	37,05,007
Operating profit	(2,60,41,611)	5,08,70,008
Adjustment for working capital changes		
1) Increase/(decrease) in financial liabilities	(7,36,227)	(39,107)
2) Increase/(decrease) in trade payables	49,28,613	(7,72,703)
3) (Increase)/decrease in trade receivables	(59,86,487)	(2,60,98,803)
4) (Increase)/decrease in other non - financial assets	1,86,15,922	2,79,924
Cash generated from operations	(92,19,790)	2,42,39,319
Taxes Paid (Net of Refunds)	(7,62,335)	(14,83,512)
Net cash generated from operating activities	(99,82,125)	2,27,55,807
B. Cash flow from investing activities		
Investment in mutual fund	(658)	(229)
Net cash used in investing activities	(658)	(229)
C. Cash flow from financing activities		
Dividend paid	-	(2,69,93,302)
Net cash used in financing activities	-	(2,69,93,302)
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	(99,82,783)	(42,37,725)
Cash & cash equivalents as at beginning of the year	1,66,98,144	2,09,35,869
Cash & cash equivalents as at end of the year	67,15,362	1,66,98,144
Components of cash & cash equivalents (also refer note 4)		
Balances with banks		
in current accounts	67,15,362	1,66,98,144
	67,15,362	1,66,98,144

Notes:

- 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).
- Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN:23111592BGXFCP2770

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 26 April, 2023

Krishna Arnasala Pather

Director

Keerti Anju Ramnarain

Director

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

Share Capital

(Amount in rupees)

Particulars	Equity share capital		Total
	Number of shares	Amount	
Issue of Equity shares	-	-	-
As at 31 March 2022	3,32,599	4,79,41,476	4,79,41,476
Issue of Equity shares	-	-	-
As at 31 March 2023	3,32,599	4,79,41,476	4,79,41,476

Other Equity

(Amount in rupees)

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2023		31 March 2022		31 March 2023	31 March 2022
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss		
Balance at the beginning of the reporting period	56,59,960	77,51,328	19,54,953	(1,09,36,859)	1,34,11,287	(89,81,906)
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	56,59,960	77,51,328	19,54,953	(1,09,36,859)	1,34,11,287	(89,81,906)
Profit/(loss) during the year	45,36,983	(3,15,85,451)	37,05,007	4,56,81,489	(2,70,48,468)	4,93,86,495
Dividends	-	-	-	(2,69,93,302)	-	(2,69,93,302)
Balance at the end of the reporting period	1,01,96,943	(2,38,34,123)	56,59,960	77,51,328	(1,36,37,180)	1,34,11,287

Shares held by promoters at the end of year

Shareholding pattern as on March 31, 2023			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Asset Management Company Limited	3,32,599	100	0.00
Total A	3,32,599	100	

Statement of Cash Flow

Shares held by promoters at the end of year

Shareholding pattern as on March 31, 2022			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Asset Management Company Limited	3,32,599	100	0.00
Total A	3,32,599	100	

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN:23111592BGXFCP2770

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 26 April, 2023

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.

Krishna Arnasala Pather

Director

Keerti Anju Ramnarain

Director

NOTES TO FINANCIAL STATEMENT (Contd..)

1. Corporate information

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (the "Company") was incorporated on 8 January 2015 under the Mauritius Companies Act 2001 as a public company limited by shares and holds a Category 1 Global Business License issued by the Financial Services Commission ("FSC") under the Financial Services Act 2007.

The Company is also licensed as a CIS Manager under the Securities Act 2005 and its principal activity is to act as Investment Manager.

The Company is engaged towards holding standards of corporate governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The transactions of the Company are denominated in US Dollars which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.2. Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company's functional and presentation currency as the USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards ("IFRS"). These Indian Rupee ("INR") statements and amounts are in accordance with Ind AS in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Management fees

The Company has entered into an Investment Management Agreement, on 1st March 2016, with Motilal Oswal India Fund ("the Fund") which has retained the Company to act as Investment Manager and to provide services with respect to the assets of the Fund. In consideration of and as compensation for services to be rendered, the Company is entitled to a Management Fee not exceeding 1.25% per annum of the Net Asset Value attributable to Class A shares of the Fund.

(ii) Incentive fees

The Company is entitled to a performance profit allocation from Motilal Oswal India Fund ("the Fund") based on the performance of the Fund equal to upto 20% of any appreciation in the value of the Fund during the performance period.

(iii) Dividend Income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend

NOTES TO FINANCIAL STATEMENT (Contd..)

will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

NOTES TO FINANCIAL STATEMENT (Contd..)

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

NOTES TO FINANCIAL STATEMENT (Contd..)

Subsequently all financial liabilities are measured at amortized cost using the effective interest rate method.

2.11. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.15. Expenses

Advisory fees

An Investment Advisory agreement was made on 11th February 2016 between the Company and Motilal Oswal Asset Management Company Limited which terminated on the 6th November 2017 due to professional reasons.

As from 7th November 2017, Motilal Oswal Capital Limited has been appointed as investment advisor and in connection with the performance of its services, the Company will pay the Investment Advisor advisory fees on an arm's length basis and which shall be determined between the parties.

Note 3 : Cash and cash equivalents

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
Balance with bank	67,15,362	1,66,98,144
Total	67,15,362	1,66,98,144

Note 4 : Receivables

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
(I) Trade receivables		
Considered good - unsecured	4,13,23,009	3,53,36,522
	4,13,23,009	3,53,36,522

Note 5 : Investments

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
Motilal Oswal India Fund	8,216	7,559
Total	8,216	7,559

Note 6: Other non - financial assets

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
Prepaid Expenses	8,61,114	1,94,77,036
Total	8,61,114	1,94,77,036

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 7 : Trade Payable

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
Total outstanding dues of creditors other than Micro small & medium enterprises	1,43,25,896	93,97,283
Total	1,43,25,896	93,97,283

Note 8 : Other Financial Liabilities

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
Tax payable	2,44,521	-
Creditors for Expenses	32,989	7,69,215
Total	2,77,510	7,69,215

Note 9 : Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Rupees	Number of Shares	Rupees
Authorised :				
Equity Shares of USD 1 each	3,32,599	4,79,41,476	3,32,599	4,79,41,476
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	3,32,599	4,79,41,476	3,32,599	4,79,41,476
Total	3,32,599	4,79,41,476	3,32,599	4,79,41,476

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding/promoter company]

Note 10 : Other Equity

	As at 31 March 2023 In Rupees	As at 31 March 2022 In Rupees
a) Foreign Currency Translation Reserves		
Balance at beginning of the year	56,59,960	19,54,953
Add:- Gain/(loss) on translation during the period	45,36,983	37,05,007
Balance at the end of year	1,01,96,943	56,59,960
b) Profit/(Deficit) in the statement of profit and loss		
Balance at beginning of the year	77,51,328	(1,09,36,859)
Add: Transfer from Statement of Profit and Loss	(3,15,85,451)	4,56,81,489
Less: Dividend paid	-	(2,69,93,302)
Balance at the end of year	(2,38,34,123)	77,51,328
	(1,36,37,181)	1,34,11,287

NOTES TO FINANCIAL STATEMENT (Contd..)

