

Sharp equity focus

Customer-centricity

Tenured leadership

Amrit kaal of India

Rising affluence & ambition

Financialisation of savings

Moot of 'advice'

World-class research

Respected brand

Double-engine business model

Reach across 98% pincodes

Reach across External Wealth Managers

8000+ dedicated External Wealth Managers

Expertise across capital markets

# COMPOUNDING MACHINE

COMMITTED TO ENHANCE LONG-TERM STAKEHOLDER VALUE  
THROUGH A DIFFERENTIATED BUSINESS MODEL

# CONTENT

Name of the Subsidiary	Page No.
Motilal Oswal Asset Management Company Limited	1 - 63
Motilal Oswal Home Finance Limited	64 - 159
Motilal Oswal Finvest Limited	160 - 246
Motilal Oswal Wealth Limited	247 - 296
MO Alternate Investment Advisors Private Limited	297 - 351
Motilal Oswal Investment Advisors Limited	352 - 395
Motilal Oswal Broking and Distribution Ltd.	396 - 435
TM Investment Technologies Private Limited	436 - 469
MO Alternative IFSC Private Limited	470 - 507
Motilal Oswal Securities International Private Limited	508 - 538
Motilal Oswal Finsec IFSC Limited	539 - 566
Motilal Oswal Capital Limited	567 - 600
Motilal Oswal Trustee Company Limited	601 - 637
Motilal Oswal Commodities Broker Private Limited	638 - 672
Indian Business Excellence Management Company	673 - 695
Motilal Oswal Asset Management (Mauritius) Private Limited	696 - 716
Motilal Oswal Capital Markets (Singapore) Private Limited	717 - 739
Motilal Oswal Capital Markets (Hong Kong) Private Limited	740 - 756

# **Motilal Oswal Asset Management Company Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

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, 2024, 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 material 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, 2024, 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 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.

## Independent Auditors' Report (Contd..)

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.

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.

# Independent Auditors' Report (Contd..)

## 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 except for the matters stated in the paragraph h (vi) below on reporting under Rule 11(g)..
  - 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, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, 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.
  - 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;
- iii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iv. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- v. (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.

## Independent Auditors' Report (Contd..)

- v. The company has declared and paid dividend during the year in conformity with the provision of Section 123 of Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used various software for maintaining its books of account, which has the feature of recording audit trail facilities and is operated throughout the year for all relevant transactions recorded in the respective software(s), except in the case of one software in which the audit log feature was enabled from 19th February 2024 and hence was not operational throughout the year.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Singhi & Co.**

*Chartered Accountants*

Firm Registration No. 302049E

**Sameer Mahajan**

*Partner*

Membership No. 123266

UDIN: 24123266BKEXGT8101

Place: Mumbai

Date: April 24, 2024

# Independent Auditors' 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. The property, plant and equipment were physically verified during the financial year by the Management. No material discrepancies were noticed on such physical 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.
  - 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,
  - a) The Company has granted loans to Holding Company and other Companies covered under the register maintained under section 189 of the Companies Act 2013. Investment in mutual funds and Private equity of the Company are pledged as security for borrowings of holding company details respect to the same are specified in note 33. Refer the table below for details of loans given and security provided:

Amount (₹ in lakhs)

Particulars	Guarantees	Security	Loans	Advance in nature of loans
<b>Aggregate amount during the year</b>				
- Holding Company	-	76,767	46,150	-
<b>Balance outstanding as at balance sheet date</b>				
- Holding Company	-	1,23,232	400	-

- b) In our opinion, the terms and conditions of the grant of all loans and investments pledged as security are not prima facie prejudicial to the Company's interest. Further, according to the information and explanations provided to us, the Company has not made any equity investments and has not provided any guarantees during the year.
- c) In respect of the loans given the same are repayable on demand. 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) As the loans given are repayable on demand and no advances in nature of loan were granted, reporting for paragraph 3 (iii) (d) will not be applicable to the Company.

## Independent Auditors' Report (Contd..)

- e) Basis the information and explanations provided to us, as the loans given are repayable on demand, there are no loan which has fallen due during the year which has been renewed or extended or fresh loans granted to settle the overdue 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	All Parties	Related Parties	Promoters
Opening Balance	–	–	–
Aggregate amount of loans Repayable on demand made during the year	46,150	–	46,150
Percentage of loans to total loans	100%	–	100%

- (iv) In our opinion and according to the information and explanations given to us, Company had not given any guarantee during the year. With respect to transactions of investment, loans given and security provided, Company has complied with provisions of Section 185 and Section 186.
- (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, 2024 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.
- (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 accrued in the books, including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added, 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, service tax, duty of customs, duty of excise and value added tax.
- b) There were no undisputed amounts payable in respect of applicable statutory dues as referred in above paragraph 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 2024, 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
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.

## Independent Auditors' Report (Contd..)

- (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.
- (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.

## Independent Auditors' Report (Contd..)

- (xix) According to the information, explanations and representations given to us and on the basis of the, 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

**Sameer MahajanPartner**

Membership No. 123266

UDIN: 24123266BKEXGT8101

Place: Mumbai

Date: April 24, 2024

# Independent Auditors' 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, 2024 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; (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.

# Independent Auditors' 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, 2024 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

### **Sameer Mahajan**

*Partner*

Membership No. 123266

UDIN: 24123266BKEXGT8101

Place: Mumbai

Date: April 24, 2024

# Balance Sheet

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

## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	4	1,558	274
(b) Bank balance other than (a) above	4 (i)	1,080	–
(c) Receivables			
(i) Trade receivables	5	10,364	5,212
(d) Loans	6	505	508
(e) Investments	7	1,62,485	1,11,398
(f) Other financial assets	8	12	10
<b>Sub - total financial assets (A)</b>		<b>1,76,004</b>	<b>1,17,402</b>
<b>2. Non-financial assets</b>			
(a) Property, plant and equipment	9(A)	50	101
(b) Other intangible assets	9(B)	211	240
(c) Other non-financial assets	10	18,339	23,992
<b>Sub - total non - financial assets (B)</b>		<b>18,600</b>	<b>24,333</b>
<b>Total assets (A+B)</b>		<b>1,94,604</b>	<b>1,41,735</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>A. Liabilities</b>			
<b>1. Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	11	226	225
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		6,838	5,656
(b) Borrowings (Other than debt securities)	12	–	1,100
(c) Other financial liabilities	13	4,083	2,537
<b>Sub - total financial liabilities (A)</b>		<b>11,147</b>	<b>9,518</b>
<b>2. Non - financial liabilities</b>			
(a) Current tax liabilities (net)	14	2,140	1,920
(b) Provisions	15	456	414
(c) Deferred tax liabilities (net)	16	13,054	9,608
(d) Other non - financial liabilities	17	1,567	197
<b>Sub - total non-financial liabilities (B)</b>		<b>17,217</b>	<b>12,139</b>
<b>B. Equity</b>			
(a) Equity share capital	18	6,774	6,774
(b) Other equity	19	1,59,466	1,13,304
<b>Sub -total equity (C)</b>		<b>1,66,240</b>	<b>1,20,078</b>
<b>Total liabilities and equity (A+B+C)</b>		<b>1,94,604</b>	<b>1,41,735</b>

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

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

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

**Sameer Mahajan**  
Partner  
Membership No.: 123266

Place : Mumbai  
Date : 24 April 2024

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 : 24 April 2024

**Raamdeo Agarawal**  
Director  
DIN No : 0024533  
**Juzer Dalal**  
Chief Financial Officer

# Statement of Profit and Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2024

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>REVENUE FROM OPERATIONS</b>			
(i) Fees and commission income	20	65,870	54,553
(ii) Interest income	21	510	261
(iii) Net gain on fair value changes	22	41,877	1,229
<b>1) Total revenue from operations</b>		<b>1,08,257</b>	<b>56,043</b>
<b>2) Other income</b>	23	578	306
<b>3) Total income (1 + 2)</b>		<b>1,08,835</b>	<b>56,349</b>
<b>EXPENSES</b>			
(i) Finance costs	24	18	5
(ii) Fees and commission expense	25	23,295	19,188
(iii) Employee benefit expense	26	10,819	9,176
(iv) Depreciation and amortisation expense	9	121	132
(v) Other expenses	27	6,234	5,171
<b>4) Total expenses</b>		<b>40,487</b>	<b>33,672</b>
<b>5) Profit before tax (3 - 4)</b>		<b>68,348</b>	<b>22,677</b>
<b>Tax expenses / (credit)</b>	28		
(i) Current tax		7,933	4,355
(ii) Deferred tax expenses		3,454	1,309
(iii) Short / (excess) provision for earlier years		(26)	61
<b>6) Total tax expenses</b>		<b>11,361</b>	<b>5,725</b>
<b>7) Profit for the year (5-6)</b>		<b>56,987</b>	<b>16,952</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
a) Actuarial gain/(loss) on post retirement benefit plans	41	(33)	43
b) Deferred tax impact on the above		8	(11)
<b>8) Other comprehensive income</b>		<b>(25)</b>	<b>32</b>
<b>Total comprehensive income for the year (7+8)</b>		<b>56,962</b>	<b>16,984</b>
<b>Earnings per share (Re. 1 each)</b>			
Basic (amount in ₹)	38	8.41	2.50
Diluted (amount in ₹)		8.41	2.50

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

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

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

**Sameer Mahajan**  
Partner  
Membership No.: 123266

Place : Mumbai  
Date : 24 April 2024

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 : 24 April 2024

**Raamdeo Agarawal**  
Director  
DIN No : 0024533

**Juzer Dalal**  
Chief Financial Officer

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
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
Stock options exercised under the ESOS	–	–
As at 31 March 2024	67,73,87,883	6,774

### Adjustment to prior period errors

#### For 31 March 24

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 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
6774	–	–	–	6,774

## Statement of Changes in Equity (Contd..)

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

### (B) OTHER EQUITY

Particulars	Reserves and Surplus				Reserves and Surplus				Total	
	31 March 2024				31 March 2023				31 March 2024	31 March 2023
	Securities premium	Share based options outstanding account	Retained Earnings	General reserve	Securities premium	Share based options outstanding account	Retained Earnings	General reserve		
Balance at the beginning of the reporting year	855	–	1,11,954	495	855	495	94,970	–	1,13,304	96,320
Profit for the year	–	–	56,987	–	–	–	16,952	–	56,987	16,952
Actuarial gain/(loss) on post retirement benefit plans	–	–	(25)	–	–	–	32	–	(25)	32
Dividends	–	–	(10,800)	–	–	–	–	–	(10,800)	–
Transfer to General reserve	–	–	–	–	–	(495)	–	495	–	–
Balance at the end of the reporting year	855	–	1,58,116	495	855	–	1,11,954	495	1,59,466	1,13,304

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

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

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

**Sameer Mahajan**  
Partner  
Membership No.: 123266

Place : Mumbai  
Date : 24 April 2024

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 : 24 April 2024

**Raamdeo Agarawal**  
Director  
DIN No : 0024533

**Juzer Dalal**  
Chief Financial Officer

# Cash Flow Statement

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>68,348</b>	<b>22,677</b>
Adjustment for:		
Interest expense	18	5
Profit on sale of investment- realised gain	(215)	-
Unrealised (gain)/loss	(41,662)	(1,229)
Depreciation and amortisation expense	121	132
Interest income	(510)	(261)
Provision for doubtful debt	180	54
Loss on Fixed asset written off	7	-
Acturial (gain)/loss	(33)	43
<b>Operating profit</b>	<b>26,254</b>	<b>21,421</b>
<b>Adjustment for working capital changes:</b>		
1) Increase/(decrease) in financial liabilities	1,546	(439)
2) Increase/(decrease) in non - financial liabilities	1,369	(94)
3) Increase/(decrease) in trade payables	1,183	(1,549)
4) (Increase)/decrease in trade receivables	(5,332)	1,587
5) (Increase)/decrease in financial assets	464	(496)
6) (Increase)/decrease in other financial assets	2	51
7) (Increase)/decrease in other non - financial assets	5,653	(5,862)
9) Increase/(decrease) in provision	42	(5)
7) (Increase)/decrease in bank balance other than cash and cash equivalents	(1,080)	-
<b>Cash generated from operations</b>	<b>30,101</b>	<b>14,614</b>
Direct taxes paid net	(7,686)	(3,586)
<b>Net cash generated from operating activities</b>	<b>22,415</b>	<b>11,028</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received on loans	450	283
Purchase of fixed assets	(48)	(140)
Loss on Fixed asset written off	(7)	-
Loans given	(46,150)	(47,570)
Repayment of loan given	45,750	49,865
Purchase of investments (including dividend reinvested)	(12,404)	(14,414)
Proceeds (including profit) from sale of investments	3,197	-
<b>Net cash used in investing activities</b>	<b>(9,212)</b>	<b>(11,976)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short-term borrowings	4,350	2,167
Repayment of short-term borrowings	(5,450)	(1,067)
Interest paid	(19)	(4)
Dividend paid	(10,800)	-
Cash payment of lease liability and interest	(0)	(20)
<b>Net cash generated from/(used in) financing activities</b>	<b>(11,919)</b>	<b>1,076</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents during the year (A+B+C)</b>	<b>1,284</b>	<b>128</b>

## Cash Flow Statement (Contd.)

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

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Cash in hand	0	0
Scheduled bank - In current account	274	146
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>274</b>	<b>146</b>
Cash and cheques in hand	1	0
Scheduled bank - In current account	1,557	274
<b>Cash &amp; cash equivalents as at end of the year</b>	<b>1,558</b>	<b>274</b>
<b>Components of cash &amp; cash equivalents (also refer note 4)</b>		
Cash in hand	1	0
Balances with banks		
Scheduled bank - In current account	1,557	274
<b>Total</b>	<b>1,558</b>	<b>274</b>
<b>Changes in liabilities arising from financing activities</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	1,100	–
Proceeds from borrowings (other than debt securities)	4,350	2,167
Proceeds from issuance of debt securities		
Repayment of borrowings	(5,450)	(1,067)
Repayment of debt securities		
<b>Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>–</b>	<b>1,100</b>

### Notes:

- (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended).
- (ii) Figures in brackets indicate cash outflows.

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

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

**Sameer Mahajan**  
Partner  
Membership No.: 123266

Place : Mumbai  
Date : 24 April 2024

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 : 24 April 2024

**Raamdeo Agarawal**  
Director  
DIN No : 0024533

**Juzer Dalal**  
Chief Financial Officer

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 1 : CORPORATE INFORMATION

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

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

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

These financial statements contain financial information of the company and were authorised for issue by board of directors on 24 April 2024.

### NOTE 2 : MATERIAL ACCOUNTING POLICIES

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

#### 2.1. Basis of preparation

##### (i) Compliance with Ind AS

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

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

##### (ii) Historical cost convention

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

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

##### (iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 31.

##### (iv) Use of estimates and judgements

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 2.2. Revenue Recognition

The company recognizes revenue from contract with customers based on five step model as set out in Ind AS 115- “Revenue from Contract with customers” to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with customers. Revenue from contract with customers recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

### (i) Portfolio management fee income

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

- a) Processing fees is recognized on upfront basis in the year of receipt;
- b) Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;
- c) Return based fees is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

### (ii) Mutual fund management fee income

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

### (iii) Alternative investment fund management fee income

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

### (iv) Investment advisory fees

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

### (v) Dividend income

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

### (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. Upfront distribution cost paid till 30th April 2023 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

Expenses of schemes of Mutual Fund, in excess of the stipulated rates (if any), are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996, and as such, are charged to profit & loss account.

## 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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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:

- 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

- **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 31.

## 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
- 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

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

## Derecognition:

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

## 2.11. Intangible assets

### Measurement at recognition:

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

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

Asset	Useful life
Computer Software	5 years

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

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.

## 2.15. Share-based payments

### Employee Stock Option Scheme (ESOS)

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

# Summary of Material Accounting Policies and Other Explanatory Information (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.

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 (₹), which is MOAMC's functional and presentation currency.

### (ii) Translation and balances

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

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

## 2.17. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- (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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

- (f) **Property, plant and equipment and Intangible Assets** - Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (g) **Leases** - The Company evaluates if an arrangement qualifies to be a lease as per Ind AS 116.
- The Company determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options.
  - The determination of the incremental borrowing rate used to measure lease liabilities.

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	1	0
<b>Balances with banks</b>		
In current accounts	1,557	274
<b>Total</b>	<b>1,558</b>	<b>274</b>

## NOTE 4 (i) - BANK BALANCE OTHER THAN (A) ABOVE

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend Account	1,080	—
<b>Total</b>	<b>1,080</b>	<b>—</b>

## NOTE 5 : TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
a) Considered good-secured		
b) Considered good-unsecured	10,573	5,242
c) Significant increase in credit risk	11	11
Less : Allowance for impairment losses*	(220)	(41)
<b>Total</b>	<b>10,364</b>	<b>5,212</b>

\*Based on expected credit loss model prepared by the company

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## For the year ended March 2024

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	10,403	73	51	46	–	10,573
(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 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	–	–	–	–	–	–

### 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 31 March 2024	As at 31 March 2023
Motilal Oswal Capital Limited	3	11
Motilal Oswal financial services limited	129	21

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 6 : LOANS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount	Percentage	Amount	Percentage
<b>Loans - At amortised cost</b>				
<b>(A) Others</b>				
Loans to employees	32		496	
Loan to related parties	400		–	
Interest accrued	73		12	
<b>Total (A)</b>	<b>505</b>		<b>508</b>	
<b>(B) (i) Unsecured (Gross)</b>	505		508	
Less : Impairment loss allowance	–		–	
<b>Total (B) Net</b>	<b>505</b>		<b>508</b>	
<b>(C) Loans in India</b>				
(i) Public sector	–		–	
(ii) other than public sector	505		508	
<b>Total (C) Gross</b>	<b>505</b>		<b>508</b>	
less : Impairment loss allowance	–		–	
<b>Total (C) Net</b>	<b>505</b>		<b>508</b>	

## Loan repayable on demand

Types of borrower	As at 31 March 24		As at 31 March 23	
	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	473	100.00%	12	100%

## NOTE 7 : INVESTMENTS

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2024		As at 31 March 2023	
			Units	Amount	Units	Amount
<b>A. Investments at fair value through profit and loss</b>						
<b>1) Investment in mutual funds</b>						
Motilal Oswal Most Focused 25 Fund	Others	Unquoted	1,75,32,193	8,292	1,75,32,193	6,284
Most Focused Multicap 35 Fund Growth	Others	Unquoted	7,32,65,517	38,674	7,32,65,517	24,840
Motilal Oswal Midcap 30 Fund - Direct Plan Growth	Others	Unquoted	3,10,85,035	27,832	3,10,85,035	17,165
Motilal Oswal Nasdaq 100 FOF	Others	Unquoted	2,00,000	64	2,00,000	45
Motilal Oswal Most Focused Dynamic Equity Fund	Others	Unquoted	14,57,017	308	9,92,064	156
Motilal Oswal Equity Hybrid Fund - Direct (G)	Others	Unquoted	–	–	5,00,000	81
Motilal Oswal Liquid Fund - Direct (G)	Others	Unquoted	5,95,057	76	5,00,000	60
Motilal Oswal Large And Midcap Fund	Others	Unquoted	3,15,00,000	8,651	3,15,00,000	5,634
Motilal Oswal Nifty 50 Index Fund	Others	Unquoted	48,96,491	929	48,96,491	715
Motilal Oswal Nifty Next 50 Index Fund	Others	Unquoted	40,81,490	878	40,81,490	546