Nature and Purpose of Reserves

Profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

Revenue from operations

Note 11 : Fees and commission income

	Year ended 31 March 2023 In Rupees	Year ended 31 March 2022 In Rupees
Incentive Fee Income	-	6,63,47,026
Management fee	2,76,97,611	2,47,52,123
Total	2,76,97,611	9,10,99,149

Note 12 : Other Expenses

	Year ended 31 March 2023 In Rupees	Year ended 31 March 2022 In Rupees
Advisory Fee Expense	43,83,286	28,51,469
Accounting fees	72,245	2,29,902
Directors fees	4,53,539	2,25,699
Professional fees	21,87,423	52,52,200
Insurance Charges	3,11,457	1,92,487
Audit fees	2,77,673	7,48,650
Other Expenses	1,73,95,672	7,655
Disbursements/Distribution Fee	3,31,94,910	3,44,26,085
Total	5,82,76,205	4,39,34,147

Note 13 : Capital Management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTES TO FINANCIAL STATEMENT (Contd..)

Note : 14 Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	31 March 23			31 March 22		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	67,15,362	-	67,15,362	1,66,98,144	-	1,66,98,144
Trade receivables	4,13,23,009	-	4,13,23,009	3,53,36,522	-	3,53,36,522
Investments	-	8,216	8,216	-	7,559	7,559
Non-Financial assets						
Other non-financial assets	8,61,114	-	8,61,114	1,94,77,036	-	1,94,77,036
Total Assets	4,88,99,485	8,216	4,89,07,701	7,15,11,702	7,559	7,15,19,261
Liabilities						
Financial Liabilities						
Trade payables	1,43,25,896	-	1,43,25,896	93,97,283	-	93,97,283
Other financial liabilities	2,77,510	-	2,77,510	7,69,215	-	7,69,215
Total Liabilities	1,46,03,406	-	1,46,03,406	1,01,66,498	-	1,01,66,498

Note : 15 Fair value measurements

Financial instruments by category:

The following table shows the carrying amount and fair value of financial assets and liabilities ,including their levels in the fair value hierarchy.

(Amount in rupees)

Particulars	Carrying Amount			Fair Value			Total
31-Mar-23	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets			-				
Cash and cash equivalents	-	67,15,362	67,15,362				
Trade receivables	-	4,13,23,009	4,13,23,009				
Investments	8,216	-	8,216	8,216			8,216
Total Financial Assets	8,216	4,80,38,371	4,80,46,587	8,216			8,216
Financial Liabilities	-	-	-	-	-	-	-
Trade payables	-	1,43,25,896	1,43,25,896				-
Other financial liabilities	-	2,77,510	2,77,510				-
	-	1,46,03,406	1,46,03,406				-

NOTES TO FINANCIAL STATEMENT (Contd..)

The carrying value and the fair value of financial instruments by categories as of 31st March 2022 are as follows,

Particulars	Carrying Amount			Fair Value			Total
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	
31-Mar-22							
Financial assets			-				
Cash and cash equivalents	-	1,66,98,144	1,66,98,144				
Trade receivables	-	3,53,36,522	3,53,36,522				
Investments	7,559	-	7,559	7,559			7,559
Total Financial Assets	7,559	52,034,666	52,042,225	7,559			7,559
			-				
Financial Liabilities			-				
Trade payables	-	93,97,283	93,97,283				
Other financial liabilities	-	7,69,215	7,69,215				
	-	1,01,66,498	1,01,66,498				

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair value of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

NOTES TO FINANCIAL STATEMENT (Contd..)

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value hierarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note : 16 Financial risk management

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

"To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly."

Bank balances are held with only high rated banks.

Age of receivables that are past due:

(Amount in Rupees)

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 3 months	4,13,23,009	3,53,36,522
3 - 6 months	-	-
6 - 12 months	-	-
More than 12 months	-	-
Total	4,13,23,009	3,53,36,522
Provision for expected credit loss	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	1,43,25,896	-	-	1,43,25,896
Other current financial liabilities	2,77,510	-	-	2,77,510
Total	1,46,03,406	-	-	1,46,03,406

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	93,97,283	-	-	93,97,283
Other current financial liabilities	7,69,215	-	-	7,69,215
Total	1,01,66,498	-	-	1,01,66,498

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency."

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

17) Taxation

(Amount in rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Note : 17.1 Tax expense		
Current tax expense		
Current tax for the year	10,06,857	14,83,512
Tax adjustment in respect of earlier years	-	-
Total current tax expense	10,06,857	14,83,512
Deferred taxes		
Change in deferred tax liabilities	-	-
Net deferred tax expense	-	-
	10,06,857	14,83,512
Note : 17.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	(3,05,78,594)	4,71,65,001
Tax at the rate of 15% (for 31 March 2022 - 15%)	(45,86,789)	70,74,750
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	7,11,695	(93,525)
Tax credit		
Partial exemption	(33,23,654)	(1,08,75,456)
Expenses not deductible for tax purposes	82,05,605	53,77,743
Income tax expense	10,06,857	14,83,512

18) Earnings per share

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(Loss) attributable to equity shareholders (Rupees)	(3,15,85,451)	4,56,81,489
Weighted average number of equity shares outstanding during the year	3,32,599	3,32,599
Nominal value per share (Rupees)	80.27	74.46
Earnings/(Loss) per share (Basic and diluted) (Rupees)	(94.97)	137.35

19) Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTES TO FINANCIAL STATEMENT (Contd..)

20) Related parties transactions

(i) Relationships during the period

A) Enterprises where control exists

Holding Company

- Motilal Oswal Asset Management Company Limited

Holding Company of Motilal Oswal Asset Management Company Limited

- Motilal Oswal Financial Services Limited (formerly known as Motilal Oswal Securities limited)

B) Fellow subsidiaries

- Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternate Investments Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- India Business Excellence Management Company
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited

C) Enterprises in which key management personnel exercise significant Influence

Nil

ii) Transactions with related parties for the period ended March 31, 2023

Transactions	Name of the related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
Advisory Expense	Motilal Oswal Capital Limited	43,83,286	28,51,469
Payable/ Receivable	Motilal Oswal Capital Limited	-	9,24,246

Note: Income/receipts figures are shown in brackets.

NOTES TO FINANCIAL STATEMENT (Contd..)

21) Trade Receivable ageing schedule

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,13,23,009	-	-	-	-	4,13,23,009
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions					
	Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3,53,36,522	-	-	-	-	3,53,36,522
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

22) Trade payables ageing schedules

For the year ended March 2023

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,43,25,896	-	-	-	1,43,25,896
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

For the year ended March 2022

Particulars	Outstanding for following periods from the date of transactions				
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	93,97,283	-	-	-	93,97,283
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

As per our certificate of attached even date

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

UDIN:23111592BGXFCP2770

Premal H. Gandhi

Partner

M.No. : 111592

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.

Krishna Arnasala Pather

Director

Keerti Anju Ramnarain

Director

Place : Mumbai

Date : 26 April, 2023

Motilal Oswal Capital Market (Singapore) Private Limited

FINANCIAL STATEMENT

BALANCE SHEET

Balance Sheet as at 31st March 2023

Particulars	Note	As at 31 March 2023 (SGD)	As at 31 March 2023 (INR)	As at 31 March 2022 (SGD)	As at 31 March 2022 (INR)
I. ASSETS					
1. Financial assets					
(a) Cash and cash equivalents	3	4,61,684	2,85,36,191	6,87,842	3,83,99,555
(b) Receivables					
(I) Trade Receivables	4	4,54,476	2,80,90,640	2,23,783	1,24,92,962
(c) Other financial assets	5	1,20,687	74,59,555	1,08,440	60,53,803
Total financial assets (A)		10,36,847	6,40,86,386	10,20,065	5,69,46,320
Total Assets (A+B)		10,36,847	6,40,86,386	10,20,065	5,69,46,320
II. LIABILITIES AND EQUITY					
1. Financial liabilities					
(a) Other financial liabilities	6	3,06,867	1,89,67,120	3,17,163	1,77,05,985
Total financial liabilities (A)		3,06,867	1,89,67,120	3,17,163	1,77,05,985
2. Equity					
(a) Equity share capital	7	2,80,000	1,29,53,103	2,80,000	1,29,53,103
(b) Other equity	8	4,49,980	3,21,66,163	4,22,902	2,62,87,232
Total equity (B)		7,29,980	4,51,19,266	7,02,902	3,92,40,335
Total Liabilities and Equity (A+B)		10,36,847	6,40,86,386	10,20,065	5,69,46,320

As per our certificate of Even Date

For PGS & Associates

Chartered Accountants

Firm Reg No. 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Premal H Gandhi

Partner

M.No: 111592

Place: Mumbai

Date : 26th April 2023

Nikunj Sheth

Director

Rajani Nainesh Bharat

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March 2023

Particulars	Note	As at 31 March 2023 (SGD)	As at 31 March 2023 (INR)	As at 31 March 2022 (SGD)	As at 31 March 2022 (INR)
1) Income:					
(a) Revenue from operations					
(i) Fees and commission income	9	4,54,475	2,65,71,937	6,35,542	3,50,87,251
Total revenue from operations		4,54,475	2,65,71,937	6,35,542	3,50,87,251
Total income (a) (1)		4,54,475	2,65,71,937	6,35,542	3,50,87,251
2) Expenses:					
(a) Employee benefit expense	10	2,60,339	1,52,21,288	4,37,353	2,41,45,542
(b) Depreciation and amortisation expense	11	-	-	8,737	4,82,378
(c) Other expenses	12	1,34,858	78,84,788	1,06,556	58,82,774
Total expenses (2)		3,95,197	2,31,06,076	5,52,646	3,05,10,694
3) Profit before tax (3) = (1) - (2)		59,279	34,65,862	82,896	45,76,557
4) Tax expenses / (credit)					
(a) Current tax		2,307	1,34,876	3,311	1,82,772
(b) Short / (excess) provision for earlier years		29,894	17,47,836	-	-
Total tax expenses (4)		32,201	18,82,712	3,311	1,82,772
5) Profit after tax		27,078	15,83,150	79,585	43,93,785
6) Total comprehensive income		27,078	15,83,150	79,585	43,93,785

As per our certificate of Even Date

For PGS & Associates

Chartered Accountants

Firm Reg No. 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Premal H Gandhi

Partner

M.No: 111592

Place: Mumbai

Date : 26th April 2023

Nikunj Sheth

Director

Rajani Nainesh Bharat

Director

CASH FLOW STATEMENT

Cash flow statement for the year ended March 31, 2023

Cash flow statement	As at 31 March 2023 (SGD)	As at 31 March 2023 (INR)	As at 31 March 2022 (SGD)	As at 31 March 2022 (INR)
A. Cash flow from Operating Activities :				
Profit before taxation	59,279	34,65,862	82,896	45,76,557
Adjustments for :				
Depreciation, amortisation and impairment	-	-	8,737	4,82,378
Foreign Currency Translation Reserve	-	42,95,781	-	(1,36,44,807)
	-	42,95,781	8,737	(1,31,62,429)
Operating profit before Working Capital changes	59,279	77,61,643	91,633	(85,85,872)
Adjustments for Working Capital changes				
(Increase)/decrease in trade receivables	(2,30,692)	(1,55,97,678)	3,25,678	1,74,40,490
(Increase)/decrease in other financial assets	(12,247)	(14,05,753)	4,865	1,18,812
Increase/ (Decrease) in other financial liabilities	(10,296)	12,61,136	48,882	30,90,611
Net change in working capital	(2,53,235)	(1,57,42,295)	3,79,425	2,06,49,913
Cash generated from / (used in) Operations	(1,93,956)	(79,80,652)	4,71,058	1,20,64,041
Direct taxes paid net (including MAT credit utilised)	(32,201)	(18,82,712)	(3,311)	(1,82,772)
Net cash generated from /(used in) operating activities (A)	(2,26,157)	(98,63,364)	4,67,747	1,18,81,269
B. Cash flow from Investing Activities :				
Purchase of fixed assets	-	-	(8,679)	(479,184)
NetCash generated from/(used in) Investing Activities (B)	-	-	(8,679)	(479,184)
C. Cash flow from financing activities				
Proceed from reduction in share capital	-	-	(19,70,000)	(9,27,87,000)
Net cash from /(used in) financing activities (C)	-	-	(19,70,000)	(9,27,87,000)
D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(226,157)	(98,63,364)	(15,10,932)	(8,13,84,915)
E. Cash and cash equivalents at the beginning of the year				
Cash in hand	2,720	1,51,872	10,802	5,88,493
Scheduled bank - In current account	6,85,121	3,82,47,683	21,87,971	11,91,95,978
Total (E)	6,87,841	3,83,99,555	21,98,773	11,97,84,471
F. Cash and cash equivalents at the end of the year (D+E)	4,61,684	2,85,36,191	6,87,842	3,83,99,555
Cash and cash equivalents at the end of the year :				
Cash in hand	2,720	1,68,148	2,720	1,51,872
Scheduled bank - In current account	4,58,964	2,83,68,043	6,85,121	3,82,47,683
Total (G)	4,61,684	2,85,36,191	6,87,842	3,83,99,555