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2024		As at 31 March 2023	
			Units	Amount	Units	Amount
Investment In Ultra Short Term Bond	Others	Unquoted	8,76,376	141	8,76,376	132
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	Others	Unquoted	2,50,000	43	2,50,000	37
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	Others	Unquoted	2,00,000	64	2,00,000	41
Motilal Oswal Nifty 500 Fund - Direct Growth Option	Others	Unquoted	4,75,146	110	4,75,146	79
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	Others	Unquoted	2,00,000	64	2,00,000	39
Motilal Oswal S&P 500 Index Fund	Others	Unquoted	5,00,000	101	5,00,000	76
Motilal Oswal Multi Asset Fund	Others	Unquoted	4,99,975	66	4,99,975	56
Motilal Oswal 5 Year G-Sec ETF	Others	Quoted	28,48,401	1,565	1,12,401	58
Motilal Oswal Asset Allocation Passive Fund Of Fund - Aggressive	Others	Unquoted	4,99,975	76	4,99,975	58
Motilal Oswal Asset Allocation Passive Fund Of Fund - Conservative	Others	Unquoted	4,99,975	69	4,99,975	57
Motilal Oswal Msci Eafe Top 100 Select Index Fund	Others	Unquoted	–	–	4,99,975	55
Motilal Oswal 5 Year G-Sec FOF	Others	Unquoted	4,99,975	56	4,99,975	52
Motilal Oswal Nasdaq Q 50 ETF	Others	Quoted	76,620	48	76,620	41
Motilal Oswal Nifty 200 Momentum 30 ETF	Others	Quoted	1,23,580	77	1,23,580	45
Motilal Oswal Nifty 200 Momentum 30 FOF	Others	Unquoted	4,99,975	77	4,99,975	45
Motilal Oswal S&P Bse Low Volatility Index Fund	Others	Unquoted	4,99,975	78	4,99,975	54
Motilal Oswal S&P Bse Low Volatility Index ETF	Others	Quoted	2,21,145	77	2,21,145	54
Motilal Oswal S&P Bse Quality ETF	Others	Quoted	22,011	38	22,011	25
Motilal Oswal S&P Bse Enhanced Value ETF	Others	Quoted	61,685	56	61,685	30
Motilal Oswal S&P Quality Index Fund	Others	Unquoted	2,49,987	38	2,49,987	25
Motilal Oswal S&P Bse Enhanced Value Ind	Others	Unquoted	12,49,938	277	12,49,938	147
Motilal Oswal S&P Bse Financials Ex Bank 30 Index	Others	Unquoted	2,49,988	35	2,49,988	23
Motilal Oswal S&P Bse Healthcare ETF	Others	Quoted	1,09,157	39	1,09,157	24
Motilal Oswal Gold And Silver ETFs Fund Of Funds	Others	Unquoted	4,99,975	64	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	447	9,60,346	287
Motilal Oswal Small Cap Fund - Direct Growth	Others	Unquoted	19,99,900	209	–	–
Motilal Oswal Large Cap Fund - Direct Growth Option	Others	Unquoted	9,99,950	102	–	–
Motilal Oswal Developed Market Ex US ETFs Fund of Funds - Direct Plan Growth	Others	Unquoted	6,52,581	75	–	–
Investment in Corporate Debt Market Development Fund	Others	Unquoted	113	12	–	–
<b>2) Investment in private equity &amp; real estate funds</b>						
India Business Excellence Fund III	Others	Unquoted	16,32,530	41,081	17,57,503	35,974
India Business Excellence Fund IV	Others	Unquoted	36,06,854	28,397	36,00,000	16,750
India Realty Excellence Fund VI	Others	Unquoted	18,80,000	1,906	–	–
<b>3) Investment in Equity Shares (Fully Paid)</b>						
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
<b>Total (1+2+3)</b>				<b>1,61,206</b>		<b>1,10,118</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	As at 31 March 2024		As at 31 March 2023	
			Units	Amount	Units	Amount
<b>B. Investment at amortised cost</b>						
<b>Investment in subsidiaries/fellow subsidiaries</b>						
Motilal Oswal Asset Management (Mauritius) Private Limited (Face value USD 1 per share)	Subsidiary	Unquoted	3,32,599	479	3,32,599	479
Motilal Oswal Capital Limited (Face value ₹ 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 ₹ 1 per share)	Fellow Subsidiary	Unquoted	10	0	10	0
<b>Total</b>				<b>1,279</b>		<b>1,279</b>
<b>Total Gross (A+B)</b>				<b>1,62,485</b>		<b>1,11,398</b>
i) Investment outside India				479		479
ii) Investment in India				1,62,006		1,10,918
<b>C) Total (I+II)</b>				<b>1,62,485</b>		<b>1,11,398</b>
<b>D) Less: Allowance for impairment loss</b>				<b>-</b>		<b>-</b>
<b>E) Total Net (C-D)</b>				<b>1,62,485</b>		<b>1,11,398</b>

## NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	12	10
<b>Total</b>	<b>12</b>	<b>10</b>

## NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Current Year Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
Improvement to leasehold premises	167	-	-	167	167	-	-	167	0	0
Computers	272	5	83	193	210	42	79	173	20	62
Furniture & fixtures	33	1	-	34	29	1	0	30	4	4
Electrical equipments	3	-	-	3	3	0	-	3	0	0
Office equipments	40	1	1	40	21	5	1	25	15	19
Vehicles	41	-	26	15	25	3	23	4	11	16
Right of use (office premises)	277	-	-	277	277	-	-	277	-	-
<b>Total (A)</b>	<b>832</b>	<b>7</b>	<b>110</b>	<b>729</b>	<b>731</b>	<b>51</b>	<b>103</b>	<b>679</b>	<b>50</b>	<b>101</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 9(B) : INTANGIBLE ASSETS

Current Year	Gross Block			Accumulated Depreciation				Net Block		
Particulars	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
Customer rights to Portfolio Mgmt clients	38	–	–	38	38	–	–	38	–	–
Computer software	503	41	–	544	263	70	–	333	211	240
<b>Total (B)</b>	<b>541</b>	<b>41</b>	<b>–</b>	<b>582</b>	<b>301</b>	<b>70</b>	<b>–</b>	<b>371</b>	<b>211</b>	<b>240</b>
<b>Total (A+B)</b>	<b>1,373</b>	<b>48</b>	<b>110</b>	<b>1,311</b>	<b>1,032</b>	<b>121</b>	<b>103</b>	<b>1,049</b>	<b>261</b>	<b>341</b>

## NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Previous 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	–	–
<b>Total (A)</b>	<b>777</b>	<b>55</b>	<b>–</b>	<b>832</b>	<b>670</b>	<b>61</b>	<b>–</b>	<b>731</b>	<b>101</b>	<b>107</b>

## NOTE 9(B) : INTANGIBLE ASSETS

Previous 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
<b>Total (B)</b>	<b>456</b>	<b>85</b>	<b>–</b>	<b>541</b>	<b>231</b>	<b>70</b>	<b>–</b>	<b>301</b>	<b>240</b>	<b>225</b>
<b>Total (A+B)</b>	<b>1,233</b>	<b>140</b>	<b>–</b>	<b>1,373</b>	<b>900</b>	<b>131</b>	<b>–</b>	<b>1,032</b>	<b>341</b>	<b>332</b>

### Note:

During the year no revaluation of assets have been made.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 10 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	17,910	22,027
Advance for Supply of Service	373	540
Indirect tax credit receivable	56	1,425
<b>Total</b>	<b>18,339</b>	<b>23,992</b>

## NOTE 11 : TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Due to creditors micro enterprise and small enterprise (Refer Note 34)	226	225
Due to creditors other than micro enterprise and small enterprise	6,838	5,656
<b>Total</b>	<b>7,064</b>	<b>5,881</b>

### For the year ended March 2024

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	226	–	–	–	226
(ii) Others	6,299	475	36	28	6,838
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - others	–	–	–	–	–

### 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	225	–	–	–	225
(ii) Others	5,330	245	55	26	5,656
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - others	–	–	–	–	–

**Note:** Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 12 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At Amortised cost</b>		
Unsecured- From related parties (refer note 44)	–	1,100
<b>Total (A)</b>	<b>–</b>	<b>1,100</b>
Borrowings in India	–	1,100
Borrowings outside India	–	–
<b>Total (B)</b>	<b>–</b>	<b>1,100</b>
Unsecured	–	1,100
<b>Total (C)</b>	<b>–</b>	<b>1,100</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 13 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Employee stock option charges payable	51	45
Accrued salaries and benefits	79	36
Interest accrued	0	1
Provision for expenses	120	144
Ex-gratia payable	3,833	2,311
<b>Total</b>	<b>4,083</b>	<b>2,537</b>

## NOTE 14 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Provisions for taxes net of advance tax paid (total provision for tax till March 24 ₹ 35,831 lakhs; till March 23 ₹ 27,924 lakhs)	2,140	1,920
<b>Total</b>	<b>2,140</b>	<b>1,920</b>

## NOTE 15 : PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 36)		
Gratuity	329	293
Heritage obligation	30	25
Compensated absences	97	96
<b>Total</b>	<b>456</b>	<b>414</b>

## NOTE 16 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability on</b>		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	–
Amortization of distribution costs	4,496	5,531
Payment of post employment benefit	–	–
Unrealised gain	8,699	4,176
<b>Total deferred tax liabilities (A)</b>	<b>13,195</b>	<b>9,707</b>
<b>Deferred tax asset on</b>		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(8)	5
Gratuity provision	83	74
Heritage provision	7	6
Provision for doubtful debt	59	14
<b>Total deferred tax asset (B)</b>	<b>141</b>	<b>99</b>
<b>Net deferred tax liability (A-B)</b>	<b>13,054</b>	<b>9,608</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 17 : OTHER NON- FINANCIAL LIABILITIES

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Withholding and other taxes payable		1,567		197
<b>Total</b>		<b>1,567</b>		<b>197</b>

## NOTE 18 : SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 1 each ( face value ₹ 1 each)	70,60,00,000	7,060	70,60,00,000	7,060
	<b>70,60,00,000</b>	<b>7,060</b>	<b>70,60,00,000</b>	<b>7,060</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 1 each fully paid up ( face value ₹ 1 each)	67,73,87,883	6,774	6,774	6,774
	<b>67,73,87,883</b>	<b>6,774</b>	<b>6,774</b>	<b>6,774</b>

### 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 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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	67,73,87,883	6,774	67,73,87,883	6,774
<b>At the end of the year</b>	<b>67,73,87,883</b>	<b>6,774</b>	<b>67,73,87,883</b>	<b>6,774</b>

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	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%

\* includes beneficial ownership of 60 shares

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 18.4 Shares held by holding/promoter company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	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 24

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
67,73,87,883	–	–	–	67,73,87,883

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
67,73,87,883	–	–	–	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 2024.

## NOTE 19 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Retained Earnings</b>		
Balance at the beginning of the year	1,11,954	94,970
Add: Transfer from Statement of Profit and Loss	56,987	16,952
Add: Actuarial gain/(loss) on post retirement benefit plans	(25)	32
Less : Dividend paid	(10,800)	–
<b>Balance at the end of year</b>	<b>1,58,116</b>	<b>1,11,954</b>
<b>b) Employee Stock Option Plan Reserve</b>		
Balance at the beginning of the year	–	495
Add: Transfer from statement of profit & loss	–	–
less: Transfer to general reserve	–	495
<b>Balance at the end of year</b>	<b>–</b>	<b>0</b>
<b>c) Securities premium</b>		
Balance at the beginning of the year	855	855
Add: Transferred during the year	–	–
<b>Balance at the end of year</b>	<b>855</b>	<b>855</b>
<b>d) General reserve</b>		
Balance at the beginning of the year	495	–
Add: Transferred during the year	–	495
<b>Balance as at the end of the year</b>	<b>495</b>	<b>495</b>
	<b>1,59,466</b>	<b>1,13,304</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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.

### 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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Portfolio management fees	27,658	27,374
Investment management fees from:		
- Mutual Fund Income	18,612	16,309
- Alternate investment funds	19,509	10,795
Investment advisory fees	91	75
<b>Total</b>	<b>65,870</b>	<b>54,553</b>

## NOTE 21 : INTEREST INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>		
Interest on loans	510	261
<b>Total</b>	<b>510</b>	<b>261</b>

## NOTE 22 : NET GAIN ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net gain on financial instruments at fair value through profit or loss</b>		
Realised gain	215	–
Unrealised gain	41,662	1,229
<b>Total</b>	<b>41,877</b>	<b>1,229</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 23 : OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Commission income	524	207
Business Support	29	34
Interest on Income Tax Refund	25	65
<b>Total</b>	<b>578</b>	<b>306</b>

## NOTE 24 : FINANCE COST

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings	18	5
<b>Total</b>	<b>18</b>	<b>5</b>

## NOTE 25 : FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Distribution cost and spillover expense</b>		
- for Portfolio management services	13,867	12,716
- for Alternate investment funds	9,193	6,202
Depository and processing charges	235	270
<b>Total</b>	<b>23,295</b>	<b>19,188</b>

## NOTE 26 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowances	9,743	8,204
Contribution to provident fund (refer note 41)	120	84
Employee stock option scheme (refer note 42)	457	413
Staff welfare expenses	387	381
Gratuity & heritage expenses (refer note 41)	112	94
<b>Total</b>	<b>10,819</b>	<b>9,176</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 27 : OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	611	648
Rates and taxes	6	3
Insurance	68	55
Computer maintenance	191	170
Business Support charges *	1,438	971
Registration and filing charges	14	8
Legal and professional fees	358	363
Auditor's Remuneration (refer note 35)	12	10
Marketing and brand promotion expenses	471	429
Advertisement expenses	694	514
Printing and stationery	173	55
Power and fuel	46	44
Communication expenses	35	27
Travelling and conveyance expenses	266	298
Entertainment expenses	93	88
Data processing charges	316	282
Doubtful debts and ECL provision	180	54
Miscellaneous expenses	159	174
Membership & subscription	673	547
Corporate social responsibility expenses (refer note 40)	430	430
<b>Total</b>	<b>6,234</b>	<b>5,171</b>

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

## NOTE 28.1 : TAX EXPENSE

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	7,933	4,355
<b>Total current tax expense</b>	<b>7,933</b>	<b>4,355</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	3,454	1,309
<b>Net deferred tax expense</b>	<b>3,454</b>	<b>1,309</b>
Short/(excess) provision for earlier years	(26)	61
<b>Total</b>	<b>11,361</b>	<b>5,725</b>

## NOTE 28.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Remeasurement of defined benefit plan	(8)	11
<b>Total</b>	<b>(8)</b>	<b>11</b>

## NOTE : 28.3 TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Profit/(loss) before income tax expense</b>	68,348	22,677
Tax at the rate of 25.168% (for 31 March 2023 - 25.168%)	17,202	5,707
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Tax adjustment of previous years	26	61
Expenses not deductible for tax purposes	108	108
Remeasurement of defined benefit plan	(8)	11
Tax at different rate	(5,967)	(162)
<b>Income tax expense</b>	<b>11,361</b>	<b>5,725</b>

## NOTE 28.4 : EFFECTIVE TAX RATE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Effective tax rate	16.622%	25.248%

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 28.5 : NET DEFERRED TAX

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax liability on account of :</b>		
Amortization of distribution costs	4,496	5,531
Unrealised gain	8,699	4,176
<b>Total deferred tax liabilities (A)</b>	<b>13,195</b>	<b>9,707</b>
<b>Deferred tax assets on account of:</b>		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(8)	5
Provision for gratuity	83	74
Provision for heritage	7	6
Provision for doubtful debt	59	14
<b>Total deferred tax assets (B)</b>	<b>141</b>	<b>99</b>
<b>Net deferred tax liability/ (assets) (A-B)</b>	<b>13,054</b>	<b>9,608</b>

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

Particulars	As at 31 March 2024	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2022
<b>Deferred tax liabilities on account of:</b>							
Amortization of distribution costs	4,496	(1,035)	–	5,531	1,226	–	4,305
Provision for doubtful debt	–	–	–	–	–	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	–	–	–	(1)	–	1
Unrealised gain	8,699	4,524	–	4,176	152	–	4,024
Remeasurement of defined benefit plan	–	–	–	–	(40)	–	40
<b>Total deferred tax liabilities</b>	<b>13,195</b>	<b>3,489</b>	<b>–</b>	<b>9,707</b>	<b>1,337</b>	<b>–</b>	<b>8,370</b>
<b>Deferred tax assets on account of:</b>							
Provision for gratuity	83	1	8	74	8	(10)	76
Provision for heritage	7	1	–	6	1	–	6
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(8)	(13)	–	5	5	–	–
Provision for doubtful debt	59	45	–	14	14	–	–
Unrealized loss	–	–	–	–	–	–	–
<b>Total deferred tax assets</b>	<b>141</b>	<b>34</b>	<b>8</b>	<b>99</b>	<b>28</b>	<b>(10)</b>	<b>82</b>
<b>Total deferred tax assets/liability (net)</b>	<b>13,054</b>	<b>3,454</b>	<b>(8)</b>	<b>9,608</b>	<b>1,309</b>	<b>10</b>	<b>8,288</b>

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 29 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Contingent liabilities:</b>		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note 1)	630	630
<b>Capital commitments:</b>		
(a) Uncalled liability on shares and other investments partly paid		
(i) IBEF IV	12,263	19,440
(i) IREF VI	16,920	–
1) Demand/disallowance in respect of Income tax matters for which appeal is pending or to be filed is ₹ 630 lakhs (Previous Year ₹ 630 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.		
2) The Company is contesting the demands and the management believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.		

## NOTE 30 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	2,638	–	2,638	274	–	274
Trade receivables	10,364	–	10,364	5,212	–	5,212
Loans	505	–	505	508	–	508
Investments	–	1,62,485	1,62,485	–	1,11,398	1,11,398
Other financial assets	12	–	12	10	–	10
<b>Non-financial assets</b>						
Property, plant and equipment	–	50	50	–	101	101
Other Intangible assets	–	211	211	–	240	240
Other non-financial assets	7,569	10,770	18,339	7,118	16,874	23,992
<b>Total Assets</b>	<b>21,088</b>	<b>1,73,516</b>	<b>1,94,604</b>	<b>13,122</b>	<b>1,28,613</b>	<b>1,41,735</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	7,064	–	7,064	5,881	–	5,881
Borrowings	–	–	–	1,100	–	1,100
Other financial liabilities	4,083	–	4,083	2,537	–	2,537
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	2,140	–	2,140	1,920	–	1,920
Provisions	112	344	456	196	218	414
Deferred tax liabilities	–	13,054	13,054	–	9,608	9,608
Other non-financial liabilities	1,567	–	1,567	197	–	197
<b>Total Liabilities</b>	<b>14,966</b>	<b>13,398</b>	<b>28,364</b>	<b>11,831</b>	<b>9,826</b>	<b>21,657</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 31 : FAIR VALUE MEASUREMENTS

### Financial instruments by category:

Particulars	As at 31 March 2024		As at 31 March 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	1,558	–	274
Trade receivables	–	10,364	–	5,212
Loans	–	505	–	508
Investments	1,61,206	1,279	1,10,118	1,279
Other financial assets	–	12	–	10
<b>Total Financial Assets</b>	<b>1,61,206</b>	<b>13,718</b>	<b>1,10,118</b>	<b>7,284</b>
<b>Financial Liabilities</b>				
Trade payables	–	7,064	–	5,881
Borrowings	–	–	–	1,100
Other financial liabilities	–	4,083	–	2,537
	–	<b>11,147</b>	–	<b>9,518</b>

### 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 (PE), real estate fund (RE) and equity shares, which are categorised as per below.

Investments are categorised as per below as on 31 March 2024

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	89,823	–	–
Investment in PE/RE funds	–	–	71,383

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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 PE/RE funds	–	–	52,725

The following table presents the changes in level 3 items for the periods ended 31 March 2024 and 31 March 2023:

Particulars	PE Funds	RE Funds
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	–
Additions	7,214	1,880
Disposals	(1,440)	–
Gains/(losses) recognised in statement of profit and loss	10,980	26
As at March 31, 2024	69,478	1,906

## Valuation inputs and relationships to fair value

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

Particulars	As at March 31 2024	As at March 31 2023
Fair value of PE/RE funds	71,383	52,725
<b>Significant unobservable inputs</b>		
NAV of the fund at Fair value		
- increase by 100 bps	714	527
- decrease by 100 bps	(714)	(527)

### Note:

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

### 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.

## NOTE 32 : FINANCIAL RISK MANAGEMENT

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

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

### A Credit risk

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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.

For trade receivables Company applies 'simplified approach' which requires expected 12 month ECL. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. The Company has determined based on historical experience and expectations that the ECL on its trade receivables is to be recognised at INR

-At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

## Age of receivables that are past due:

Particulars	As at March 31 2024	As at March 31 2023
Upto 6 months	10,403	5,197
6 - 12 months	84	50
More than 12 months	97	6
<b>Total</b>	<b>10,584</b>	<b>5,253</b>

## 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 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payables	7,064	-	-	7,064
Borrowings	-	-	-	-
Other financial liabilities	4,083	-	-	4,083
<b>Total</b>	<b>11,147</b>	<b>-</b>	<b>-</b>	<b>11,147</b>

##### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payables	5,881	-	-	5,881
Borrowings	1,100	-	-	1,100
Other financial liabilities	2,537	-	-	2,537
<b>Total</b>	<b>9,518</b>	<b>-</b>	<b>-</b>	<b>9,518</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (C) Market Risk

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

### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as it does not have any 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 2024	As at 31 March 2023
Exposure to price risk	1,61,206	1,10,118

### 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 2024	31 March 2023
Impact on profit before tax for 10% increase in NAV/price	16,121	11,012
Impact on profit before tax for 10% decrease in NAV/price	(16,121)	(11,012)

## NOTE 33 : ASSETS PLEDGED AS SECURITY

The Fair value of assets pledged are:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Financial assets</b>		
Investments	1,23,232	46,465
<b>Total assets pledged as security</b>	<b>1,23,232</b>	<b>46,465</b>

### Terms and conditions:

- Above investments include Mutual Funds & Private Equity pledged for the loan facility of the holding company i.e. Motilal Oswal Financial Services Limited.
- The Company earns commission of pledged assets at the rate of 0.50 bps on the market value of securities pledged.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 34 : 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 2024	31 March 2023
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 35 : AUDITORS' FEES AND EXPENSES HAS BEEN CLASSIFIED AS UNDER

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>As Auditors:</b>		
Statutory audit	9	9
Out of pocket expenses	3	1
<b>Total</b>	<b>12</b>	<b>10</b>

## NOTE 36 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 01 April 2023	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2024
Gratuity	293	145	109	329
Compensated absences	96	3	2	97
Heritage club	25	4	–	29

### 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	302	52	61	293
Compensated absences	93	3	–	96
Heritage club	23	2	–	25

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 37 : 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.

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 2024	For the Year Ended 31 March 2023
Balance at the beginning of the year	–	–
Adjustment on transition to Ind AS	–	–
Movement during the year	–	–
Depreciation on Right-Of-Use (ROU) assets	–	–
<b>Balance at the end of the year</b>	<b>–</b>	<b>–</b>

### (B) Lease liabilities

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Balance at the beginning of the year	–	19
Adjustment on transition to Ind AS	–	–
Movement during the year	–	(19)
Add: Interest cost accrued during the period	–	–
Less: Payment of lease liabilities	–	–
<b>Balance at the end of the year</b>	<b>–</b>	<b>(0)</b>

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

Particulars	As at 31 March 2024	As at 31 March 2023
Less than three months	–	–
Three to twelve months	–	–
One to five years	–	–
More than five years	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

### (D) Amount recognised in statement of profit & loss

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest cost on lease liabilities	–	–
Depreciation on right of use assets	–	–
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.	611	648

# Summary of Material Accounting Policies and Other Explanatory Information (Contd.)

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

## (E) Amount recognised in statement of cash flows

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Cash payments for the principal & interest portion of the lease liability within financing activities	–	19
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.	611	648

## NOTE 38 : EARNINGS PER SHARE

### Basic earnings per share

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (Lakhs) [A]	56,987	16,952
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	6,774	6,774
<b>Basic earnings per share [A] / [B] (Rupees)</b>	<b>8.41</b>	<b>2.50</b>

### Diluted earnings per share

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (Lakhs)	56,987	16,952
Less : Impact on profit due to exercise of diluted potential equity shares		
<b>Net profit attributable to equity shareholders for calculation of diluted earnings per share [A]</b>	<b>56,987</b>	<b>16,952</b>
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		
<b>Weighted number of equity shares used in computing diluted earnings per share [B]</b>	<b>6,774</b>	<b>6,774</b>
<b>Diluted earnings per share (Rupees) [A] / [B]</b>	<b>8.41</b>	<b>2.50</b>

## NOTE 39 : DIVIDEND ON EQUITY SHARE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Dividend on equity shares declared and paid during the year</b>		
Final dividend for FY 2023-24 : ₹ 1.59 per share (FY 2022-23 NIL)	10,800	–

## NOTE 40 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2023-24.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 31 March 2024	For the year ended 31 March 2023
Donation for community development programs -health, education, sanitation	–	26
Donation for restoring heritage place	–	1
Donation for skill development centre	100	120
Donation for education program	278	–
Donation for food	–	–
Donation for COVID relief	–	–
Donation for construction of hostel	–	275
Donation for School	–	–
Donation for tree plantation	–	1
Donation for Medical expenses	51	7
Donation for welfare activities	–	–
Donation for rehabilitation	–	–
Donation for PM care funds	–	–

Above includes a contribution of ₹ 429 lakhs (Previous year ₹ 430 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures". (refer note 45)

## (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.
429	429	–	–	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	–	–	–
On purposes other than above	429	–	429
Particulars (previous year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	275	–	275
On purposes other than above	155	–	155

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 41 : EMPLOYEE BENEFITS

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

### Defined contribution plan:

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employers' contribution to provident fund	120	84

### Defined benefit plan:

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

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>I) Actuarial assumptions</b>				
Mortality	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate
Discount rate (per annum)	6.96%	7.10%	6.88%	6.79%
Rate of escalation in salary (per annum)	7.28%	6.50%		
Expected rate of return on plan assets (per annum)				
Employee attrition rate (past service)	PS: 0 to 37 : 30%	PS: 0 to 37 : 18.56%	PS: 0 to 40 YRS: 54.45%	PS: 0 to 37 YRS: 54.43%
Expected average remaining service	4.08	2.31	0.29 to 0.52	0.29 to 0.52
<b>I) Changes in present value of obligations (PVO)</b>				
PVO at beginning of period	293	302	25	23
Interest cost	18	16	–	–
Current service cost	79	78	5	2
Transfer in liabilities	15	0	–	–
Transfer out liabilities	(0)	–	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Benefits paid	(109)	(61)	–	–
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain)/loss on obligation	33	(43)	–	–
PVO at end of period	329	293	30	25
<b>II) Interest expense</b>				
Interest cost	18	16	–	–
<b>III) Fair value of plan assets</b>				
Fair value of plan assets at the beginning	–	–	–	–
Interest income	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>IV) Net liability</b>				
PVO at beginning of period	293	302	–	–
Fair value of the assets at beginning report	–	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net Liability at the beginning	293	302	–	–
<b>V) Net Interest</b>				
Interest expenses	18	16	–	–
Interest income	–	–	–	–
Net interest	18	16	–	–
<b>VI) Actual return on plan assets</b>				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
<b>VII) Actuarial (gain)/loss on obligation</b>				
Due to demographic assumption	12	(8)	–	–
Due to financial assumption	10	(5)	–	–
Due to experience	11	(29)	–	–
Total actuarial (gain)/loss	33	(43)	–	–
<b>VIII) Fair value of plan assets</b>				
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	109	61	–	–
Contributions by employee	–	–	–	–
Benefits paid	(109)	(61)	–	–
Fair value of plan assets at end	–	–	–	–
<b>IX) Past service cost recognised</b>				
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	–	–	–	–
<b>X) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>				
PVO at end of period	329	293	–	–
Fair value of plan assets at end of period	–	–	–	–
Funded Status	(329)	(293)	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net asset/(liability) recognized in the balance sheet	(329)	(293)	–	–
<b>XI) Expense recognised in the statement of profit and loss</b>				
Current service cost	79	78	5	2
Net interest	18	16	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Curtailement effect	–	–	–	–
Settlement effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Expense recognized in the statement of profit and loss	97	94	5	2
<b>XII) Other comprehensive income (OCI)</b>				
Actuarial (gain)/loss recognized for the period	33	(43)	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	33	(43)	–	–
<b>XIII) Movement in liability recognized in balance sheet</b>				
Opening net liability	293	302	25	23
Adjustment to opening balance	–	–	–	–
Expenses as above	97	94	5	2
Transfer in liability	15	0	–	–
Transfer out liability	(0)	–	–	–
Contribution paid	(109)	(61)	–	–
Other comprehensive income(OCI)	33	(43)	–	–
Closing net liability	329	293	30	25
<b>XIII) Schedule III of the companies Act 2023</b>				
Current Liability	53	81	21	19
Non-Current Liability	276	212	8	7

## XIV) Projected service cost

	Gratuity (unfunded)			Other long term benefits		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Projected service cost 31 March 2025	94	79	78	–	–	–

## XV) Sensitivity analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	316	344	340	319

## XVI) Expected payout

Year	Expected	Expected	Expected	Expected	Expected	Expected
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Outgo Six to Ten
Payouts	53	51	48	46	41	141

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

XVII) Asset liability comparisons					
Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PVO at end of period	311	330	302	293	321
Plan assets	-	-	-	-	-
Surplus / (deficit)	(311)	(330)	(302)	(293)	(321)
Experience adjustments on plan assets	-	-	-	-	-

**Weighted average remaining duration of defined benefit obligation** **12.14**

## 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 42 : EMPLOYEE STOCK OPTION PLAN

### a) Scheme details

The company has two stock option schemes.

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

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

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

The ESOP - II was approved by the Board of Directors at their meeting held on 21 July, 2014 for grant of 50 lakhs equity shares of ₹ 10 each.

During the year ended 31 March 2017, the Company has sub divided 650 lakhs equity share of ₹ 10 each into 6500 lakhs equity share of 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	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses arising from equity - settled share-based payment transactions	457	413

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

The model inputs for options granted includes:

Particulars	Scheme II
Date of grant	Various dates
Date of board approval	Various dates
Date of shareholder's approval	21-Jul-11
Method of settlement	Equity shares
Vesting Period	Not later than 6 years from the date of grant
Risk free interest rate	7.13%
Dividend yield	1%
Expected volatility	40%
<b>Weighted average remaining contractual life</b>	
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.
<b>Weighted average remaining contractual life</b>	
Previous year - granted but not vested	–
Previous year - vested but not exercised	3 Years
Exercise Period	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.
Weighted average fair value of options as on grant date	0.00

## d) Movement in share option during the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of share options	Weighted average exercise price In Rupees	Number of share options	Weighted average exercise price In Rupees
<b>ESOP II</b>				
Balance at beginning of the year	–	–	4,00,000	22.00
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
Balance at end of the year	–	–	–	–
Exercisable at end of the year	–	–	–	–

## e) Exercise pricing formula

### 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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.

## NOTE 43 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

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

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

### a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	Type of service		
	Asset Management Activities	Portfolio management fees	Investment advisory services
<b>Total Revenue from contracts with customers</b>	<b>38,120</b>	<b>27,658</b>	<b>91</b>
<b>Geographical Markets</b>			
India	38,120	27,658	91
Outside India	-	-	-
<b>Total Revenue from contracts with customers</b>	<b>38,120</b>	<b>27,658</b>	<b>91</b>
<b>Timing of revenue recognition</b>			
Services transferred over time	38,120	27,658	91
<b>Total Revenue from contracts with customers</b>	<b>38,120</b>	<b>27,658</b>	<b>91</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 44 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Investment advisory service	–	–

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Data subscription charges	–	111
Travelling and conveyance expenses	30	21
Marketing and brand promotion expenses	–	6
Advertisement	–	–
Legal and professional fees	2	3
Portfolio management services	14	34
Distribution fees	117	693
Software charges	61	79
Membership and subscription fees	421	298
meeting event and seminar expense.	8	7
set up fees	4	26
Registration charges	10	10
<b>Total</b>	<b>667</b>	<b>1,288</b>

## NOTE 45 : RELATED PARTY DISCLOSURES

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

### (A) List of related parties and their relationship

#### (i) Holding company

- Motilal Oswal Financial Services Limited (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
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternet Investment Advisors 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

- Motilal Oswal Capital Market (Hongkong) Private Limited
  - Motilal Oswal Capital Markets (Singapore) Pte. Limited
  - Motilal Oswal Home Finance Limited
  - India Business Excellence Management Company
  - Motilal Oswal Broking and Distribution Limited (Formerly known as Glide Tech Investment Advisors Private Limited)
  - 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 (till 10 April 23)
  - Mr. Vipul Choksi (wef. 21 June 23)
  - 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)
- (vi) KMP of Holding company**
- Mr. Shalibhadra Shah
- (vii) Executive director of Holding company**
- Mr. Ajay Menon
- (viii)Enterprises in which KMP and their relatives exercise significant influence**
- Motilal Oswal Foundation

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Commission received	Motilal Oswal Financial Services Limited	523	207		–	–	–	523	207
Interest received	Motilal Oswal Financial Services Limited	510	261		–	–	–	510	261
Interest paid	Motilal Oswal Finvest Limited	18	–		5	–	–	18	5
Interest paid	Motilal Oswal Financial Services Limited	0	–	–	–	–	–	–	–
Rent paid	Motilal Oswal Financial Services Limited	585	585		–	–	–	585	585
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	4,382	3,508		–	–	–	4,382	3,508
Business support charges	Motilal Oswal Financial Services Limited	1,429	951		–	–	–	1,429	951
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited		–	3,176	2,292	–	–	3,176	2,292
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Financial Services Limited	1,459	1,115		–	–	–	1,459	1,115
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Wealth Management Limited		–	1,403	1,020	–	–	1,403	1,020
Support cost recovery	Motilal Oswal Capital Limited		–	28	33	–	–	28	33
Reimbursement of expenses	Glide Tech Investment Advisory Pvt. Ltd.		–	–	20			–	20
Portfolio management fees	Mr. Raamdeo Agarawal		–		–	4	4	4	4
	Mr. Ashok Jain		–		–	–	4	–	4
	Mr. Ajay Menon		–		–	1	1	1	
	Mr. Shalibhadra Shah		–		–	2	2	2	2
	Ms. Suneeta Agarwal		–		–	68	46	68	46
	Mr. Vaibhav Agarwal		–		–	–	14	–	14
	Ms. Vedika Karnani		–		–	–	1	–	1
	Ms. Chanda Agarwal		–		–	0	0	0	0
	Motilal Oswal Financial Services Limited	197	70		–	–	–	197	70
	Motilal Oswal Finvest Limited		–	123	107	–	–	123	107
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	46	44		–	–	–	46	44

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	54	48		–		–	54	48
Employee compensation - Managerial remuneration/ Commission	Mr. Navin Agarwal		–		–	1,727	1,425	1,727	1,425
	Mr. Raamdeo Agarwal		–		–	228	228	228	228
Reimbursement of expenses	Mr. Raamdeo Agarwal		–		–		74	–	74
Director sitting fees	Mr. Abhaya P. Hota	–	4		–		–	–	4
	Mr. Ashok Jain	–	1		–		–	–	1
	Ms. Swanubhuti Jain	3	3		–		–	3	3
	Mr. Himanshu Vyapak	4	4		–		–	4	4
	Mr. Rama Shankar Sanghai	3	1		–		–	3	1
	Mr Vipul K Choksi	3	–		–		–	3	–
Loan taken during the year	Motilal Oswal Finvest Limited	–	–	4,100	2,167		–	4,100	2,167
Loan repaid during the year	Motilal Oswal Finvest Limited	–	–	5,200	1,067		–	5,200	1,067
Loan taken during the year	Motilal Oswal Financial Services Limited	250	–						
Loan repaid during the year	Motilal Oswal Financial Services Limited	250	–						
Loan given during the year	Motilal Oswal Financial Services Limited	46,150	47,570		–		–	46,150	47,570
Loan payment received during the year	Motilal Oswal Financial Services Limited	45,750	49,865		–		–	45,750	49,865
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	457	413		–		–	457	413
Corporate Social Responsibility expenditure	Motilal Oswal Foundation		–		–	429	430	429	430

## Note: Managerial Remuneration

Particulars	31 March 2024	31 March 2023
Short term employee benefit	1,955	1,727
<b>Total</b>	<b>1,955</b>	<b>1,727</b>

**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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (C) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2024	As at 31 March 2023
Interest payable	Motilal Oswal Finvest Limited	–	1
Interest receivable	Motilal Oswal Financial Services Limited	73	12
Loan payable	Motilal Oswal Finvest Limited	–	1,100
Loan receivable	Motilal Oswal Financial Services Limited	400	–
Rent payable	Motilal Oswal Financial Services Limited	413	22
Trade payables	Motilal Oswal Wealth Management Limited	1,382	328
	Motilal Oswal Financial Services Limited	1,127	449
Trade receivables	Motilal Oswal Capital Limited	3	11
	Motilal Oswal Financial Services Limited	129	21
Prepaid Expenses	Motilal Oswal Financial Services Limited	3,888	4,238
	Motilal Oswal Wealth Management Limited	3,188	3,406
Employee stock option charges payable	Motilal Oswal Financial Services Limited	51	45
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	479	479
	Motilal Oswal Capital Limited	800	800
	Motilal Oswal Home Finance Limited	0	0

## NOTE 46 : 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 ₹ 457 Lakhs (previous year ₹ 413 Lakhs) on account of such costs and the same is forming part of employee costs and included under the head "Employee benefits expense" in Note 26.

## NOTE 47 : 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 2024 and 31 March 2023.

## NOTE 48 : 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 49 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2024.

## NOTE 50 : SEGMENT INFORMATION:

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 and

## Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 51 :

With regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" there are no balances that are required to be disclosed or there are no ratios which are applicable/ calculable with regard to the following clauses WA, WB (i),(ii),(iii),(iv),(v),(viii),(ix),(x),(xii),(xiii),(xv) and (xvi) for the Company.