As per our certificate of Even Date

For PGS & Associates
Chartered Accountants
Firm Reg No. 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Premal H Gandhi
Partner
M.No: 111592
Place: Mumbai
Date : 26th April 2023

Nikunj Sheth
Director

Rajani Nainesh Bharat
Director

STATEMENT OF CHANGES IN EQUITY

Share Capital

(Amount in rupees)

Particulars	Equity share capital		Total
	Number of shares	Amount	
Issue of Equity shares	-	-	-
As at 31 March 2022	2,80,000	1,29,53,103	1,29,53,103
Issue of Equity shares	-	-	-
As at 31 March 2023	2,80,000	1,29,53,103	1,29,53,103

Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus		Total	Total
	31 March 2023		31 March 2022		31 March 2023	31 March 2022
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss		
Balance at the beginning of the reporting period	40,78,650	2,22,08,582	1,93,76,059	1,78,14,797	2,62,87,233	3,71,90,856
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	40,78,650	2,22,08,582	1,93,76,059	1,78,14,797	2,62,87,233	3,71,90,856
Profit/(loss) during the year	42,95,781	15,83,150	(1,52,97,409)	43,93,785	58,78,931	(1,09,03,623)
Balance at the end of the reporting period	83,74,431	2,37,91,732	40,78,650	2,22,08,582	3,21,66,164	2,62,87,233

As per our certificate of Even Date

For PGS & Associates

Chartered Accountants

Firm Reg No. 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd.**Premal H Gandhi**

Partner

M.No: 111592

Place: Mumbai

Date : 26th April 2023**Nikunj Sheth**

Director

Rajani Nainesh Bharat

Director

NOTES TO FINANCIAL STATEMENT (Contd..)

1. GENERAL INFORMATION

Motilal Oswal Capital Markets (Singapore) Pte. Ltd. (the "Company") is a private limited liability company incorporated and domiciled in Singapore. The registered office of the Company is located at 80 Raffles Place, #32-01 UOB Plaza, Singapore 048624 and the principal place of business is Level 21 (Suite 31), 16 Collyer Quay, Singapore 049318.

Its immediate and ultimate holding company are Motilal Oswal Financial Services Limited. These companies are incorporated in India.

The principal activity of the Company is the provision of financial advisory services.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements, expressed in Singapore Dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Conversion to Indian Rupees:

For the purpose of these financial statements, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed as Reserves and Surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

(b) Standards Issued but not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2021 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised standards and FRS interpretations will have no material impact on the financial statements of the Company in the period of their initial application.

(c) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account

NOTES TO FINANCIAL STATEMENT (Contd..)

(d) Financial Assets

(i) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- at fair value through other comprehensive income ("FVOCI"),
- at fair value through profit or loss ("FVPL"), and
- at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company's financial assets measured at amortised cost include other receivables, amount due from immediate holding company and cash and cash equivalents.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

l) Debt instruments

There are three subsequent measurement categories, depending on the company's business model for managing the asset and the cash flow characteristics of the asset:

a) Amortised Cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

b) FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principle and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/ (losses)".

c) FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income" or "other expenses".

NOTES TO FINANCIAL STATEMENT (Contd..)

(II) Equity instruments

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/ (losses)", except where the Company has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in Other Comprehensive Income.

(ii) Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its assets carried at amortised cost and debt instruments measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on financial assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instruments, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(e) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss recognised in accordance with Note 2(h) to the financial statements. Depreciation is calculated on the straight-line basis so as to write off the cost of the assets over their estimated useful lives, as follows:

Office equipment	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted as appropriate, at the end of each financial year.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the

NOTES TO FINANCIAL STATEMENT (Contd..)

carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash on hand which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amounts at which they are readily convertible into cash.

(g) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation, in which case, it will be charged to equity. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(h) Financial Liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements governing the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(i) Other Financial Liabilities

The financial liabilities measured at amortised cost comprise other payables and amount due to immediate holding company, which are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

NOTES TO FINANCIAL STATEMENT (Contd..)

(j) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from financial advisory services is based on a cost plus mark-up basis on the expenses incurred and recognised at point in time when the services are rendered. Performance obligation is satisfied when the services transferred to the customers.

(k) Employee Benefits

(i) Defined contribution plans

As required by law, the Company makes contributions to the state pension schemes in the countries that operate in accordance with local regulatory requirements. The state pension scheme for Singapore is Central Provident Fund ("CPF"). The defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employee's annual leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

The fair value of options granted by immediate holding company to the employees of the Company is recognised as an employee expenses with a corresponding increase in amount due to immediate holding company.

The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

(l) Leases

Accounting policy for leases from 1 April 2019

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on their remaining balance of the liability for each period.

Asset and liabilities arising from a lease are initially measure on a present value basis. Lease liabilities include the net present value of fixed lease payments. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liabilities.

NOTES TO FINANCIAL STATEMENT (Contd..)

The right-of-use asset is subject to testing for impairment if there is an indicator of impairment. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The useful life of the leasehold property is over the lease term of 24 months.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases where the total lease term is less than 12 months and lease contracts for which the underlying asset has a low value. The payments for such leases are recognised in the profit or loss on a straight-line basis over the lease term.

Accounting policy for leases prior to 1 April 2019

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(m) Taxation

Current income tax assets and liabilities for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised.

(n) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting period are translated at exchange rates ruling at that date. Foreign currency exchange differences arising from translation are recognised in the statement of comprehensive income.

NOTES TO FINANCIAL STATEMENT (Contd..)

(o) Related Party

A related party is defined as follows:

(a) A person, or a close member of that person's family, is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary corporation and fellow subsidiary corporation is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

NOTES TO FINANCIAL STATEMENT (Contd..)