With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Company.

### NOTE 52 :

Previous year figures have been regrouped/reclassified wherever necessary.

### NOTE 53 :

Amount below ₹ 50,000 have been rounded off or shown as "0".

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

**Sameer Mahajan**  
Partner  
Membership No.: 123266

Place : Mumbai  
Date : 24 April 2024

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 : 24 April 2024

**Raamdeo Agarawal**  
Director  
DIN No : 0024533

**Juzer Dalal**  
Chief Financial Officer

---

# **Motilal Oswal Home Finance Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' 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, 2024, 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, 2024, 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 ('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 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, 2024. These matters were addressed in the context of our audit of the financial statements, 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	<p><b>Expected Credit Loss (ECL) on Loans and Advances</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost) using the expected credit loss (ECL) approach.</p>	<p><b>Our Audit Approach:</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p>
1.	<p>As at March 31, 2024, the carrying value of loan assets measured at amortised cost, aggregated ₹ 4,03,116 lakhs (net of allowance of ECL ₹ 6,500 lakhs).</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</li> <li>• 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.</li> <li>• management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.</li> </ul>

## Independent Auditors' Report (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <p>a) Data inputs - The application of ECL model requires several data inputs.</p> <p>b) 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.</p> <p>c) Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.</p> <p>d) 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.</p> <p>e) Adjustments to model driven ECL results to address emerging trends.</p> <p>Refer Note 30 of the Financial Statements.</p>	<p>b) Also, for a sample of ECL allowance on loan assets tested:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and</li> <li>• we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</li> </ul> <p>c) 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.</p> <p>d) 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.</p> <p>e) Evaluating the appropriateness of the Company’s Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays.</p> <p>f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p> <p>g) 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.</p>
2.	<p><b>Information Technology (IT) Systems and Controls</b></p> <p>The Company’s key financial accounting and reporting processes are highly dependent on the automated controls over the Company’s information systems.</p> <p>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.</p> <p>Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following:</p> <ul style="list-style-type: none"> <li>• Interest, Fee income and other charges collected on Loans</li> <li>• Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default</li> </ul>	<p><b>Our Audit Approach:</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p><b>General IT controls design, observation and operation:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>User access controls operation:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</li> </ul>

## Independent Auditors' Report (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	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.	<b>Application controls:</b> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</li> <li>• For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure.</li> </ul>

#### 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.

#### 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.

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

## Independent Auditors' Report (Contd..)

- 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 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.

### 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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.
  - 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

## Independent Auditors' Report (Contd..)

- 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. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

sd/-  
**Sameer Mahajan**  
 Partner  
 Membership No. 123266  
 UDIN: 24123266BKEXGN8841  
 Place : Mumbai  
 Date : April 25, 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOTILAL OSWAL HOME FINANCE 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) 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 2023-2024 by the Management. 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, assets were written off based on material discrepancies noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of 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, 2024 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.

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, 2024:

(₹ In Lakhs)

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Dues
661	140.60	448.12	588.72

## Independent Auditors' Report (Contd..)

- (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) The Company has granted loans repayable on demand or without specifying any terms or period of repayment to companies or other parties. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013:

	All Parties	Related Parties	Promoters
Aggregate amount of loans and Repayable on demand	3,39,400	–	3,39,400
Percentage of loans to total loans	41%	–	41%

- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by 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, 2024 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, accrued in books of accounts, 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 2024, 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	15.10	F.Y. 2016-17	ITAT
The Income Tax Act, 1961	Income Tax	50.26	F.Y. 2017-18	Commissioner of Appeal (Income-tax)

- (viii) According to the information and explanations given to us, during the year, 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).
- (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, NHB 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 during the year by the Company were, applied for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.
- (d) On the basis of the maturity profile of financial assets and financial liabilities provided in note 39 to the Financial Statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31st March, 2024) falls short of the expected recoveries from financial assets during that period. Further, company has not raised funds on short-term basis.
- (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 Auditors' 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) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.  
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) 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 representation given to us by the management and to the best of our knowledge we understand that during the year under audit one of the employee of the company had misappropriated funds amounting to ₹ 21.41 lakhs. Based upon an Investigation conducted event of fraud was confirmed and reported in FMR filed in this respect. 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

## Independent Auditors' Report (Contd..)

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) 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

sd/-  
**Sameer Mahajan**  
Partner  
Membership No. 123266  
UDIN: 24123266BKEXGN8841  
Place : Mumbai  
Date : April 25, 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOTILAL OSWAL HOME FINANCE 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 Home Finance Limited ("the Company") as of March 31, 2024 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 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

## Independent Auditors' Report (Contd..)

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, 2024 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

sd/-

**Sameer Mahajan**

Partner

Membership No. 123266

UDIN: 24123266BKEXGN8841

Place : Mumbai

Date : April 25, 2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31 MARCH 2024

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>1. ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents	4	44,334	27,505
(b) Bank balances other than (a) above	5	2,855	4,379
(c) Loans	6	4,03,177	3,77,284
(d) Investment		–	–
(e) Other financial assets	7	1,534	1,511
<b>Total Financial assets (A)</b>		<b>4,51,900</b>	<b>4,10,679</b>
<b>(II) Non-financial Assets</b>			
(a) Current tax assets (net)	8	104	627
(b) Deferred tax assets (net)	9	1,455	1,795
(c) Property, plant and equipment	10	1,276	1,339
(d) Other Intangible assets	11	112	149
(e) Other non-financial assets	12	362	209
<b>Total non- financial assets (B)</b>		<b>3,309</b>	<b>4,119</b>
<b>Total assets (C) = (A) + (B)</b>		<b>4,55,209</b>	<b>4,14,798</b>
<b>2. LIABILITIES AND EQUITY</b>			
<b>(I) Financial liabilities</b>			
(a) Payables	13		
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		80	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,059	469
(b) Debt securities	14	21,399	61,208
(c) Borrowings (other than Debt securities)	15	2,78,025	2,27,667
(d) Other financial liabilities	16	25,033	9,967
<b>Total financial liabilities (D)</b>		<b>3,25,596</b>	<b>2,99,311</b>
<b>(II) Non-financial liabilities</b>			
(a) Provisions	17	553	439
(b) Other non-financial liabilities	18	346	276
<b>Total non-financial liabilities (E)</b>		<b>899</b>	<b>715</b>
<b>3 EQUITY</b>			
(a) Equity share capital	19	60,379	60,334
(b) Share Application Money Pending Allotment		21	–
(c) Other equity	20	68,314	54,438
<b>Total equity (F)</b>		<b>1,28,714</b>	<b>1,14,772</b>
<b>TOTAL LIABILITIES AND EQUITY (G) = (D) + (E) + (F)</b>		<b>4,55,209</b>	<b>4,14,798</b>

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

sd/-

**Sameer Mahajan**

Partner

Membership No: 123266

Place: Mumbai

Date: 25th April 2024

For and on behalf of the Board of Directors of

**Motilal Oswal Home Finance Limited**

CIN: U65923MH2013PLC248741

sd/-

**Motilal Oswal**

Chairman & Non-Executive Director

DIN: 00024503

sd/-

**Bhavin Shah**

Chief Financial Officer

sd/-

**Sukesh Bhowal**

Managing Director & CEO

DIN: 10242971

sd/-

**Sunny Ganatra**

Company Secretary

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>	21		
Interest income		55,822	51,342
Fees and other Income		1,539	1,212
Net gains on fair value changes (Realised)		438	126
<b>Total revenue from operations (I)</b>		<b>57,799</b>	<b>52,680</b>
Other income	22	1,109	513
<b>Total other income (II)</b>		<b>1,109</b>	<b>513</b>
<b>Total Income (1) = (I+II)</b>		<b>58,908</b>	<b>53,193</b>
<b>Expenses</b>			
Finance cost	23	25,042	21,856
Impairment on financial instruments (Provision for contingencies)	24	1,193	1,893
Employee benefits expenses	25	12,066	8,984
Depreciation and amortization expenses	10 & 11	521	369
Other expenses	26	2,958	2,537
<b>Total Expenses (2)</b>		<b>41,780</b>	<b>35,639</b>
<b>Profit before tax for the year (3) = (1) -(2)</b>		<b>17,128</b>	<b>17,554</b>
<b>Less: Tax expense/(credit)</b>	27		
(a) Current tax		3,537	3,348
(b) Deferred tax		341	583
(c) Prior Period tax		(2)	(13)
<b>Total tax expenses (4)</b>		<b>3,876</b>	<b>3,918</b>
<b>Profit for the year (5) = (3) - (4)</b>		<b>13,252</b>	<b>13,636</b>
<b>Other comprehensive income</b>	28		
<b>(A) Items that will not be reclassified to profit &amp; loss</b>			
(i) Actuarial gain/(loss) on post retirement benefit plans		(7)	20
(ii) Tax impact on the above		2	(5)
<b>Total other comprehensive income (6)</b>		<b>(5)</b>	<b>15</b>
<b>Total comprehensive income for the year (7) = (5) + (6)</b>		<b>13,247</b>	<b>13,651</b>
<b>Earnings per share:</b>	29		
Basic		0.22	0.23
Diluted		0.22	0.23
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

sd/-  
**Sameer Mahajan**  
Partner  
Membership No: 123266

Place: Mumbai  
Date: 25th April 2024

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

sd/-  
**Motilal Oswal**  
Chairman & Non-Executive Director  
DIN: 00024503

sd/-  
**Bhavin Shah**  
Chief Financial Officer

sd/-  
**Sukesh Bhowal**  
Managing Director & CEO  
DIN: 10242971

sd/-  
**Sunny Ganatra**  
Company Secretary

# Statement of Cash Flow

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

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flows from operating activities:</b>		
<b>Profit/(loss) before tax:</b>	17,128	17,555
Adjustments :		
Depreciation and amortisation	521	369
Interest income	(55,822)	(51,342)
Interest expense	25,042	21,856
Employee share option scheme	523	261
Provisions for employee benefits	148	89
Other provisions	(40)	(45)
Impairment on financial instruments	1,193	1,893
Net gains on fair value changes	(438)	(126)
<b>Operating profit before working capital changes</b>	<b>(11,745)</b>	<b>(9,490)</b>
<b>Adjustments for increase/ decrease in operating assets and liabilities:</b>		
(Increase)/Decrease in Loans	(27,085)	(35,611)
(Increase)/Decrease in Other financial assets	(23)	(789)
(Increase)/Decrease in Other non financial assets	(152)	(7)
Increase/(Decrease) in Non financial liabilities	70	24
Increase/(Decrease) in Trade payables	670	(259)
Increase/(Decrease) in Other financial liabilities	14,964	(4,043)
Interest Paid	(24,978)	(21,798)
Interest Received	55,221	50,987
<b>Cash generated from/ (used in) operations</b>	<b>6,942</b>	<b>(20,986)</b>
Less: Income taxes paid (net of refunds)	(3,012)	(2,932)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,930</b>	<b>(23,918)</b>
<b>Cash flows from investing activities:</b>		
(Purchase)/sale of property, plant and equipments	(421)	(811)
Sale of commercial paper	15,041	
Purchase of commercial paper	(15,000)	
Sale of mutual funds units	3,07,922	84,122
Purchase of mutual funds units	(3,07,485)	(83,996)
(Increase)/Decrease in deposits with original maturity of more than 3 months	1,523	(136)
Interest income on fixed deposit & certificate of deposit	560	355
<b>Net cash (outflow) from investing activities</b>	<b>2,140</b>	<b>(466)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of share capital	44	64
Proceeds from share application money pending allotment	22	-
Share Premium on issue of share capital	106	100
Repayment of Debt securities	(39,809)	(13,412)
Proceeds from Borrowings other than debt securities	1,16,620	1,33,514
Repayment of Borrowings other than debt securities	(66,262)	(91,874)
Payment towards lease liabilities	102	451
Interest paid	(64)	(58)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>10,759</b>	<b>28,785</b>

## Statement of Cash Flow (Contd..)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>	16,829	4,401
Add: Cash and cash equivalents as at beginning of the year	27,505	23,104
<b>Cash and cash equivalents at end of the year*</b>	<b>44,334</b>	<b>27,505</b>
<b>*Component of Cash and cash equivalents</b>		
Cash and cash equivalents	5,316	17,403
Deposits with maturity of less than 3 months	39,018	10,102
<b>Total</b>	<b>44,334</b>	<b>27,505</b>

### (A) Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>2,89,544</b>	<b>2,60,646</b>
Proceeds from borrowings (other than debt securities)	1,16,620	1,33,514
Repayments of borrowings	(66,262)	(91,874)
Repayments of debts securities	(39,809)	(13,411)
Increase/(Decrease) towards lease liabilities	102	–
<b>Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>3,00,195</b>	<b>2,88,875</b>

### (B) Cash flow from operating activities includes

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest received	55,221	50,987
Interest paid	(24,978)	(21,798)

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

sd/-

**Sameer Mahajan**

Partner

Membership No: 123266

Place: Mumbai

Date: 25th April 2024

For and on behalf of the Board of Directors of

**Motilal Oswal Home Finance Limited**

CIN: U65923MH2013PLC248741

sd/-

**Motilal Oswal**

Chairman & Non-Executive Director

DIN: 00024503

sd/-

**Bhavin Shah**

Chief Financial Officer

sd/-

**Sukesh Bhowal**

Managing Director & CEO

DIN: 10242971

sd/-

**Sunny Ganatra**

Company Secretary

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### A. Equity share capital

Particulars	Number	Amount
<b>Equity Shares of Re.1 issued, subscribed and fully paid up</b>		
Balance as at 01 April 2022	6,02,70,91,515	60,271
Changes in equity share capital during the year	63,55,110	64
<b>Balance as at 31 March 2023</b>	<b>6,03,34,46,625</b>	<b>60,334</b>
Changes in equity share capital during the year	44,17,750	44
<b>Balance as at 31 March 2024</b>	<b>6,03,78,64,375</b>	<b>60,379</b>

### 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 2023	26,312	9,982	518	17,626	54,438
Changes in accounting policy or prior year errors	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting year</b>	<b>26,312</b>	<b>9,982</b>	<b>518</b>	<b>17,626</b>	<b>54,438</b>
Profit for the year	-	-	-	13,252	13,252
Other comprehensive income during the year (net of taxes)	-	-	-	(5)	(5)
<b>Total comprehensive income for the period</b>	<b>26,312</b>	<b>9,982</b>	<b>518</b>	<b>30,874</b>	<b>67,685</b>
Transfer to statutory reserve	-	2,650	-	(2,650)	-
Transfer to security premium	36	-	(36)	-	-
Stock options exercised	-	-	523	-	523
Securities premium on shares issued during the year	106	-	-	-	106
<b>Balance as at 31 March 2024</b>	<b>26,454</b>	<b>12,632</b>	<b>1,005</b>	<b>28,223</b>	<b>68,314</b>

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
Changes in accounting policy or prior year errors	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting year</b>	<b>26,212</b>	<b>7,255</b>	<b>257</b>	<b>6,702</b>	<b>40,426</b>
Profit for the year	-	-	-	13,636	13,636
Actuarial gain/loss during the year (net of taxes)	-	-	-	15	15
<b>Total comprehensive income for the year</b>	<b>26,212</b>	<b>7,255</b>	<b>257</b>	<b>20,353</b>	<b>54,077</b>
Transfer to statutory reserve	-	2,727	-	(2,727)	-
Stock options exercised/ lapsed	-	-	261	-	261
Securities premium on shares issued during the year	100	-	-	-	100
<b>Balance as at 31 March 2023</b>	<b>26,312</b>	<b>9,982</b>	<b>518</b>	<b>17,626</b>	<b>54,438</b>

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

sd/-

**Sameer Mahajan**

Partner

Membership No: 123266

Place: Mumbai

Date: 25th April 2024

For and on behalf of the Board of Directors of

**Motilal Oswal Home Finance Limited**

CIN: U65923MH2013PLC248741

sd/-

**Motilal Oswal**

Chairman & Non-Executive Director

DIN: 00024503

sd/-

**Bhavin Shah**

Chief Financial Officer

sd/-

**Sukesh Bhowal**

Managing Director & CEO

DIN: 10242971

sd/-

**Sunny Ganatra**

Company Secretary

# Notes to Financial Statement

## 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 material 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.

## Notes to Financial Statement (Contd.)

### (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,

## Notes to Financial Statement (Contd.)

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 MATERIAL 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

## Notes to Financial Statement (Contd.)

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

## Notes to Financial Statement (Contd.)

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.

## Notes to Financial Statement (Contd.)

### (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

## Notes to Financial Statement (Contd.)

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.

## Notes to Financial Statement (Contd.)

**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.

## 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. 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 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.

## Notes to Financial Statement (Contd.)

### 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

## Notes to Financial Statement (Contd.)

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.

## Notes to Financial Statement (Contd.)

### 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.

## Notes to Financial Statement (Contd..)

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

### NOTE 4: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Cash on hand	350	220
(ii) Balance with banks :		
In current account	4,079	17,183
In Cheques, drafts on hand;	886	-
(iii) Deposits (includes certificate of deposit) with original maturity of less than 3 months	39,018	10,102
	<b>44,334</b>	<b>27,505</b>

- 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 2024	As at 31 March 2023
(i) Deposits with original maturity of more than 3 months but less than 12 months*	-	2,055
(ii) Deposits with original maturity of more than 12 months *	2,855	2,324
	<b>2,855</b>	<b>4,379</b>

\* Held as cash collateral to the tune of INR 2,525 Lakhs (PY 2,506 Lakhs) as margin for credit enhancement towards security securitisation of receivables.

### Note 6.1: Loans

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost (Also refer Note: 30)		
(A) Loan Assets (Gross)*	4,09,616	3,84,253
less : Impairment loss allowance	6,500	7,080
<b>Total (net)</b>	<b>4,03,116</b>	<b>3,77,173</b>
* Comprises of housing loans and non housing loans		
(B) (i) Secured by tangible assets	4,09,616	3,84,253
(ii) Unsecured	-	-
Less : Impairment loss allowance	6,500	7,080
<b>Total (net)</b>	<b>4,03,116</b>	<b>3,77,173</b>
C) (I) Loans in India		
(i) Public sector	-	-
(ii) Others	4,09,616	3,84,253
Less : Impairment loss allowance	6,500	7,080
<b>Total (net) (C) (I)</b>	<b>4,03,116</b>	<b>3,77,173</b>

## Notes to Financial Statement (Contd..)

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

Particulars	As at 31 March 2024	As at 31 March 2023
C) (II) Loans Outside India	-	-
Less : Impairment loss allowance	-	-
<b>Total (net) (C) (II)</b>	-	-
<b>Total (C) (I) and (C) (II)</b>	<b>4,03,116</b>	<b>3,77,173</b>
<b>Stage wise break up of loans (net of provisions)</b>		
(i) Low credit risk (Stage 1)	3,95,023	3,67,738
(ii) Significant increase in credit risk (Stage 2)	6,034	7,068
(iii) Credit impaired (Stage 3)	2,059	2,367
<b>Total</b>	<b>4,03,116</b>	<b>3,77,173</b>

### Note 6.2: Staff Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to staff	61	111
	<b>61</b>	<b>111</b>
<b>Total (6.1 + 6.2)</b>	<b>4,03,177</b>	<b>3,77,284</b>
Loan assets pledged as security for borrowings	3,31,592	3,21,286

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

### Note 7: Other Financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Other Receivable	44	29
(ii) Earning Interest strip	389	482
(iii) Other Receivable from related parties	256	177
(iv) Security deposit at amortised cost	95	142
(v) Advance to Employees	23	12
(vi) Cross Currency Swap (Derivative ECB tranche)	726	668
	<b>1,534</b>	<b>1,511</b>

### Note 8: Current tax assets (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and TDS (net of provision)	104	627
	<b>104</b>	<b>627</b>

## Notes to Financial Statement (Contd.)

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

### Note 9: Deferred tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets (net) (Refer note 27)	1,455	1,795
	<b>1,455</b>	<b>1,795</b>

### 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
<b>Cost</b>								
Balance as at 1 April 2022	1,027	406	207	361	23	949	748	3,722
Additions	163	4	-	14	-	42	561	784
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>1,190</b>	<b>410</b>	<b>207</b>	<b>375</b>	<b>23</b>	<b>991</b>	<b>1,309</b>	<b>4,506</b>
Balance as at 1 April 2023	1,190	410	207	375	23	991	1,309	4,506
Additions	33	1	-	9	24	29	321	416
Disposals	440	-	-	-	-	-	-	440
<b>Balance as at 31 March 2024</b>	<b>783</b>	<b>411</b>	<b>207</b>	<b>384</b>	<b>47</b>	<b>1,020</b>	<b>1,630</b>	<b>4,482</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2022	810	250	198	202	12	744	671	2,887
Depreciation for the year	128	30	2	24	3	75	18	280
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>938</b>	<b>280</b>	<b>200</b>	<b>226</b>	<b>15</b>	<b>819</b>	<b>689</b>	<b>3,167</b>
Depreciation for the year	117	30	2	25	5	56	222	457
Disposals	418	-	-	-	-	-	-	418
<b>Balance as at 31 March 2024</b>	<b>637</b>	<b>310</b>	<b>202</b>	<b>251</b>	<b>20</b>	<b>875</b>	<b>911</b>	<b>3,206</b>
<b>Carrying amounts (net)</b>								
<b>As at 31 March 2023</b>	<b>251</b>	<b>130</b>	<b>8</b>	<b>149</b>	<b>8</b>	<b>172</b>	<b>620</b>	<b>1,339</b>
<b>As at 31 March 2024</b>	<b>146</b>	<b>101</b>	<b>5</b>	<b>133</b>	<b>27</b>	<b>145</b>	<b>719</b>	<b>1,276</b>

### Note 11 : Other Intangible assets

Reconciliation of carrying amount	Computer software
<b>Cost or deemed cost</b>	
Balance as at 1 April 2022	666
Additions	27
<b>Balance as at 31 March 2023</b>	<b>693</b>
Additions	26
<b>Balance as at 31 March 2024</b>	<b>719</b>

## Notes to Financial Statement (Contd..)

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

Reconciliation of carrying amount	Computer software
<b>Accumulated amortisation and impairment losses</b>	
Balance as at 1 April 2022	455
Amortisation for the year	89
<b>Balance as at 31 March 2023</b>	<b>544</b>
Amortisation for the year	63
<b>Balance as at 31 March 2024</b>	<b>607</b>
<b>Carrying amounts (net)</b>	
<b>As at 31 March 2023</b>	<b>149</b>
<b>As at 31 March 2024</b>	<b>112</b>

### 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 2024	As at 31 March 2023
Prepaid expenses	135	36
GST Credit receivable	58	65
Capital advances	22	9
Other advances	66	99
Other asset	80	-
	<b>362</b>	<b>209</b>

## Notes to Financial Statement (Contd.)

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

### Note 13: Payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of Micro small & medium enterprises (Refer Note 36)	80	-
Total outstanding dues of creditors other than Micro small & medium enterprises	1,059	469
	<b>1,139</b>	<b>469</b>

Trade payable ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment*					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	80	-	-	-	-	80
(ii) Other	-	1059	-	-	-	1059
(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	-	-	-	-	-	-
<b>Total</b>	<b>80</b>	<b>1059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1139</b>

Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

Trade payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment*					
	Not Due	Less than 1 year	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	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>469</b>

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

# Notes to Financial Statement (Contd.)

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

## Note 14: Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
(i) Secured redeemable non-convertible debentures	-	29,842
(ii) Unsecured redeemable non-convertible debentures	21,399	31,366
<b>Total</b>	<b>21,399</b>	<b>61,208</b>
Debt securities in India	21,399	61,208
Debt securities outside India	-	-

### Security and other terms of debt securities

- 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 and the financial statements of the respective quarter.
- Terms of repayment as below (repayment schedule mentioned below excludes unamortised borrowing cost):

### Secured Debt securities as at 31 March 2024

NCD Series	Units	Amount (in Lakhs)	Security provided	Security coverage	Rate of Interest	Allotment Date	Maturity date
NIL							

### Secured Debt securities 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
<b>Grand Total</b>	<b>2,997</b>	<b>29,970</b>					

### Unsecured Debt securities as at 31 March 2024

NCD Series	Amount	Units	Rate of Interest	Allotment Date	Maturity date
Series MOHFL U-K1 FY2021-22 INE658R08180 (previous ISIN INE658R08172)	21,500	2,150	7.27%	10-Feb-2022	10-Feb-2025
<b>Total</b>	<b>21,500</b>	<b>2,150</b>			

## Notes to Financial Statement (Contd.)

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

### 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
<b>Total</b>	<b>31,500</b>	<b>3,150</b>			

### Note 15: Borrowings (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Secured		
(i) Term loans from banks	1,83,827	1,47,626
(ii) Term loans from securitization	9,508	11,584
(iii) Term loans from NHB refinance	43,546	44,027
(iv) Term Loan ECB	41,144	24,430
<b>Total</b>	<b>2,78,025</b>	<b>2,27,667</b>
Borrowings in India	2,36,881	2,03,237
Borrowings outside India	41,144	24,430

### Security and other terms of loans are as follows :

- 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, however, there were no material discrepancies noted between the quarterly statements and the financial statements of the respective quarter.
- Terms of repayment of terms loans/NHB/ECB are as follows:-

#### As at 31 March 2024

- 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
<b>Rate of interest</b>					
3.90 % to 10.05% annually	45,035	84,007	63,211	35,120	2,27,373
<b>Total</b>	<b>45,035</b>	<b>84,007</b>	<b>63,211</b>	<b>35,120</b>	<b>2,27,373</b>

- Terms of maturity of securitization liability

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
<b>Rate of interest</b>					
9.35 % annually	437	860	858	7,353	9,508
<b>Total</b>	<b>437</b>	<b>860</b>	<b>858</b>	<b>7,353</b>	<b>9,508</b>

## Notes to Financial Statement (Contd..)

(All amounts are in ₹ 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
<b>Rate of interest</b>					
5.39% to 7.16% (Fully hedged basis)	2,469	6,583	6,583	25,509	41,144
<b>Total</b>	<b>2,469</b>	<b>6,583</b>	<b>6,583</b>	<b>25,509</b>	<b>41,144</b>

As at 31 March 2023

(i) 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
<b>Rate of interest</b>					
3.90 % to 10.20% annually	45,522	66,940	46,271	32,920	1,91,653
<b>Total</b>	<b>45,522</b>	<b>66,940</b>	<b>46,271</b>	<b>32,920</b>	<b>1,91,653</b>

(ii) Terms of maturity of securitization liability

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

(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
<b>Rate of interest</b>					
6.31% to 7.16% (Fully hedged basis)	-	2,851	3,801	17,777	24,430
<b>Total</b>	<b>-</b>	<b>2,851</b>	<b>3,801</b>	<b>17,777</b>	<b>24,430</b>

- There are no borrowings guaranteed by directors and others as at March 31, 2024 and as at March 31, 2023 except as on March 31, 2024, out of term loans amounting to INR 3752 lakhs were additionally secured by Bank Guarantee of ₹ 7.50 crore extended by Axis Bank Limited in favour of National Housing Bank.
- There has not been any default in repayment of borrowings and interest during the year ended March 31, 2024, (no default during the year ended March 31, 2023).
- 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 2024	As at 31 March 2023
Interest accrued but not due on borrowings	1,227	2,990
Interest Payable on Direct Assignment	15	13
Salary and bonus payable	1,774	756
Lease liability	771	669
Book overdraft	15,068	3,741
Other liabilities*	6,178	1,799
<b>Total</b>	<b>25,033</b>	<b>9,967</b>

\* Other liabilities includes pre-closure liabilities and other payables

## Notes to Financial Statement (Contd.)

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

### Note 17: Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Provision for employee benefits		
(i) Gratuity (Refer note 37 B )	277	171
(ii) Other employee benefit	15	12
(iii) Compensated absences	162	116
(b) Provision for expenses	99	139
<b>Total</b>	<b>553</b>	<b>439</b>

#### Provision for expenses ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other	99	-	-	-	99
(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	-	-	-	-	-

#### Provision for expenses ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	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	-	-	-	-	-

### Note 18: Other non-financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory Liabilities (GST, TDS and other statutory liabilities)	346	276
	<b>346</b>	<b>276</b>

## Notes to Financial Statement (Contd..)

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

### Note 19 : Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>(a) Authorised Share Capital</b>				
Equity shares of Re. 1/- each	10,00,00,00,000	1,00,000	10,00,00,00,000	1,00,000
<b>(b) Equity shares of Re. 1/- each issued, subscribed and fully paid up</b>				
Equity share capital of Re. 1/- each	6,03,78,64,375	60,379	6,03,34,46,625	60,334
	<b>6,03,78,64,375</b>	<b>60,379</b>	<b>6,03,34,46,625</b>	<b>60,334</b>

- i) 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.
- ii) 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 2024.

#### (c) Reconciliation of share capital :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Outstanding at the beginning of the year	6,03,34,46,625	60,334	6,02,70,91,515	60,271
Restated balance at the beginning of the previous reporting year	6,03,34,46,625	60,334	6,02,70,91,515	60,271
Issued during the year	44,17,750	44	63,55,110	64
<b>Outstanding at the end of the year</b>	<b>6,03,78,64,375</b>	<b>60,379</b>	<b>6,03,34,46,625</b>	<b>60,334</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% of holding	Number	% of holding
<u>Motilal Oswal Financial Services Limited</u>				
Equity share of Re. 1 each fully paid-up	4,54,64,13,025	75.30%	4,54,64,13,025	75.35%
<u>Motilal Oswal Wealth Limited</u>				
Equity share of Re. 1 each fully paid-up	48,21,62,594	7.99%	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	9.94%
	<b>5,62,85,75,619</b>	<b>93.22%</b>	<b>5,62,85,75,619</b>	<b>93.28%</b>

#### (e) Details of shares held by promoters/promoter group as at 31 March, 2024

Promoter name	Number of shares	% of total shares	% Change during the year
Motilal Oswal Financial Services Limited	4,54,64,13,025	75.30%	(0.05)%
Motilal Oswal Asset Management Company Limited	10	0.00%	0.00%
Motilal Oswal Investment Advisors Limited	25,78,44,836	4.27%	(0.05)%
Motilal Oswal Wealth Limited	48,21,62,594	7.99%	0.00%
Motilal Oswal Finvest Limited	60,00,00,000	9.94%	0.00%
Mr. Motilal Oswal	10	0.00%	0.00%
Mr. Raamdeo Agrawal	10	0.00%	0.00%
<b>Total</b>	<b>5,88,64,20,485</b>	<b>97.49%</b>	<b>(0.11)%</b>

## Notes to Financial Statement (Contd.)

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

(f) 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%
<b>Total</b>	<b>5,88,89,20,485</b>	<b>97.60%</b>	<b>(0.11)%</b>

(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 2024.

### Note 20: Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(I) Other Reserves</b>		
<b>(a) Share option outstanding account</b>		
<b>Opening Balance</b>	518	257
Add: Addition during the year	523	261
Less: Transfer to security premium account	(36)	-
<b>Total</b>	<b>1,005</b>	<b>518</b>
<b>(b) Statutory reserves</b>		
<b>Opening Balance</b>		
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
<b>Transfer during the year</b>		
Section 29C of The National Housing Bank Act, 1987	889	415
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	1,761	2,313
<b>Closing Balance</b>		
Section 29C of The National Housing Bank Act, 1987	2,888	1,999
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	9,744	7,983
<b>Total</b>	<b>12,632</b>	<b>9,982</b>
<b>(c) Securities Premium account</b>		
<b>Opening Balance</b>	26,312	26,212
Securities premium on shares issued during the year	106	100
Transfer from Stock option outstanding amount	36	-
<b>Total</b>	<b>26,454</b>	<b>26,312</b>

## Notes to Financial Statement (Contd.)

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

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(II) Retained Earnings</b>		
<b>(a) Surplus/ (Deficit) in profit or loss account</b>		
Opening Balance	17,313	6,404
(Loss) / Profit for the year	13,252	13,636
Transfer to Statutory Reserve	(2,650)	(2,727)
<b>Total</b>	<b>27,915</b>	<b>17,313</b>
<b>(b) Other comprehensive income</b>		
Opening Balance	313	298
Other Comprehensive Income (net of tax)	(5)	15
<b>Total</b>	<b>308</b>	<b>313</b>
<b>Total Other Equity</b>	<b>68,314</b>	<b>54,438</b>

There has been no draw down from reserves during the year ended March 31, 2024 and March 31, 2023.

### 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:

Based upon the information, explanations and representations given to us by the management and to the best of our knowledge, there have been 200 instances of fraud on the Company by its customers amounting to ₹ 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 have been informed that the employee of the company had misappropriated funds amounting to ₹ 21.41 lakhs during the year under audit. Investigation was conducted based on which FMR 1 is filed. We did not come across any instances of fraud by the Company.

#### (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.

## Notes to Financial Statement (Contd.)

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

### NOTE 21: Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Interest Income on Loan at amortised cost	55,222	50,987
(ii) Interest Income on Fixed Deposit, certificate of deposit & commercial paper at amortised cost	600	355
(iii) Net gains on fair value changes on financial instruments at FVTPL (realised)	438	126
(iv) Fees and other income	1,539	1,212
<b>TOTAL</b>	<b>57,799</b>	<b>52,680</b>

### NOTE 22: Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Other non operating income	1,109	513
<b>TOTAL</b>	<b>1,109</b>	<b>513</b>

### NOTE 23: Finance cost

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Interest cost	23,234	20,055
(ii) Interest cost on lease liability	65	58
(iii) Interest cost on securitization	966	985
(iv) Other borrowing cost	777	758
<b>TOTAL</b>	<b>25,042</b>	<b>21,856</b>

### NOTE 24: Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Impairment on loans (Loans measured at amortised cost)	(580)	(1,454)
(ii) Loss on derecognition of loan assets*	1,773	3,347
<b>TOTAL</b>	<b>1,193</b>	<b>1,893</b>

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

### NOTE 25: Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Salary, Bonus and Allowances	10,791	8,092
(ii) Share based payments	523	262
(iii) Contribution to provident & other funds (Refer note 37 A)	553	427
(iv) Staff welfare expenses	95	106
(v) Gratuity obligation (Refer note 37 B)	104	97
<b>TOTAL</b>	<b>12,066</b>	<b>8,984</b>

## Notes to Financial Statement (Contd.)

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

### NOTE 26: OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Rates & Taxes	99	86
(ii) Rent	264	387
(iii) Insurance	134	102
(iv) Computer Maintenance & Software Charges	26	10
(v) Legal & Professional Charges	651	462
(vi) Remuneration to auditors (Refer note 31)	28	26
(vii) Data processing charges	129	119
(viii) Marketing & brand promotion expenses	5	71
(ix) Advertisement expenses	11	6
(x) Printing & Stationary	30	34
(xi) Power and fuel	71	66
(xii) Communication and data charges	108	63
(xiii) Travelling, lodging and boarding expenses	487	346
(xiv) Miscellaneous expenses	376	330
(xv) Corporate social responsibility expense (Refer Note 32)	250	177
(xvi) Business Support Service	219	219
(xvii) Repair and Maintenance	70	35
<b>TOTAL</b>	<b>2,958</b>	<b>2,537</b>

### NOTE 27: Income Tax Expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Amounts recognised in statement of profit or loss</b>		
<b>Current tax (a)</b>		
Current year	3,537	3,348
Changes in estimates related to prior years (b)	(2)	(13)
<b>Deferred tax (b)</b>		
Origination and reversal of temporary differences	341	583
<b>Tax expense of continuing operations (a)+(b)</b>	<b>3,876</b>	<b>3,918</b>
<b>B. Amount recognised in other comprehensive income</b>		
Tax Impact on remeasurements of defined benefit liability	(2)	5
	<b>(2)</b>	<b>5</b>
<b>C. Reconciliation of effective tax</b>		
Profit before tax	17,128	17,554
Tax at the rate of 25.168%	4,311	4,418
Effect of:		
Prior Period tax liability on assessment	(2)	(13)
Miscellaneous disallowance	42	94
Tax exemption on special reserve	(443)	(582)
Tax exemption on provision on doubtful assets	(31)	–
<b>Effective tax</b>	<b>3,876</b>	<b>3,918</b>

## Notes to Financial Statement (Contd.)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Effective Tax Rate	22.63%	22.32%
Effective Tax Rate before adjustment of amount transferred to special reserve & prior period tax.	25.41%	25.71%
<b>D. Recognised deferred tax assets /(liabilities)</b>		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	174	190
Difference in ROU and Lease liability	13	–
Other Employee Benefits	75	(105)
Unamortized borrowing cost	(356)	(249)
Deposit and rent Equalization	–	59
Provision for compensated absence	41	29
Provision for Loan assets	1,636	1,783
Unamortized upfront income and expenses	(128)	88
	<b>1,455</b>	<b>1,795</b>

### NOTE 28: Other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on post retirement benefit plans	(7)	20
Deferred tax impact on the above	2	(5)
<b>Total other comprehensive income, net of tax</b>	<b>(5)</b>	<b>15</b>

### Note 29: Earnings per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Basic earnings per share</b>		
Profit attributable to equity shareholders (Rupees) [A]	13,252	13,636
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1) (In Numbers)	6,03,78,64,375	6,03,34,46,625
<b>Basic earnings per share [A] / [B] (Rupees)</b>	<b>0.22</b>	<b>0.23</b>
<b>Diluted earnings per share</b>		
(Loss)/Profit attributable to equity shareholders (Rupees)	13,252	13,636
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]	13,252	13,636
Weighted average number of equity shares used in computing basic earnings per share (In Numbers)	6,03,78,64,375	6,03,34,46,625
Effect of potential equity shares for stock options outstanding	76,99,651	74,04,625
Weighted number of equity shares used in computing diluted earnings per share [B] (In Numbers)	6,04,55,64,026	6,04,08,51,250
<b>Diluted earnings per share (Rupees) [A] / [B]</b>	<b>0.22</b>	<b>0.23</b>

# Notes to Financial Statement (Contd..)

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

## Note 30: Loans and ECL movement

1. An analysis of change in the gross carrying amount and the corresponding expected credit loss allowance in relation to lending is as follows:

Particulars	For the year 31st March 24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,68,297	8,152	4,092	3,80,542
New asset originated/purchased/further increases in existing asset	1,00,510	186	3	1,00,699
Assets derecognised (on repayment and assignments, excluding write-offs)	(72,332)	(1,238)	(1,027)	(74,598)
Transfers to/(from) Stage 1	(6,851)	4,892	1,959	–
Transfers to/(from) Stage 2	4,094	(4,739)	646	–
Transfers to/(from) Stage 3	1,603	78	(1,682)	–
Amount written-off	(945)	(342)	(521)	(1,807)
<b>Sub-Total</b>	<b>3,94,377</b>	<b>6,989</b>	<b>3,470</b>	<b>4,04,836</b>
Interest accrued on loans	4,158	236	342	4,736
Unamortised Fees				45
<b>Gross carrying amount closing balance</b>				<b>4,09,616</b>

Particulars	For the year 31st March 23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,30,951	8,916	8,853	3,48,720
New asset originated/purchased/further increases in existing asset	1,00,552	0	0	1,00,552
Assets derecognised (on repayment and assignments, excluding write-offs)	(61,249)	(1,179)	(2,922)	(65,350)
Transfers to/(from) Stage 1	(8,161)	5,543	2,618	–
Transfers to/(from) Stage 2	4,276	(4,830)	554	–
Transfers to/(from) Stage 3	3,225	244	(3,469)	–
Amount written-off	(1,297)	(542)	(1,541)	(3,380)
<b>Sub-Total</b>	<b>3,68,297</b>	<b>8,152</b>	<b>4,092</b>	<b>3,80,542</b>
Interest accrued on loans	3,715	262	294	4,271
Unamortised Fees				(560)
<b>Gross carrying amount closing balance</b>				<b>3,84,253</b>

### Note:

During the year ended 31 March 2024, the Company has sold in one tranche pool of certain non performing loan assets aggregating to ₹ 2,370 Lakhs to an Asset Reconstruction Company vide agreement dated 28 March 2024. 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 ₹ 664 Lakhs which represents the amount of ECL allowance created on such loans.