3. Cash and Cash Equivalents

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Cash on hand	2,720	1,68,148	2,720	1,51,872
Balances with banks				
In current accounts	4,58,964	2,83,68,043	6,85,121	3,82,47,683
Total	4,61,684	2,85,36,191	6,87,842	3,83,99,555

4. Receivables

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
(i) Trade receivables				
Unsecured, considered good	4,54,476	2,80,90,640	2,23,783	1,24,92,962
Total	4,54,476	2,80,90,640	2,23,783	1,24,92,962

5. Other Financial Assets

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Rent, electricity, and other deposits	1,20,687	74,59,555	1,08,440	60,53,803
Total	1,20,687	74,59,555	1,08,440	60,53,803

6. Other financial liabilities

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Other payables (includes payable to vendors)	2,32,492	1,43,70,056	2,17,330	1,21,32,693
Provision for expenses	(83,678)	(51,72,036)	14,078	7,85,907
Accrued salaries and benefits	1,55,853	96,33,120	83,555	46,64,568
Lease Liability - OFL	2,200	1,35,980	2,200	1,22,818
Total	3,06,867	1,89,67,120	3,17,163	1,77,05,985

7. Equity Share Capital YTD Mar 23

	Number	Amount
Paid-up		
Equity shares of SGD 1 each		2,80,000
Total		2,80,000
Share Capital transferred to Balance Sheet		2,80,000

NOTES TO FINANCIAL STATEMENT (Contd..)

Equity Share Capital YTD Mar 23 INR	Number	Amount
Paid-up		
Equity shares of Re. 1 each		1,29,53,103
Total		1,29,53,103
Share Capital transferred to Balance Sheet		1,29,53,103

Equity Share Capital YTD Mar FY23	Number	Amount
Paid-up		
Equity shares of SGD 1 each		2,80,000
Total		2,80,000
Share Capital transferred to Balance Sheet		280,000

Equity Share Capital YTD Mar FY23 INR	Number	Amount
Paid-up		
Equity shares of Re. 1 each		1,29,53,103
Total		1,29,53,103
Share Capital transferred to Balance Sheet		1,29,53,103

8. Other Equity

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Foreign currency translation reserve				
Balance at the beginning of the year	(1)	40,78,650	(1)	1,93,76,059
Foreign Currency Translation Reserve for the period	-	42,95,781	-	(1,52,97,409)
Balance at the end of the year	(1)	83,74,431	(1)	40,78,650
Retained earnings				
Balance at the beginning of the year	4,22,903	2,22,08,582	3,43,318	1,78,14,797
Add: Net profit for the year	27,078	15,83,150	79,585	43,93,785
Balance as at end of the year	4,49,981	2,37,91,732	4,22,903	2,22,08,582
Total	4,49,980	3,21,66,163	4,22,902	2,62,87,232

9. Fees and commission Income

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Research and advisory fees	4,54,475	2,65,71,937	6,35,542	3,50,87,251
Total	4,54,475	2,65,71,937	6,35,542	3,50,87,251

NOTES TO FINANCIAL STATEMENT (Contd..)

10. Employee benefits expense

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Salary, bonus and allowances	2,55,753	1,49,53,166	4,17,729	2,30,62,131
Contribution to provident fund and other benefits	4,272	2,49,772	4,295	2,37,092
Expenses on employee stock option scheme	-	-	14,226	7,85,385
Staff welfare expenses	314	18,350	1,104	60,934
Total	2,60,339	1,52,21,288	4,37,353	2,41,45,542

11. Depreciation and amortization expenses

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Depreciation / amortization of property, plant and equipment and intangible assets	-	-	8,737	4,82,378
Total	-	-	8,737	4,82,378

12. Other Expenses

	As at 31st March 2023 (SGD)	As at 31st March 2023 (INR)	As at 31st March 2022 (SGD)	As at 31st March 2022 (INR)
Rent	-	-	27,692	15,28,813
Insurance	4,469	2,61,262	731	40,365
Legal and professional charges	1,03,193	60,33,424	59,495	32,84,638
Remuneration to auditors	17,120	10,00,960	12,540	6,92,313
Membership and subscription	-	-	321	17,722
Printing and stationery	1,643	96,083	1,005	55,482
Communication expenses	476	27,840	541	29,891
Travelling and conveyance expenses	517	30,204	214	11,815
Entertainment expenses	3,704	2,16,557	428	23,629
Miscellaneous expenses	3,736	2,18,458	3,588	1,98,106
Total	1,34,858	78,84,788	1,06,556	58,82,774

13) Taxation

Provision for the current tax has been made for Rs.1,34,876 , Previous year Rs. 1,82,772

14) Operating Leases

The Company had taken office premises under operating lease or leave and license agreements.

During the year Rs.'0' (Previous year Rs.15,28,813/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head " Rent ".

NOTES TO FINANCIAL STATEMENT (Contd..)

As at March 31, 2023 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

15) Earnings per share

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Period Ended 31-Mar-2023 Rs	For the Period Ended 31-Mar-2022 Rs
Profit attributable to equity shareholders (Rupees)	15,83,150	43,93,785
Weighted average number of equity shares outstanding during the year	2,80,000	2,80,000
Nominal value per share (Rupees)	76.47	76.47
Earnings per share (Basic and diluted) (Rupees)	5.65	15.69

16) Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

17) Related party transactions

(i) Relationships during the year

A) Enterprises where control exists

- Motilal Oswal Financial Services Limited – Holding company

B) Fellow subsidiaries

Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
 MO Alternate investment Advisors Private Limited (formerly known as Motilal Oswal Fincap 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 (formerly known as Motilal Oswal Investment Advisors Private Limited)
 Motilal Oswal Wealth Management Limited
 Motilal Oswal Securities International Private Limited
 Motilal Oswal Asset Management Company
 Motilal Oswal Capital Market (Honkong) Pvt Ltd.
 Aspire Home Finance Corporation Limited
 India Business Excellence Management Company
 Motilal Oswal Asset Management (Mauritius) Private Limited
 Motilal Oswal Capital Limited
 Motilal Oswal Finsec IFSC Limited
 Glide Tech Investment Advisory Private Limited
 MO Alternative IFSC Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

C) Key management personnel

- Abhijit Tare - Director
- Rajani Nainesh Bharat - Director

ii) Transactions with related parties for the year ended March 31, 2023

Transactions	Name of the related Party	For the Period Ended 31-Mar-2023	For the Period Ended 31-Mar-2022
Advisory Fees (charged) / paid	Motilal Oswal Financial Services Limited	(2,65,71,937)	(3,50,87,251)
Director's remuneration	Rajani Naine Bharat	1,45,47,949	93,25,857
Advisory Fees Receivable at the year end	Motilal Oswal Financial Services Limited	2,80,90,640	1,24,92,962

Note: 'Income/receipts figures are shown in brackets.

18) Financial Instruments

The Company is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments.