During the year ended 31 March 2023, the Company has sold in two tranches pool of certain non performing loan assets aggregating to ₹ 8,403 Lakhs 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 Lakhs which represents the amount of ECL allowance created on such loans.”

## Notes to Financial Statement (Contd.)

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

### 2. Reconciliation of expected credit loss allowances balance is given below:

Particulars	For the year 31st March 24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,734	1,333	2,014	7,080
New asset originated/purchased/further increases in existing asset	477	19	1	424
Changes in provision on account of migration between stages and in same stage due to change in buckets and reversal on recovery	(1,661)	522	850	(217)
Transfers to/(from) Stage 1	(292)	194	98	–
Transfers to/(from) Stage 2	650	(768)	118	–
Transfers to/(from) Stage 3	756	35	(791)	–
Amount written-off	(107)	(145)	(535)	(787)
<b>Sub-Total</b>	<b>3,556</b>	<b>1,191</b>	<b>1,753</b>	<b>6,500</b>

Particulars	For the year 31st March 23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,606	988	2,940	8,534
New asset originated/purchased/further increases in existing asset	554	34	30	618
Changes in provision on account of migration between stages and in same stage due to change in buckets and reversal on recovery	(2,172)	453	(352)	(2,072)
Transfers to/(from) Stage 1	(551)	346	204	–
Transfers to/(from) Stage 2	471	(533)	62	–
Transfers to/(from) Stage 3	825	44	(870)	–
Amount written-off	–	–	–	–
<b>Sub-Total</b>	<b>3,734</b>	<b>1,333</b>	<b>2,014</b>	<b>7,080</b>

### 3. Non performing asset % (NPA %) are given as below

Ratios	For the year ended 31 March 2024	For the year ended 31 March 2023
Gross non performing asset ratio (GNPA %)	0.86%	1.07%
Net non performing asset ratio (NNPA %)	0.42%	0.55%

**Note:** There are no account which are past due beyond 90 days but not treated as impaired.

### Note 31: Remuneration to auditors

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment to Auditor		
Statutory audit	20	20
For certification work	5	3
Reimbursement of expenses	1	1
GST*	2	2
<b>Total</b>	<b>28</b>	<b>26</b>

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

## Notes to Financial Statement (Contd.)

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

### Note 32 : Corporate Social Responsibility

- During the year, Company has spent ₹ 250 Lakhs (previous year ₹ 177 Lakhs) 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: ₹ 249 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 2024

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
Global Vikas Trust	Skill Training	Maharashtra	50	50	50	NA
Rishihood Foundation	Infrastructure	Haryana	100	100	100	NA
Dystrophy Annihilation Research Trust	Health	Karnataka	5	5	5	NA
Tattva Education Foundation	Education	Maharashtra	20	20	20	NA
Friends Of Tribals Society	Education	Maharashtra	25	25	25	NA
Land Purchase For Educational Project	Education	Maharashtra	50	50	50	NA

#### 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	18	NA
United Way of Mumbai	Education	Maharashtra	5	5	5	NA
Global Vikas Trust	Skill Training	Maharashtra	80	80	80	NA

#### For the year ended 31 March 2024

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.
249	250	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 (Contd.)

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

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.

### Note 33: Contingent liabilities and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
1. Claims against the Company not acknowledge as debt	15	–
2. Undrawn sanctions to borrowers	60,161	27,717
<b>Total</b>	<b>60,176</b>	<b>27,717</b>

### 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 2024	As at 31 March 2023
Balance as at 1 April 2023	620	77
Movement during the year	322	562
Depreciation on Right-Of-Use (ROU) assets	(224)	(18)
<b>Balance as at 31 March 2024</b>	<b>719</b>	<b>620</b>

#### (B) Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at 1 April 2023	669	218
Movement during the year	322	562
Add: Interest cost accrued during the period	65	58
Less: Payment of lease liabilities	(285)	(168)
<b>Balance as at 31 March 2024</b>	<b>771</b>	<b>669</b>

## Notes to Financial Statement (Contd.)

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Less than three months	52	43
Three to twelve months	166	127
One to five years	522	481
More than five years	31	18
<b>Total</b>	<b>771</b>	<b>669</b>

### (D) Amount recognised in statement of profit & loss

Particulars	As at 31 March 2024	As at 31 March 2023
Interest cost on lease liabilities	65	58
Depreciation on right of use assets	224	18
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	264	387

### (E) Amount recognised in statement of cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Cash payments for the principal & interest portion of the lease liability within financing activities	(285)	(168)
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.	264	387

### 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 2024			As at 31 March 2023		
	Rating / Outlook			Rating / Outlook		
	CRISIL	India Ratings	ICRA	CRISIL	India Ratings	ICRA
<b>Short Term</b>						
Commercial paper	CRISIL A1+	–	[ICRA]A1+	CRISIL A1+	–	[ICRA]A1+
<b>Long Term</b>						
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	–	–
Bank Borrowings	CRISIL AA / Stable	IND AA / Stable	–	CRISIL AA / Stable	IND AA / Stable	–

## Notes to Financial Statement (Contd.)

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

### 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 2024	As at 31 March 2023
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.	–	–
<b>The balance of MSMED parties as at the end of the year</b>	<b>–</b>	<b>–</b>

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

#### A) Defined contribution plan :

The Company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head “Contribution to Provident and Other Funds” of Statement of Profit and Loss are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Employer’s contribution to provident fund	518	396
Employer’s contribution to ESIC	25	26
Employer’s contribution to National Pension Scheme	10	5
<b>Total</b>	<b>553</b>	<b>427</b>

#### 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 2024	As at 31 March 2023
Interest / Discount Rate	6.88%	6.79%
Rate of increase in compensation	7.28%	6.50%
Employee attrition rate (Past Service) (PS)	PS: 0 to 40 : 68.1%	PS: 0 to 40 : 82.00%

## Notes to Financial Statement (Contd.)

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	171	116
Current service cost	96	94
Transfer in liability	22	–
Transfer out liability	(0)	–
Interest cost	8	3
Benefit paid	(26)	(22)
Curtailment cost	–	–
Settlement cost	–	–
Net actuarial (gain) or loss recognized in the year	7	(20)
<b>Present value of obligation at the end of the year</b>	<b>277</b>	<b>171</b>

Fair value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	(171)	(116)
Actual return on plan assets	–	–
Contributions	26	22
Benefit paid	(26)	(22)
Fair value of plan assets at end of period	–	–
Funded status (including unrecognized past service cost)	(277)	(171)
<b>Excess of actual over estimated return of plan assets</b>	<b>–</b>	<b>–</b>

Experience history

Particulars	As at 31 March 2024	As at 31 March 2023
(Gain) on obligation due to change in assumption	11	(8)
Experience (gain)/loss on obligation	(4)	(12)
<b>Actuarial gain/(loss) on plan assets</b>	<b>7</b>	<b>(20)</b>

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	171	171
Fair value of plan assets at end of period	–	–
Funded status	(277)	(171)
Unrecognized actuarial gain/(loss)	–	–
Unrecognized past service cost - non vested benefits	–	–
<b>Net assets/(liability) recognized in balance sheet</b>	<b>(277)</b>	<b>(171)</b>

## Notes to Financial Statement (Contd.)

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

### Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2024	As at 31 March 2023
Current service cost	96	94
Interest cost	8	3
Past service cost (non vested benefits)	–	–
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	–	–
<b>Expenses Recognised in the statement of profit &amp; loss account</b>	<b>104</b>	<b>97</b>

### Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Opening net liability	171	116
Expenses as above	104	97
Transfer in liability	22	–
Transfer Out liability	–	–
Expenses recognized	126	97
Employer's contributions	(26)	(22)
Other Comprehensive Income(OCI)	7	(20)
Closing net liability	277	171
<b>Closing provision at the end of the year</b>	<b>277</b>	<b>177</b>

### Defined benefit plans

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation	277	171
Plan assets	(277)	(171)
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)	275	280	279	276

### 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	185	68	28	11	4	2

# Notes to Financial Statement (Contd.)

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

## Asset Liability Comparisons

Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PVO at the end of year	78	78	116	171	277
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	(78)	(78)	(116)	(171)	(277)
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 5,00,00,000 options representing 5,00,00,000 Equity shares of Re. 1 each.

### 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 5,00,00,000 options representing 5,00,00,000 Equity shares of Re. 1 each.

### 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 1,00,00,000 options representing 1,00,00,000 Equity shares of Re. 1 each.

### 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 3,00,00,000 options representing 3,00,00,000 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 10,00,00,000 options representing 10,00,00,000 Equity shares of Re. 1 each.

### Motilal Oswal Home Finance Ltd - Employees' Stock Option Scheme 2023 (V)

The Scheme was approved by Board of Directors on 26 April 2023 and by the shareholders meeting dated 22 June 2023 for issue of 10,00,00,000 options representing 10,00,00,000 Equity shares of Re. 1 each.

The activity in the (ESOS 2014), (ESOS 2016) , (ESOS 2017) , (ESOS 2017 H Co.), (ESOS 2022) & (ESOS 2023) during the year ended 31 March 2024 and 31 March 2023 is set below:

Equity Shares	As at 31 March 2024 (in numbers)	Weighted Average Exercise price	As at 31 March 2023 (in numbers)	Weighted Average Exercise price
<b>The MOHFL (ESOS 2014) : (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	2,27,49,500	3.65	2,42,23,000	3.39
Add: Granted	1,16,80,000	4.20	82,80,500	4.25
Less: Exercised	28,07,000	3.29	20,43,000	3.26
Less: Lapsed	60,99,500	3.72	77,11,000	3.56
Options outstanding at the end of the year	2,55,23,000	3.93	2,27,49,500	3.65
Exercisable at the end of the year	37,99,750	3.55	1,44,750	3.50
<b>The MOHFL (ESOS 2016) : (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	3,35,40,640	3.94	4,10,72,000	3.54
Add: Granted	2,27,55,000	4.20	2,88,09,250	4.25
Less: Exercised	11,56,250	3.47	7,17,610	3.03
Less: Lapsed	1,27,85,965	3.80	3,56,23,000	3.75

## Notes to Financial Statement (Contd.)

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

Equity Shares	As at 31 March 2024 (in numbers)	Weighted Average Exercise price	As at 31 March 2023 (in numbers)	Weighted Average Exercise price
Options outstanding at the end of the year	4,23,53,425	4.13	3,35,40,640	3.94
Exercisable at the end of the year	46,50,700	4.19	9,19,393	3.44
<b>The MOHFL (ESOS 2017) : (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	60,87,500	4.16	13,42,000	3.63
Add: Granted	29,35,000	4.20	81,17,500	4.25
Less: Exercised	1,40,000	3.50	6,16,000	4.20
Less: Lapsed	12,00,000	4.25	27,56,000	4.16
Options outstanding at the end of the year	76,82,500	4.18	60,87,500	4.16
Exercisable at the end of the year	12,77,250	4.25	–	–
<b>The MOHFL (ESOS 2017) (Holding Company): (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	5,50,000	4.05	43,53,000	2.05
Add: Granted	–	–	1,00,000	4.25
Less: Exercised	85,000	4.03	29,78,500	1.64
Less: Lapsed	90,000	4.25	9,24,500	2.42
Options outstanding at the end of the year	3,75,000	4.00	5,50,000	4.05
Exercisable at the end of the year	–	–	–	–
<b>The MOHFL (ESOS 2022): (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	4,93,85,000	4.25	–	–
Add: Granted	6,25,95,000	4.36	5,55,47,500	4.25
Less: Exercised	2,29,500	4.25	–	–
Less: Lapsed	1,57,25,000	4.26	61,62,500	4.25
Options outstanding at the end of the year	9,60,25,500	4.32	4,93,85,000	4.25
Exercisable at the end of the year	64,99,000	4.25	–	–
<b>The MOHFL (ESOS 2023): (Face value of Re. 1 each)</b>				
Options outstanding at the beginning of the year	–	–	–	–
Add: Granted	9,62,85,000	2.79	–	–
Less: Exercised	–	–	–	–
Less: Lapsed	40,000	4.50	–	–
Options outstanding at the end of the year	9,62,45,000	2.79	–	–
Exercisable at the end of the year	–	–	–	–

## Notes to Financial Statement (Contd.)

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

### 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)	ESOS 2023 (V)
Date of grant	Various dates	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	26 April 2023
Date of shareholders' approval	16 October 2014	07 July 2016	25 May 2017	25 May 2017	24 June 2022	22 June 2023
Number of options granted	9,04,80,500	17,86,89,250	2,01,87,500	3,03,90,000	11,81,42,500	9,62,85,000
Method of settlement	Equity shares	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	1 year to 6 years
Vesting pattern	Various pattern	Various pattern	Various pattern	Various pattern	Various pattern	Various pattern
<b>Weighted average remaining contractual life</b>						
Granted but not vested	6.52 Years	6.7 Years	6.67 Years	6.73 Years	6.55 Years	8.79 Years
Vested but not exercised	0.77 Years	0.61 Years	1 Years	0 Years	0.35 Years	0 Years
Weighted average share price at the date of exercise for stock options exercised during the year	CY ₹ 4.34 (PY ₹ 4.13)	CY ₹ 4.35 (PY ₹ 4.13)	CY ₹ 4.36 (PY ₹ 4.13)	CY ₹ 4.34 (PY ₹ 4.13)	CY ₹ 4.36 (PY ₹ 4.13)	–
Exercise period	Within a period of 5 years from the date of vesting or in case of resignation, the options shall be exercised within 90 days 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	1.72	1.84	1.74	1.16	1.43	2.51

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., MOHFL ESOS 2022 and MOHFL ESOS 2023 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.

## Notes to Financial Statement (Contd..)

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

### 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 & ESOS 2023, as on the date of grant are as follow :

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.	ESOS 2022	ESOS 2023
Risk-free interest rate	5.63% - 7.37%	5.63% - 7.25%	6.18% - 7.25%	5.63% - 7.1%	7.06% - 7.38%	7.06% - 7.25%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Expected volatility of share price*	40%	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.

### 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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	44,334	–	44,334	27,505	–	27,505
Bank balance other than cash and cash equivalents above	2,855	–	2,855	4,379	–	4,379
Loans	65,145	3,38,032	4,03,177	33,685	3,43,489	3,77,173
Investments	–	–	–	–	–	–
Other financial assets	642	892	1,534	1,088	534	1,622
<b>Total Financial Assets (A)</b>	<b>1,12,975</b>	<b>3,38,924</b>	<b>4,51,899</b>	<b>66,656</b>	<b>3,44,023</b>	<b>4,10,679</b>
<b>Non-financial assets</b>						
Current tax assets (Net)	104	–	104	627	–	627
Deferred tax assets (Net)	291	1,164	1,455	359	1,436	1,795
Property, plant and equipment	–	1,276	1,276	–	1,339	1,339
Other intangible assets	–	112	112	–	149	149
Other non-financial assets	362	–	362	209	–	209
<b>Total Non-Financial Assets (B)</b>	<b>757</b>	<b>2,552</b>	<b>3,309</b>	<b>1,195</b>	<b>2,924</b>	<b>4,119</b>
<b>Total assets (C) = (A) + (B)</b>	<b>1,13,732</b>	<b>3,41,476</b>	<b>4,55,208</b>	<b>67,851</b>	<b>3,46,947</b>	<b>4,14,798</b>

# Notes to Financial Statement (Contd..)

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

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	80	–	80	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,059	–	1,059	469	–	469
Debt securities*	21,500	–	21,500	29,970	31,500	61,470
Borrowings (Other than debt securities)*	47,737	2,31,603	2,79,340	46,060	1,82,582	2,28,642
Other financial liabilities	24,480	553	25,033	9,468	499	9,967
<b>Total Financial Liabilities (A)</b>	<b>94,856</b>	<b>2,32,156</b>	<b>3,27,012</b>	<b>85,967</b>	<b>2,14,581</b>	<b>3,00,548</b>
<b>Non-financial Liabilities</b>						
Provisions	553	–	553	439	–	439
Other non-financial liabilities	346	–	346	276	–	276
<b>Total Non-Financial Liabilities (B)</b>	<b>899</b>	<b>–</b>	<b>899</b>	<b>715</b>	<b>–</b>	<b>715</b>
<b>Total liabilities (C) = (A)+(B)</b>	<b>95,755</b>	<b>2,32,156</b>	<b>3,27,911</b>	<b>86,682</b>	<b>2,14,581</b>	<b>3,01,263</b>

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

## 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 2024 and 31 March 2023.

## 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 (01 August 2022 to 31 July 2023) Chairman & Non-Executive Director (w.e.f. 01 August 2023)

Raamdeo Agarawal – Non Executive Director

Navin Agarwal – Non Executive Director (upto 26 April 2022)

Shalibhadra Shah – Chief Financial Officer (upto 23 January 2024)

Bhavin Shah – Chief Financial Officer (w.e.f. 24 January 2024)

## Notes to Financial Statement (Contd.)

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

Divya Momaya	–	Independent Director
Neha Gada	–	Independent Director (w.e.f. 27 October 2023)
Sukesh Bhowal	–	Chief Executive Officer w.e.f 14 June 2023 and Managing Director & Chief Executive Officer w.e.f. 27 October 2023
Ritin Mawani	–	Company Secretary (upto 24 November 2023)
Sunny Ganatra	–	Company Secretary (w.e.f. 23 January 2024)
P H Ravikumar	–	Independent Director (w.e.f. 27 October 2021)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Reimbursement of expenses by the Company</b>		
<b>Motilal Oswal Financial Services Limited</b>		
- Sundry expenses	13	12
- Rent	212	169
- Electricity expense	13	12
<b>Share based payment cost incurred by Holding Company</b>		
Motilal Oswal Financial Services Limited	0	1
Motilal Oswal Finvest Limited	–	0
<b>Loan Received</b>		
Motilal Oswal Finvest Limited	–	16,500
<b>Loan repaid</b>		
Motilal Oswal Finvest Limited	–	16,500
<b>Loan Given</b>		
Motilal Oswal Financial Services Limited	2,18,500	3,72,300
Motilal Oswal Finvest Limited	1,20,900	2,42,400
<b>Loan repayment received</b>		
Motilal Oswal Financial Services Limited	2,18,500	3,72,300
Motilal Oswal Finvest Limited	1,20,900	2,42,400
<b>Interest paid</b>		
Motilal Oswal Finvest Limited	–	16
<b>Interest Income</b>		
Motilal Oswal Financial Services Limited	1,681	1,174
Motilal Oswal Finvest Limited	478	210
<b>Payment towards collections from derecognised loan assets</b>		
Motilal Oswal Finvest Limited	11,508	6,833
<b>Business Support Charges paid</b>		
Motilal Oswal Financial Services Limited	219	219
<b>Rent Income</b>		
Motilal Oswal Financial Services Limited	16	23
<b>Remuneration paid including accrual for compensated absences *</b> <b>(including Director sitting fees)</b>		
Mr. Motilal Oswal	4	8
Mr. P H Ravikumar**	10	7
Mrs. Neha Gada**	1	
Mrs. Divya Momaya**	7	4
Mr. Sukesh Bhowal	180	–
Mr. Bhavin Shah	15	–
Mr. Sunny Gantara	3	–
*The above figures do not include provision for gratuity since it is actuarially determined for the Company as a whole.		
** Director sitting fees.		