The Company's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks

on its financial performance and position by closely monitoring the individual exposure.

a. Market risk

(i) Foreign exchange risk

The Company has no significant concentration of foreign exchange risk

(ii) Interest rate risk

The Company has no significant concentration of interest rate risk

b. Credit risk

The Company's operations involve the risk that counterparties may be unable to meet the terms of their agreements.

The Company's credit risk is primarily attributable to cash at bank. The Company places its cash with creditworthy institutions.

c. Liquidity risk

The Company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any emergency liquidity requirements.

NOTES TO FINANCIAL STATEMENT (Contd..)

Age of receivables that are past due:

At 31 March 2023

(In Rupees)

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Trade Receivables	2,80,90,640	-	-	-	2,80,90,640
Total	2,80,90,640	-	-	-	2,80,90,640

At 31 March 2022

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Trade Receivables	1,24,92,962	-	-	-	1,24,92,962
Total	1,24,92,962	-	-	-	1,24,92,962

Summary quantitative data

At 31 March 2023

(In Rupees)

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Accrued expenses and other payables	9,54,183	-	-	-	9,54,183
Total	9,54,183	-	-	-	9,54,183

At 31 March 2022

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Accrued expenses and other payables	10,03,236	-	-	-	10,03,236
Amount due immediate holding company					
Total	10,03,236	-	-	-	10,03,236

Note : 19 Fair value measurements

Financial instruments by category:

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	2,85,36,191	-	3,83,99,555
Trade receivables	-	2,80,90,640	-	1,24,92,962
Other financial assets	-	74,59,555	-	60,53,803
Total Financial Assets	-	6,40,86,386	-	5,69,46,320
Financial Liabilities				
Other financial liabilities	-	1,89,67,120	-	1,77,05,985
	-	1,89,67,120	-	1,77,05,985

NOTES TO FINANCIAL STATEMENT (Contd..)

I. Fair value estimation

The carrying amount of the company financial asset and liabilities, including deposit, prepayment and other receivables, amount due from immediate holding company, cash and cash equivalents, accrued expenses and leave salary provision approximate their fair values, which due to their short term maturities, or they are subject to floating rates

20) Auditor's Remuneration

Particulars	For the Period Ended 31-Mar-2023	For the Period Ended 31-Mar-2022	2016-17 (Rs.)
As Auditors:			
Audit fees	10,00,960	6,92,313	1,40,529
In any other capacity, in respect of:			
Other Certification	-	-	-
TOTAL	10,00,960	6,92,313	17,63,116

21) Previous year figures have regrouped/ rearranged where necessary to confirm to current year's classifications.

As per our certificate of Even Date

For PGS & Associates

Chartered Accountants

Firm Reg No. 122384W

Premal H Gandhi

Partner

M.No: 111592

Place: Mumbai

Date : 26th April 2023

For Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Nikunj Sheth

Director

Rajani Nainesh Bharat

Director

Motilal Oswal Capital Markets (Hong Kong) Private Limited

FINANCIAL STATEMENT

BALANCE SHEET

Balance sheet as at 31st march 2023

Particular	Note	March 23 (HKD)	March 23 (INR)	March 22 (HKD)	March 22 (INR)
I. ASSETS					
1. Financial assets					
(a) Cash and cash equivalents	1	1,098,116	11,493,995	871,607	8,413,518
(b) Receivables					
(i) Trade Receivables	2	485,110	5,077,654	485,110	4,682,708
(c) Other financial assets	3	54,406	569,469	66,771	644,536
Total financial assets		1,637,632	17,141,118	1,423,489	13,740,761
II. LIABILITIES AND EQUITY					
1. Financial liabilities					
(a) Payables					
(i) Trade Payables					
(b) Other financial liabilities	4	91,161	954,183	103,931	1,003,236
Total financial liabilities (A)		91,161	954,183	103,931	1,003,236
2. Equity					
(a) Equity share capital	5	6,000,000	41,202,000	6,000,000	41,202,000
(b) Other equity	6	(4,453,529)	(25,015,066)	(4,680,442)	(28,464,475)
Total equity (B)		1,546,471	16,186,934	1,319,558	12,737,525
Total Liabilities and Equity (A+B)		1,637,632	17,141,118	1,423,489	13,740,761

As per our certificate of even date

For PGS & Associates

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Chartered Accountants

Firm Reg No.122384W

Premal H Gandhi

Partner

M.No.: 111592

Place: Mumbai

Date : 26th April 2023

Martin Brendon Marnick

Director

Gaurav Kedia

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March 2023

Particulars	Note	March 23 (HKD)	March 23 (INR)	March 22 (HKD)	March 22 (INR)
1) Income:					
(a) Revenue from operations					
(a) Interest income	7	9	97	8	76
(b) Fees and commission income	8	1,313,256	13,448,776	1,292,819	12,443,023
Total revenue from operations		1,313,265	13,448,873	1,292,827	12,443,100
Total income (a+b) (1)		1,313,265	13,448,873	1,292,827	12,443,100
2) Expenses:					
(a) Fees and commission expense	9	-	-	51,679	497,396
(b) Employee benefit expense	10	582,150	5,961,675	572,927	5,514,265
(c) Other expenses	11	504,202	5,163,422	439,642	4,231,433
Total expenses (2)		1,086,352	11,125,097	1,064,248	10,243,094
3) Profit before tax (3) = (1) - (2)		226,914	2,323,776	228,579	2,200,005
4) Profit after tax		226,914	2,323,776	228,579	2,200,005
5) Total comprehensive income (5) = (4)		226,914	2,323,776	228,579	2,200,005