## Notes to Financial Statement (Contd.)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Subscription of equity shares (under ESOP scheme) including premium</b>		
Mr. Shalibhadra Shah	11	6
Mr. Ritin Mawani	0	–
<b>Balance payable</b>		
Motilal Oswal Finvest Limited	3,741	413
Motilal Oswal Financial Services Limited	22	5
<b>Balance Receivable</b>		
Motilal Oswal Finvest Limited	66	36
Motilal Oswal Financial Services Limited	193	142
Motilal Oswal Wealth Management Limited	0	0
<b>Key Management personnel compensation</b>		
Short term employee benefit	4	8

### 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 2024			As at 31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Cash and cash equivalents	–	–	44,334	–	–	27,505
Bank balance other than cash and cash equivalents above	–	–	2,855	–	–	4,379
<b>Receivables</b>						
Loans	–	–	4,03,177	–	–	3,77,173
Investments	–	–	–	–	–	–
Other financial assets	–	–	1,534	–	–	1,622
<b>Total financial assets</b>	<b>–</b>	<b>–</b>	<b>4,51,899</b>	<b>–</b>	<b>–</b>	<b>4,10,679</b>
<b>Financial liabilities</b>						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	–	–	80	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	1,059	–	–	469
Debt securities	–	–	21,399	–	–	61,208
Borrowings (Other than debt securities)	–	–	2,78,025	–	–	2,27,667
Other financial liabilities	–	–	25,033	–	–	9,967
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>3,25,596</b>	<b>–</b>	<b>–</b>	<b>2,99,311</b>

## Notes to Financial Statement (Contd.)

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

### b) As at 31 March 2024

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

### As at 31 March 2023

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

### 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	<ul style="list-style-type: none"> <li>measured as the amount that could be lost if a customer or counterparty fails to make repayments;</li> <li>monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and</li> <li>managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.</li> </ul>
Liquidity risk	Debt securities, Borrowings (other than debts), trade and other payable and other financial liabilities.	<ul style="list-style-type: none"> <li>measured using a range of metrics, including liquidity coverage ratio and net stable funding ratio;</li> <li>monitored against the Company's liquidity and funding risk framework.</li> </ul>
Market risk	Long term borrowings at variable rate and loans	<ul style="list-style-type: none"> <li>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;</li> <li>managed using risk limits approved by the RMM and the risk management meeting in various global businesses.</li> </ul>

# Notes to Financial Statement (Contd.)

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

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

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

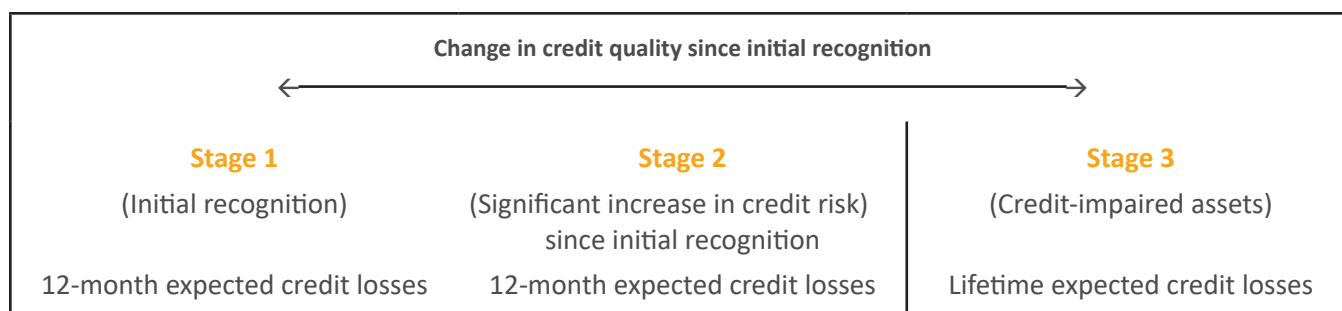
### Expected credit loss measurement

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

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

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

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



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\*

## Notes to Financial Statement (Contd.)

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

### b. Qualitative criteria:

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

- a. In short-term forbearance
- b. Direct debit cancellation
- c. Extension to the terms granted\*
- d. Previous arrears within the last [12] months

### Default and credit-impaired assets

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

#### a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (until clearance of entire overdue)

#### 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 12 Month ECL. 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

# Notes to Financial Statement (Contd..)

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

back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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

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

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

Forward-looking information : Forward- looking economic variable/assumptions used are - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on a quarterly basis. While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflations rates set by International 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.

## Notes to Financial Statement (Contd.)

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

### Modification of financial assets

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

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

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

### Note 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 2024

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	above 5 years	Total
<b>Financial assets</b>					
Cash and cash equivalents	44,334	–	–	–	44,334
Bank balance other than cash and cash equivalents above	2,525	330	–	–	2,855
Trade receivables	–	–	–	–	–
Loans	19,882	45,263	2,17,518	1,20,514	4,03,177
Investments	–	–	–	–	–
Other financial assets	160	481	892	–	1,534
<b>Total financial assets</b>	<b>66,901</b>	<b>46,074</b>	<b>2,18,410</b>	<b>1,20,514</b>	<b>4,51,899</b>
<b>Financial liabilities</b>					
(I) Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	80	–	–	–	80
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	205	854	–	–	1,059
Debt securities*	–	21,500	–	–	21,500
Borrowings (Other than debt securities)*	9,591	38,146	1,61,617	69,986	2,79,340
Other financial liabilities	16,831	7,650	522	31	25,033
<b>Total financial liabilities</b>	<b>26,706</b>	<b>68,150</b>	<b>1,62,138</b>	<b>70,017</b>	<b>3,27,012</b>

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

## Notes to Financial Statement (Contd.)

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

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
<b>Financial assets</b>					
Cash and cash equivalents	27,505	–	–	–	27,505
Bank balance other than cash and cash equivalents above	4,043	335	–	–	4,379
Loans	7,595	26,090	1,21,934	2,21,554	3,77,173
Investments	–	–	–	–	–
Other financial assets	272	816	534	–	1,622
<b>Total financial assets</b>	<b>39,415</b>	<b>27,241</b>	<b>1,22,469</b>	<b>2,21,554</b>	<b>4,10,679</b>
<b>Financial liabilities</b>					
Payables					
(l) 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
<b>Total financial liabilities</b>	<b>45,997</b>	<b>39,970</b>	<b>1,54,026</b>	<b>60,555</b>	<b>3,00,548</b>

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

### (C) Market Risk

Company's exposure to market risk i.e. risk that fair value for future cash flow of financial instruments will be effected due to change in market variable such as interest rate.

#### (i) Foreign currency risk

The company has foreign currency exposure, however same is not exposed to risk as it is fully hedged with AD Cat-I bank.

#### (ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings and loans with variable rates, which expose the company to cash flow interest rate risk. The company is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Company tries to mitigate this risk by taking all positive measures which can boost profitability and 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 in mainly towards borrowings and loan assets.

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

## Notes to Financial Statement (Contd.)

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	As at 31 March 2024	As at 31 March 2023
<b>Loans</b>		
Interest rates - increase by 100 basis points	1,920	2,289
Interest rates - decrease by 100 basis points	(1,920)	(2,289)
<b>Borrowings</b>		
Interest rates - increase by 100 basis points	(1,726)	(2,087)
Interest rates - decrease by 100 basis points	1,726	2,087

### (iii) Exposure of price risk

The Company is not exposed to price risk as it does not have any significant exposure to financial instruments susceptible to changes in market price.

### Note 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 2024	31 March 2023
Number of pools	1	1
Carrying amount of transferred assets measured at amortised cost	9,508	11,584
Carrying amount of associated liabilities	(9,508)	(11,584)

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 and stressed loans

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 for the period indicated:

There is no direct assignment transaction transferred during the year ended 31 March 2024 & 31 March 2023.

## Notes to Financial Statement (Contd.)

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

**b) with respect to Direct Assignment transaction acquired for the period indicated:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Number of loans	100	71
Aggregate Amount	1073	807
Purchase consideration	1073	807
Number of transactions	1	1
Weighted average remaining maturity (in months)	113 Months	154 Months
Weighted average holding period after origination (in months)	8 Months	26 Months
Retention of beneficial economic interest (average)	NA	NA
Coverage of tangible security coverage	NA	NA
Rating wise distribution of related loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

**c) with respect to details of stressed loan transferred for the period indicated:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Number of accounts	434	1,319
Aggregate principal outstanding of loans transferred	2,370	8,403
Weighted average residual tenor of the loans transferred	262 Months	252 Months
Net book value of loans transferred (at the time of transfer)	1706	6047
Retention of beneficial economic interest	–	–
Aggregate consideration	1,670	5,887
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	21,471	370	89	1,495	20,941
Total	21,471	370	89	1,495	20,941

\* 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 (Contd.)

(All amounts are in ₹ 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)
<b>Performing Assets</b>						
Standard	Stage 1	3,98,534	3,476	3,95,058	3,282	194
	Stage 2	7,224	1,191	6,033	275	916
<b>Subtotal</b>		<b>4,05,759</b>	<b>4,667</b>	<b>4,01,092</b>	<b>3,557</b>	<b>1,110</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	2,878	1,132	1,746	400	732
Doubtful - up to 1 year	Stage 3	614	345	269	135	210
1 to 3 years	Stage 3	197	111	86	64	47
More than 3 years	Stage 3	82	114	(32)	61	52
<b>Subtotal for doubtful</b>		<b>893</b>	<b>569</b>	<b>323</b>	<b>260</b>	<b>309</b>
Loss	Stage 3	42	52	(10)	41	11
<b>Subtotal for NPA</b>		<b>3,812</b>	<b>1,753</b>	<b>2,059</b>	<b>701</b>	<b>1,052</b>
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	60,161	80	60,081	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>60,161</b>	<b>80</b>	<b>60,081</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	4,58,695	3,556	4,55,139	3,282	274
	Stage 2	7,224	1,191	6,033	275	916
	Stage 3	3,812	1,753	2,059	701	1,052
	<b>Total</b>	<b>4,69,732</b>	<b>6,500</b>	<b>4,63,231</b>	<b>4,258</b>	<b>2,242</b>

\* 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 2024	31 March 2023
Percentage of total assets towards Housing Finance (net of intangible assets)	67.55%	69.85%
Percentage of total assets towards Housing Finance for Individual (net of intangible assets)	58.21%	61.87%

## Notes to Financial Statement (Contd.)

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

### 50.2 Capital

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)*	51.00%	50.94%
CRAR - Tier I Capital (%)	49.75%	49.81%
CRAR - Tier II Capital (%)	1.25%	1.13%
Amount of subordinated debt raised as Tier - II Capital	–	–
Amount raised by issue of perpetual debt Instruments	–	–

\* CRAR (%) as at 31 March 2024 & 31 March 2023, is shown as per NHB prudential norms.

### 50.3 Exposure to Real estate sector

Category	As at 31 March 2024	As at 31 March 2023
<b>a) Direct exposure</b>		
<b>(i) Residential mortgage:</b>		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	3,40,778	3,12,422
<b>(ii) Commercial real estate:</b>	–	–
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;	64,058	68,120
<b>(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:</b>		
(a) Residential	–	–
(b) Commercial real estate	–	–
<b>b) Indirect exposure</b>		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	–	–
<b>Total Exposure to Real Estate Sector</b>	<b>4,04,836</b>	<b>3,80,542</b>

### 50.4 Penalty

Particulars	As at 31 March 2024	As at 31 March 2023
Penalty levied by NHB/RBI	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

### 50.5 Adverse comments

Particulars	As at 31 March 2024	As at 31 March 2023
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 loans granted against collateral of gold jewellery as at 31st March 2024 & 31st March 2023.

## Notes to Financial Statement (Contd.)

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

### 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 2024	As at 31 March 2023
(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	9,508	11,584
(III) Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
(a) Off-balance sheet exposure	–	–
• First loss		
• Others		
(b) On-balance sheet exposures	2,525	2,506
• 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”		

## Notes to Financial Statement (Contd.)

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

### 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.

#### 50.8 Disclosure on loans not in default that are transferred or acquired

Particulars	Amount
Weighted average maturity	113 Months
Weighted average holding period	8 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 acquired	–
(ii) Acquired through assignment	1073
(iii) Novation and loan participation	–

#### 50.9 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	434
Aggregate principal outstanding of loans transferred	2,370
Weighted average residual tenor of the loans transferred	262 Months
Net book value of loans transferred (at the time of transfer)	1,706
Aggregate consideration	1,670
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	–	–

## Notes to Financial Statement (Contd..)

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

### 50.10 Maturity pattern of certain items of asset and liabilities - As at 31 March 2024

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
<b>Liabilities</b>											
Deposits											–
Borrowings from banks	301	(0)	417	1,753	6,511	9,113	19,917	67,778	50,061	24,977	1,80,828
Market Borrowings	–	36	–	536	37	2,450	25,800	17,089	14,008	17,496	77,452
Foreign Currency Liabilities	–	–	–	–	–	755	1,510	6,107	6,574	26,198	41,144
<b>Assets</b>											–
Advances	4,127	3,063	2,242	5,222	5,227	15,245	30,017	1,28,094	89,424	1,20,514	4,03,177
Investments											–
Foreign Currency Asset											–

### 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
<b>Liabilities</b>											
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
<b>Assets</b>											–
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											–

### 50.11 Public Disclosure for year/quarter ended March 31, 2024

#### 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	20	2,90,302	NA	88.91%

#### ii) Top 20 large deposits (% of total deposits)

Sr. no.	Description	Amount	% of Total deposits
1	Total for Top 20 large deposits	NA	NA

## Notes to Financial Statement (Contd..)

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

### iii) Top 10 borrowings (% of total borrowings)

S r. no.	Type of instrument	Amount	% of Total borrowings
1	Total for Top 10 borrowings	2,30,290	76.55%

### iv) Funding Concentration based on significant instrument/product

S r. no.	Name of instrument/product	Amount	% of Total Liabilities
1	Term loans from banks	1,74,604	53.48%
2	Term loans from Securitization	9,508	2.91%
3	Term loans from NHB Refinance	43,546	13.34%
4	Unsecured redeemable non-convertible debentures	21,500	6.59%
5	External Commercial Borrowings	41,144	12.60%
	Total funding Concentration pertaining to significant instruments/products	2,90,302	
	Funding Concentration pertaining to insignificant instruments/products	10,538	3.23%
	Total borrowings under all instruments/products	3,00,840	

### v) Stock Ratios

S r. 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	69,237	NA	21.21%	15.21%

### 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 ₹ Lakhs, unless otherwise stated)

S I . Types of Restructuring	Others				Total						
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY (opening figures)*										
	No. of borrowers	4,643	447	14	–	5,104	4,643	447	14	–	5,104
	Amount outstanding	24,031	2,045	63	–	26,139	24,031	2,045	63	–	26,139
	Provision thereon	2,997	926	44	–	3,966	2,997	926	44	–	3,966
2	Fresh restructuring during the year										
	No. of borrowers	–	–	–	–	–	–	–	–	–	–
	Amount outstanding	–	–	–	–	–	–	–	–	–	–
	Provision thereon	–	–	–	–	–	–	–	–	–	–
3	Upgradations to restructured standard category during the FY										
	No. of borrowers	178	–	–	–	178	178	–	–	–	178
	Amount outstanding	799	–	–	–	799	799	–	–	–	799
	Provision thereon	91	–	–	–	91	91	–	–	–	91
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY										
	No. of borrowers	–	–	–	–	–	–	–	–	–	–
	Amount outstanding	–	–	–	–	–	–	–	–	–	–
	Provision thereon	–	–	–	–	–	–	–	–	–	–
5	Downgradation of restructured accounts during the FY										
	No. of borrowers	180	76	–	–	256	180	76	–	–	256
	Amount outstanding	823	281	–	–	1,104	823	281	–	–	1,104
	Provision thereon	367	178	–	–	545	367	178	–	–	545
6	Write-offs of restructured accounts during the FY										
	No. of borrowers	–	–	–	–	–	–	–	–	–	–
	Amount outstanding	–	–	–	–	–	–	–	–	–	–
	Provision thereon	–	–	–	–	–	–	–	–	–	–
7	Restructured Accounts as on March 31 of the FY (closing figures*)										
	No. of borrowers	4,155	194	83	1	4,433	4,155	194	83	1	4,433
	Amount outstanding	20,941	862	306	16	22,125	20,941	862	306	16	22,125
	Provision thereon	2,636	367	195	24	3,222	2,636	367	195	24	3,222

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

**Note** There are no cases which are restructured under CDR mechanism & under SME debt restructuring mechanism.

## Notes to Financial Statement (Contd.)

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

### 50.13 Credit Default Swaps (CDS)

S. No	Particulars	Amount
1	No. of transactions during the year	–
2	Amount of protection bought during the year	–
3	No. of transactions where credit event payment was received during the year	–
a	Pertaining to current year's transactions	–
b	Pertaining to previous year(s)' transactions	–
4	Outstanding transactions as on March 31, 2024	–
a	No. of Transactions	–
b	Amount of protection	–
5	Net income / profit (expenditure / loss) in respect of CDS transactions during year-to-date	–
a	Premium paid	–
b	Credit event payments received (net of value of deliverable obligation).	–

### 50.14 Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	As at 31 March 2024	As at 31 March 2023
Net profit/Loss for the period	13,252.36	13,636.17
Impact of prior period items on current year's profit:		
Prior Period Tax*	(2.00)	(12.72)
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