As per our certificate of even date

For PGS & Associates

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Chartered Accountants

Firm Reg No.122384W

Premal H Gandhi

Partner

M.No.: 111592

Place: Mumbai

Date : 26th April 2023

Martin Brendon Marnick

Director

Gaurav Kedia

Director

STATEMENT OF CASH FLOW

Cash flow statement for the year ended March 31, 2023

Cash flow statement	March 23 HKD	March 23 INR	March 22 HKD	March 22 INR
A. Cash flow from Operating Activities :				
Profit before taxation	2,26,914	23,23,776	2,28,579	22,00,006
Adjustments for :				
Foreign Currency Translation Reserve		11,25,634	-	2,51,737
Interest Income	(9)	(27)	(7.94)	(76.42)
Operating profit before Working Capital changes	2,26,905	34,49,382	2,28,571	24,51,666
Adjustments for Working Capital changes				
(Increase)/decrease in trade receivables	-	(3,94,946)	-	-
(Increase)/decrease in other financial assets	12,365	75,067	(10,514)	(1,14,137)
Increase / (Decrease) in Trade Payables	-	-	51,684	3,78,201
Increase/ (Decrease) in other financial liabilities	(12,770)	(49,053)	17,348	1,86,925
Net change in working capital	(405)	(3,68,932)	58,518	4,50,989
Cash generated from / (used in) Operations	2,26,500	30,80,450	2,87,089	29,02,656
Net cash generated from /(used in) operating activities (A)	2,26,500	30,80,450	2,87,089	29,02,656
B. Cash flow from Investing activities				
Interest Income	9	27	8	76
Total (B)	9	27	8	76
C. Net increase/ (decrease) in cash and cash equivalents (A+B)	2,26,509	30,80,477	2,87,097	29,02,732
D. Cash and cash equivalents at the beginning of the year				
Scheduled bank - In current account	8,71,607	84,13,518	5,84,511	55,10,786
Total (D)	8,71,607	84,13,518	5,84,511	55,10,786
E. Cash and cash equivalents at the end of the year :				
Scheduled bank - In current account	10,98,116	1,14,93,995	8,71,608	84,13,518
Total (E)	10,98,116	1,14,93,995	8,71,608	84,13,518

As per our certificate of even date

For PGS & Associates**For Motilal Oswal Capital Markets (Hongkong) Private Limited**Chartered Accountants
Firm Reg No.122384W**Premal H Gandhi**
Partner
M.No.: 111592
Place: Mumbai
Date : 26th April 2023**Martin Brendon Marnick**
Director**Gaurav Kedia**
Director

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 March 2023

Share Capital

(Amount in rupees)

Particulars	Equity share capital		Total
	Number of shares	Amount	
Issue of Equity shares	-	-	-
As at 31 March 2022	60,00,000	4,12,02,000	4,12,02,000
Issue of Equity shares	-	-	-
As at 31 March 2023	60,00,000	4,12,02,000	4,12,02,000

Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus		Total	Total
	31 March 2023		31 March 2022		31 March 2023	31 March 2022
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss		
Balance at the beginning of the reporting period	83,56,144	(3,68,20,620)	81,04,408	(3,90,20,625)	(2,84,64,476)	(3,09,16,217)
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	83,56,144	(3,68,20,620)	81,04,408	(3,90,20,625)	(2,84,64,476)	(3,09,16,217)
Profit/(loss) during the year	11,25,634	23,23,776	2,51,737	22,00,005	34,49,409	24,51,742
Balance at the end of the reporting period	94,81,778	(3,44,96,844)	83,56,144	(3,68,20,620)	(2,50,15,066)	(2,84,64,476)

As per our certificate of even date

For PGS & Associates

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Chartered Accountants

Firm Reg No.122384W

Premal H Gandhi

Partner

M.No.: 111592

Place: Mumbai

Date : 26th April 2023

Martin Brendon Marnick

Director

Gaurav Kedia

Director

NOTES TO FINANCIAL STATEMENT

Summary of significant accounting policies and other explanatory information

1. Cash and Cash Equivalents

	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
Balances with banks				
In current accounts	1,098,116	11,493,995	871,607	8,413,518
Total	1,098,116	11,493,995	871,607	8,413,518

2. Receivables

	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
(i) Trade receivables				
Unsecured, considered good	485,110	5,077,654	485,110	4,682,708
Total	485,110	5,077,654	485,110	4,682,708
	485,110	5,077,654	485,110	4,682,708

3. Other Financial Assets

3. Other Financial Assets	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
Rent, electricity, and other deposits	54,406	569,469	66,771	644,536
Total	54,406	569,469	66,771	644,536

4. Other financial liabilities

	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
Other payables (includes payable to vendors)	15,795	165,328	15,795	152,468
Provision for expenses	75,366	788,855	88,136	850,768
Total	91,161	954,183	103,931	1,003,236

5. Equity Share Capital March 22 HKD

	Number	Amount
Paid-up		
Equity shares of HKD 1 each		6,000,000
Total		6,000,000
Share Capital transferred to Balance Sheet		6,000,000

NOTES TO FINANCIAL STATEMENT (Contd..)

Equity Share Capital YTD Apr 24 INR	Number	Amount
Paid-up		
Equity shares of Re. 1 each		41,202,000
Total		41,202,000
Share Capital transferred to Balance Sheet		41,202,000

Equity Share Capital YTD Mar FY23	Number	Amount
Paid-up		
Equity shares of HKD 1 each		6,000,000
Total		6,000,000
Share Capital transferred to Balance Sheet		6,000,000

Equity Share Capital YTD Mar FY23 INR	Number	Amount
Paid-up		
Equity shares of Re. 1 each		41,202,000
Total		41,202,000
Share Capital transferred to Balance Sheet		41,202,000

6. Other Equity

	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
Foreign currency translation reserve				
Balance at the beginning of the year	-	8,356,144	-	8,104,408
Foreign Currency Translation Reserve for the period	-	1,125,634	-	251,737
Balance at the end of the year	-	9,481,778	-	8,356,144
Retained earnings				
Balance at the beginning of the year	(4,680,442)	(36,820,620)	(4,909,021)	(39,020,625)
Add: Net profit for the year	226,914	2,323,776	228,579	2,200,005
Balance as at end of the year	(4,453,529)	(34,496,844)	(4,680,442)	(36,820,620)
Total	(4,453,529)	(25,015,066)	(4,680,442)	(28,464,475)

7. Interest Income

7. Interest Income	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
On financial assets measured at amortised cost				
Interest on deposits with banks	9	97	8	76
Total	9	97	8	76

NOTES TO FINANCIAL STATEMENT (Contd..)

8. Fees and commission Income

	YTD Mar 23	YTD Mar 23 INR	YTD Mar FY22	YTD Mar FY22 INR
Research and advisory fees	1,313,256	13,448,776	1,292,819	12,443,023
Total	1,313,256	13,448,776	1,292,819	12,443,023

9. Fees and commission expense

	YTD Mar 23	YTD Mar FY22	YTD Mar FY22	YTD Mar FY22 INR
Brokerage sharing with intermediaries - Broking	-	-	51,679	497,396
Total	-	-	51,679	497,396

10. Employee benefits expense

	YTD Mar 23	YTD Mar FY22	YTD Mar FY22	YTD Mar FY22 INR
Salary, bonus and allowances	546,150	5,593,007	554,927	5,341,020
Contribution to provident fund and other benefits	36,000	368,668	18,000	173,245
Total	582,150	5,961,675	572,927	5,514,265

11. Other Expenses

	YTD Mar 23	YTD Mar FY22	YTD Mar FY22	YTD Mar FY22 INR
Rent	118,920	1,217,835	138,108	1,329,252
Legal and professional charges	312,380	3,199,014	231,256	2,225,772
Remuneration to auditors	45,000	460,836	45,000	433,113
Printing and stationery	-	-	1,630	15,686
Communication expenses	21,588	221,078	2,400	23,099
Foreign exchange fluctuation	-	-	3,426	32,976
Miscellaneous expenses	6,314	64,660	17,822	171,536
Total	504,202	5,163,422	439,642	4,231,433

12) Background

Motilal Oswal Capital Markets (Hongkong) Private Limited ('The Company') was incorporated in Hongkong on September 30, 2011 (CR No.1668413). The principal shareholder of the Company as at March 31, 2023 is Motilal Oswal Financial Services Limited (MOFSL).

The Company's principal activity is to distribute research (produced by MOFSL) and render financial advice on Indian equities to institutional investors in Hongkong.

NOTES TO FINANCIAL STATEMENT (Contd..)

The Company is seeking to conduct regulated activities such as dealing in securities and advising on securities as it intends to provide a brokerage service in relation to stocks, unit trusts, mutual funds, debt securities and stock derivatives. The Company is also seeking to distribute institutional research to Hongkong and overseas institutional clients.

The transactions of the Company are in local currency, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

13) Significant accounting policies

(a) Basis of preparation

The financial statements of the Company are prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with accounting principles generally accepted in India.

(b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized prospectively in the current and future periods.

(c) Conversion to Indian Rupees

For the purpose of these financial statements, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed as Reserves and surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

(d) Operating Leases

Lease rentals in respect of operating lease are charged to the statement of profit and loss as per the terms of the lease arrangement on a straight-line basis over the lease period.

(e) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

NOTES TO FINANCIAL STATEMENT (Contd..)

(f) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares.

(g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

14) Financial Instruments

The Company is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Company's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

a. Market risk

(i) Foreign exchange risk

The Company has no significant concentration of foreign exchange risk

(ii) Interest rate risk

The Company has no significant concentration of interest rate risk

b. Credit risk

The Company's operations involve the risk that counterparties may be unable to meet the terms of their agreements.

The Company's credit risk is primarily attributable to cash at bank. The Company places its cash with creditworthy institutions.

c. Liquidity risk

The Company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any emergency liquidity requirements.

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary quantitative data

At 31 March 2023

(In Rupees)

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Accrued expenses and other payables	954,183	-	-	-	954,183
Total	954,183	-	-	-	954,183

At 31 March 2022

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Accrued expenses and other payables	1,003,236	-	-	-	1,003,236
Amount due immediate holding company					
Total	1,003,236	-	-	-	1,003,236

Note : 15 Fair value measurements

Financial instruments by category:

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	1,14,93,995	-	84,13,518
Trade receivables	-	50,77,654	-	46,82,708
Other financial assets	-	5,69,469	-	6,44,536
Total Financial Assets	-	1,71,41,118	-	1,37,40,761
Financial Liabilities				
Other financial liabilities	-	9,54,183	-	10,03,236
	-	9,54,183	-	10,03,236

I. Fair value estimation

The carrying amount of the company financial asset and liabilities, including deposit, prepayment and other receivables, amount due from immediate holding company, cash and cash equivalents, accrued expenses and leave salary provision approximate their fair values, which due to their short term maturities, or they are subject to floating rates

16) SFC Licence

Motilal Oswal Capital Markets (Hong Kong) Private Limited ("Motilal HK") was incorporated in Hong Kong on 30 September 2011 (CR No 1668413).

The Company received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301.

The license allows Motilal HK to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors .

NOTES TO FINANCIAL STATEMENT (Contd..)

Motilal HK is a 100% subsidiary of Motilal Oswal Financial Services Limited subsidiary of Passionate Investment Management Private Limited which is its ultimate holding company.

17) Taxation

No provision for the current tax has been made in view of prior year's taxable loss.

18) Operating Leases

The Company had taken office premises under operating lease or leave and license agreements.

During the year Rupees 12,17,835/- (Previous year Rupees 13,29,251) being lease rentals for the current year are recognized in the statement of profit and loss under the head "rent" as at March 31, 2023, the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

19) Earnings per share

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For The Year Ended 31-Mar-2023 Rs.	For The Year Ended 31-Mar-2022 Rs.
Profit/(Loss) attributable to equity shareholders (Rupees)	2,323,776	2,200,005
Weighted average number of equity shares outstanding during the year	6,000,000	6,000,000
Nominal value per share (Rupees)	6.87	6.87
Earnings per share (Basic and diluted) (Rupees)	0.39	0.37

20) Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

21) Related parties transactions

In addition to those related party transactions and balances disclosed elsewhere in the financial statements the company had the following transactions with its related parties during the year.

Particulars	For The Year Ended 31-Mar-2023 Rs.	For The Year Ended 31-Mar-2022 Rs.
Service fee paid to immediate holding company	-	-

A) Enterprises where control exists

- Motilal Oswal Financial Services Limited– Holding Company

NOTES TO FINANCIAL STATEMENT (Contd..)

B) Fellow subsidiaries

Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
 Motilal Oswal Commodities Broker Private Limited
 Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
 Motilal Oswal Wealth Management Limited
 MO Alternate investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
 Motilal Oswal Asset Management Company Limited
 Motilal Oswal Asset Management (Mauritius) Private Limited
 Motilal Oswal Trustee Company Limited
 Motilal Oswal Capital Markets (Singapore) Pte. Limited
 Motilal Oswal Securities International Private Limited
 Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
 India Business Excellence Management Company
 Motilal Oswal Capital Limited
 Motilal Oswal Finsec IFSC Limited
 Glide Tech Investment Advisory Private Limited
 TM Investment Technologies Private Limited
 MO Alternative IFSC Private Limited

C) Key management personnel

- Gaurav Kedia- Director
- Martin Brendon Marnick - Director

Transactions with related parties for the period ended March 31, 2023

Transactions	Name of the related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
Director's Remuneration	Martin Brendon Marnick	5,961,675	5,514,265
Advisory Fees	Motilal Oswal Financial Services Limited	-	497,396
Total		5,961,675	6,011,661

Note: 'Income/receipts figures are shown in brackets.

22) Previous period's figures have regrouped/rearranged where necessary to confirm the current year's classifications.

As per our certificate of even date

For PGS & Associates

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Chartered Accountants
 Firm Reg No.122384W

Premal H Gandhi

Partner

M.No.: 111592

Place: Mumbai

Date : 26th April 2023

Martin Brendon Marnick

Director

Gaurav Kedia

Director



MOTILAL OSWAL FINANCIAL SERVICES LTD.

Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025

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