### 50.15 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Provisions for depreciation on investment	–	–
2. Provisions for bad and doubtful debts (Including standard provision)	(580)	(1,454)
3. Provisions made towards income tax	3,876	3,919
4. Provisions towards NPAs	(269)	(561)
5. Provisions for standard assets	(312)	(893)
6. Other provision and contingencies	–	–
Gratuity	104	97
Compensated absence	46	5
Heritage Club	28	16
Provision for expenses	99	140

Break up of Loans & Advances & Provisions thereon	As at 31 March 2024	
	Housing Loans	Non-Housing Loans
<b>Standard Asset</b>		
Principal outstanding	302,682	98,633
Overdue principal	36	14
Interest accrued	3,199	1,195
<b>Total Outstanding Amount</b>	<b>305,917</b>	<b>99,843</b>
Provisions made	3,765	981

## Notes to Financial Statement (Contd.)

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

Break up of Loans & Advances & Provisions thereon	As at 31 March 2024	
	Housing Loans	Non-Housing Loans
<b>Sub-standard assets</b>		
Principal outstanding	2,040	566
Overdue principal	47	15
Interest accrued	176	34
<b>Total Outstanding Amount</b>	<b>2,263</b>	<b>615</b>
Provisions made	932	200
<b>Doubtful assets- Category I</b>		
Principal outstanding	417	85
Overdue principal	30	9
Interest accrued	65	8
<b>Total Outstanding Amount</b>	<b>512</b>	<b>102</b>
Provisions made	300	44
<b>Doubtful assets- Category II</b>		
Principal outstanding	126	10
Overdue principal	22	2
Interest accrued	36	1
<b>Total Outstanding Amount</b>	<b>185</b>	<b>12</b>
Provisions made	108	3
<b>Doubtful assets- Category III</b>		
Principal outstanding	43	2
Overdue principal	15	1
Interest accrued	21	–
<b>Total Outstanding Amount</b>	<b>79</b>	<b>3</b>
Provisions made	111	3
<b>Loss assets</b>		
Principal outstanding	–	41
Overdue principal	–	0
Interest accrued	–	1
<b>Total Outstanding Amount</b>	<b>–</b>	<b>42</b>
Provisions made	–	52
<b>Total</b>		
Principal outstanding	305,307	99,337
Overdue principal	151	40
Interest accrued	3,497	1,239
<b>Total Outstanding Amount</b>	<b>308,955</b>	<b>100,616</b>
Provisions made	5,216	1,283

## Notes to Financial Statement (Contd.)

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

Break up of Loans & Advances & Provisions thereon	As at 31 March 2023	
	Housing Loans	Non-Housing Loans
<b>Standard Asset</b>		
Principal outstanding	284,635	91,756
Overdue principal	46	13
Interest accrued	2,992	983
<b>Total Outstanding Amount</b>	<b>287,673</b>	<b>92,752</b>
Provisions made	3,589	1,477
<b>Sub-standard assets</b>		
Principal outstanding	2,318	1,170
Overdue principal	42	14
Interest accrued	131	51
<b>Total Outstanding Amount</b>	<b>2,492</b>	<b>1,236</b>
Provisions made	1,120	479
<b>Doubtful assets- Category I</b>		
Principal outstanding	189	51
Overdue principal	19	3
Interest accrued	37	5
<b>Total Outstanding Amount</b>	<b>245</b>	<b>58</b>
Provisions made	156	39
<b>Doubtful assets- Category II</b>		
Principal outstanding	233	12
Overdue principal	39	2
Interest accrued	71	1
<b>Total Outstanding Amount</b>	<b>343</b>	<b>15</b>
Provisions made	216	3
<b>Doubtful assets- Category III</b>		
Principal outstanding	–	–
Overdue principal	–	–
Interest accrued	–	–
<b>Total Outstanding Amount</b>	<b>–</b>	<b>–</b>
Provisions made	–	–
<b>Loss assets</b>		
Principal outstanding	–	–
Overdue principal	–	–
Interest accrued	–	–
<b>Total Outstanding Amount</b>	<b>–</b>	<b>–</b>
Provisions made	–	–
<b>Total</b>		
Principal outstanding	287,375	92,989
Overdue principal	146	32
Interest accrued	3,231	1,040
<b>Total Outstanding Amount</b>	<b>290,753</b>	<b>94,061</b>
Provisions made	5,082	1,998

## Notes to Financial Statement (Contd.)

(All amounts are in ₹ 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 2024	1.96 times
Net Debt-to-Equity Ratio as at 31 March 2023	2.24 times

Net Debt represents the Total Debt securities and Borrowings, as reduced by cash and cash equivalents and other bank balances as at year end.

Equity represents the Total equity as disclosed in the financials as at year end.

### (ii) Analytical Ratios

Following analytical ratios need to be disclosed:

	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% Variances	Reason for variances (if above 25%)
(i) Capital to risk-weighted asset ratio (CRAR)	1,24,672	2,44,472	51.00%	50.94%	0.12%	NA
(ii) Tier I CRAR	1,21,616	2,44,472	49.75%	49.81%	(0.12%)	NA
(iii) Tier II CRAR	3,056	2,44,472	1.25%	1.13%	10.64%	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 2024 and 31 March 2023.

### 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.

# Notes to Financial Statement (Contd.)

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

## Note 55:

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 2024 and 31 March 2023.

## Note 56:

The Company have no satisfaction of charges which are pending to be filed with ROC.

## Note 57: Amendments issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. At March 31, 2024, there are no notification issued by the MCA with respect to applicability of any new standard or amendments to the existing standards, which are applicable from April 1, 2024.

## 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

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

sd/-  
**Sameer Mahajan**  
Partner  
Membership No: 123266

sd/-  
**Motilal Oswal**  
Chairman & Non-Executive Director  
DIN: 00024503

sd/-  
**Sukesh Bhowal**  
Managing Director & CEO  
DIN: 10242971

sd/-  
**Bhavin Shah**  
Chief Financial Officer

sd/-  
**Sunny Ganatra**  
Company Secretary

Place: Mumbai  
Date: 25th April 2024

Place: Mumbai  
Date: 25th April 2024

# Annexure 1 to the financial statements

(All amounts are in ₹ crore, unless otherwise stated)

## ANNEXURE 1 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### I Disclosures pursuant to Reserve Bank of India (RBI) Master Direction–Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023

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 and RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, issued by the RBI (as amended time to time) 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 2024	As at 31 March 2023
(i) Loans as per IGAAP	4,048.36	3,805.42
(ii) Unamortized upfront income / expense- IND AS Adjustment	0.45	(5.60)
(iii) Loans to related parties Standard assets (considered good)		
(iv) Overdue Interest and Interest accrued on loans	47.36	42.71
<b>Total Loans (i) + (ii) + (iii) + (iv)</b>	<b>4,096.16</b>	<b>3,842.53</b>
less : Impairment loss allowance	(65.00)	(70.80)
<b>Loans as per IND AS</b>	<b>4,031.16</b>	<b>3,771.73</b>

#### 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 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	19.99	15.84
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	79.83	56.70
<b>Total</b>	<b>99.82</b>	<b>72.54</b>
<b>Addition / appropriation / withdrawals during the year</b>		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	8.89	4.14
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	17.61	23.13

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Less:</b>		
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.	–	–
<b>Balance at the end of the year</b>		
a) Statutory reserve under Section 29C of The National Housing Bank Act, 1987	28.88	19.99
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.	97.44	79.83
<b>Total</b>	<b>126.32</b>	<b>99.82</b>

### 2.3 Investment

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(a) Value of Investments</b>		
(I) Gross value of investments		
(a) In India	–	–
(b) Outside India	–	–
(II) Provisions for Depreciation		
(a) In India	–	–
(b) Outside India	–	–
(III) Net value of investments		
(a) In India	–	–
(b) Outside India	–	–
<b>(b) Movements of provisions held towards depreciation on investments</b>		
(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 2024	As at 31 March 2023
(I) The notional principal of swap agreements	411.44	244.30
(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 (MTM) of the swap book	(7.26)	(6.68)

\* The counterparty for Swap agreement entered is a Schedule Commercial Bank.

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 2.4.2 Exchange Traded Interest Rate (IR) Derivative.

Particulars	As at 31 March 2024	As at 31 March 2023
(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, 2024 (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 2024	As at 31 March 2023
(I) Derivatives (Notional Principal Amount)	411.44	244.30
(II) Marked to Market Positions (1)		
(a) Assets	Nil	Nil
(b) Liability	(7.26)	(6.68)
(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. 50.10 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 2024	As at 31 March 2023
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds ‘does not fully cover the advances;	–	–

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(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		
<b>Total Exposure to Capital Market</b>	<b>–</b>	<b>–</b>

### 2.6.3. Details of financing of parent company products

Particulars	As at 31 March 2024	As at 31 March 2023
Details of financing of parent company products	–	–

### 2.6.4. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

There company has not lent to any borrower exceeding the single/group borrower limit

### 2.6.5. Unsecured Advances

Particulars	As at 31 March 2024	As at 31 March 2023
Amount of unsecured advances given against rights, licenses, authorisations etc.	–	–

### 2.6.6. Exposure to group companies engaged in real estate business

Description	31 March 2024	
	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	–	–

Description	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 (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
1	Borrowings - Received	Motilal Oswal Financial Services Limited	-	-	-	-	-	-	-	-
	Borrowings - Received	Motilal Oswal Finvest Limited	-	-	-	-	-	165.00	-	165.00
	Borrowings - Maximum Outstanding during the year	Motilal Oswal Financial Services Limited	-	-	-	-	-	-	-	-
	Borrowings - Maximum Outstanding during the year	Motilal Oswal Finvest Limited	-	-	-	-	-	115.00	-	115.00
2	Borrowings paid	Motilal Oswal Financial Services Limited	-	-	-	-	-	-	-	-
	Borrowings paid	Motilal Oswal Finvest Limited	-	-	-	-	-	165.00	-	165.00
3	Deposits	-	-	-	-	-	-	-	-	-
4	Placement of deposits	-	-	-	-	-	-	-	-	-
5	Advances - Given	Motilal Oswal Financial Services Limited	2,185.00	3,723.00	-	-	-	-	2,185.00	3,723.00
	Advances - Given	Motilal Oswal Finvest Limited	-	-	-	-	1,209.00	2,424.00	1,209.00	2,424.00
	Advance - Maximum Outstanding during the year	Motilal Oswal Financial Services Limited	200.00	213.00	-	-	-	-	200.00	213.00

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

S . No.	Items	Related Party	*Parent (as per ownership or control)		#Key Management Personnel		**Others		Total	
			31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Advance - Maximum Outstanding during the year	Motilal Oswal Finvest Limited	-	-	-	-	195.00	200.00	195.00	200.00
6	Advances received	Motilal Oswal Financial Services Limited	2,185.00	3,723.00	-	-	-	-	2,185.00	3,723.00
	Advances received	Motilal Oswal Finvest Limited	-	-	-	-	1,209.00	2,424.00	1,209.00	2,424.00
7	Investments	-	-	-	-	-	-	-	-	-
8	Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-
9	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
10	Amount payable	Motilal Oswal Financial Services Limited	0.22	0.05	-	-	-	-	0.22	0.05
	Amount payable	Motilal Oswal Finvest Limited	-	-	-	-	37.41	4.13	37.41	4.13
11	Amount Receivable	Motilal Oswal Financial Services Limited	1.93	1.42	-	-	-	-	1.93	1.42
	Amount Receivable	Motilal Oswal Finvest Limited	-	-	-	-	0.66	0.36	0.66	0.36
	Amount Receivable	Motilal Oswal Wealth Management Limited	-	-	-	-	0.00	0.00	0.00	0.00
12	Interest paid	Motilal Oswal Financial Services Limited	-	-	-	-	-	-	-	-
	Interest paid	Motilal Oswal Finvest Limited	-	-	-	-	-	0.16	-	0.16
13	Interest received	Motilal Oswal Financial Services Limited	16.81	11.74	-	-	-	-	16.81	11.74
	Interest received	Motilal Oswal Finvest Limited	-	-	-	-	4.78	2.10	4.78	2.10
14	Others - Income	Motilal Oswal Financial Services Limited	0.16	0.23	-	-	-	-	0.16	0.23
15	Others - Expense	Motilal Oswal Financial Services Limited	4.57	4.14	-	-	-	-	4.57	4.14
	Others - Expense	Motilal Oswal Finvest Limited	-	-	-	-	-	0.00	-	0.00
	Others - Expense	Motilal Oswal Wealth Management Limited	-	-	-	-	-	-	-	-
	Others - Expense	Mr. Shalibhadra Shah	-	-	0.11	0.06	-	-	0.11	0.06
	Others - Expense	Mr. Ritin Mawani	-	-	0.00	-	-	-	0.00	-
	Others - Expense	Mr. Sukesh Bhowal	-	-	1.80	-	-	-	1.80	-

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

S . No.	Items	Related Party	*Parent (as per ownership or control)		#Key Management Personnel		**Others		Total	
			31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Others - Expense	Mr. Bhavin Shah	–	–	0.15	–	–	–	0.15	–
	Others - Expense	Mr. Sunny Gantara	–	–	0.03	–	–	–	0.03	–
16	Payment towards collections from derecognised loan assets	Motilal Oswal Finvest Limited	–	–	–	–	115.08	68.33	115.08	68.33

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

- Shalibhadra Shah – Chief Financial Officer (upto 23 january 2024)
- Sukesh Bhowal – Chief Executive Officer w.e.f 14 June 2023 and Managing Director & Chief Executive Officer w.e.f. 27 October 2023
- Bhavin Shah – Chief Financial Officer (w.e.f. 24 January 2024)
- Sunny Ganatra – Company Secretary (w.e.f. 23 January 2024)
- Ritin Mawani – Company Secretary (upto 24 November 2023)

### Disclosures for directors and relatives of directors

S . No.	Items	Related Party	*Directors		Relatives of Directors	
			31 March 2024	31 March 2023	31 March 2024	31 March 2023
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. Motilal Oswal	0.04	0.08	–	–
	Others	Mr. P H Ravikumar	0.10	0.07	–	–
	Others	Mrs. Neha Gada	0.01	–	–	–
	Others	Mrs. Divya Momaya	0.07	0.04	–	–

Refer Note 41 of the financial statement

\* Director includes

- Motilal Oswal – Chairman & Interim Managing Director (01 August 2022 to 31 July 2023) Chairman & Non-Executive Director (w.e.f. 01 August 2023)

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

- b. Raamdeo Agarawal – Non Executive Director
- c. Navin Agarwal – Non Executive Director (upto 26 April 2022)
- d. Divya Momaya – Independent Director
- e. P H Ravikumar – Independent Director (w.e.f. 27 October 2021)
- g. Neha Gada – Independent Director (w.e.f. 27 October 2023)
- h. Sukesh Bhowal – Chief Executive Officer w.e.f 14 June 2023 and Managing Director & Chief Executive Officer w.e.f. 27 October 2023

### Loans to Directors, Senior Officers and relatives of Directors

S r. No.	Particulars	Amount	
		As at 31 March 2024	As at 31 March 2023
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.

### 3.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Nature of Borrowing	31 March 2024		
	Credit Rating / Outlook		
	CRISIL	India Ratings	ICRA
<b>Short Term</b>			
Commercial paper	CRISIL A1+		[ICRA]A1+
<b>Long Term</b>			
Non-Convertible Debentures	CRISIL AA /Stable	IND AA / Stable	[ICRA] AA (Stable)
Bank Borrowings	CRISIL AA / Stable	IND AA / Stable	–

Nature of Borrowing	31 March 2023		
	Credit Rating / Outlook		
	CRISIL	India Ratings	ICRA
<b>Short Term</b>			
Commercial paper	CRISIL A1+		[ICRA]A1+
<b>Long Term</b>			
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	–

### 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.

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 3.8 Net Profit or Loss for the period, prior period items and changes in accounting policies

Description	As at 31 March 2024 Amount	As at 31 March 2023 Amount
Net profit/Loss for the period	132.52	136.36
<b>Impact of prior period items on current year's profit:</b>		
Prior Period Tax*	(0.02)	(0.13)
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 2024 & 31st March 2023.

### 3.10 Consolidated Financial Statements (CFS)

MOHFL has no subsidiary as on date.

### 3.11 Information for area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries

Description	As at 31 March 2024	As at 31 March 2023
Area	–	–
Country of operation	–	–
Partners of Joint Venture	–	–
Overseas subsidiaries	–	–

## 4 Additional Disclosures

### 4.1 Draw Down from Reserves

There were no draw down from Reserves during FY 2023-2024.

### 4.2 Concentration of Public Deposits, Advances, Exposures and NPAs

#### 4.2.1 Concentration of Public Deposits

Particulars	As at 31 March 2024	As at 31 March 2023
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

#### 4.2.2 Concentration of Loans & Advances

Particulars	As at 31 March 2024	As at 31 March 2023
Total Loans & Advances to twenty largest borrowers	604.78	598.24
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	14.94%	15.72%

#### 4.2.3 Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to twenty largest borrowers / customers	955.68	775.24
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	20.55%	18.99%

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 4.2.4 Concentration of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to top ten NPA accounts	2.01	2.42

### 4.2.5 Sector-wise NPA

Sector	As at 31 March 2024	As at 31 March 2023
<b>A. Housing Loans: (in %) ( out of total advances in that sector)</b>		
(I) Individuals	1.04%	1.11%
(II) Builders / Project Loans		
(III) Corporates		
(IV) Others (Specify)		
<b>B. Non - Housing Loans: (in %) ( out of total advances in that sector)</b>		
(I) Individuals	0.94%	1.19%
(II) Builders / Project Loans		
(III) Corporates		
(IV) Others (Specify) - Commercial Real Estate (CRE)		7.74%

### 4.3 Movement of NPAs.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(I) Net NPAs to Net Advances (%) *</b>	0.57%	0.73%
<b>(II) Movement of Gross NPAs</b>		
(a) Opening Balance	40.92	57.25
(b) Additions during the year (excluding write off's)	25.01	34.54
(c) Reduction during the year (excluding write off's)	31.23	50.87
(d) Closing balance	34.70	40.92
<b>(III) Movement of Net NPAs</b>		
(a) Opening Balance	20.79	31.51
(b) Additions during the year (excluding write off's)	14.12	18.91
(c) Reduction during the year (excluding write off's)	17.74	29.63
(d) Closing balance	17.17	20.79
<b>(IV) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening Balance	20.14	25.75
(b) Provisions made during the year (excluding write off's)	10.89	15.63
(c) Write off/ write back of excess provision	13.49	21.24
(d) Closing balance	17.53	20.14

\* 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.

### 4.4 Overseas Assets (for those with joint ventures & subsidiaries abroad)

Nil

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 4.5 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)-

Name of the SPV sponsored	As at 31 March 2024	As at 31 March 2023
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	Amount	
	As at 31 March 2024	As at 31 March 2023
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.

### 12 Divergence in Asset Classification and Provisioning

Particulars	Amount
Gross NPAs as on March 31, 2024 as reported by the company	–
Gross NPAs as on March 31, 2024 as assessed by the NHB	–
Divergence in Gross NPAs (2-1)	–

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

Particulars	Amount
Net NPAs as on March 31, 2024 as reported by the company	–
Net NPAs as on March 31, 2024 as assessed by NHB	–
Divergence in Net NPAs (5-4)	–
Provisions for NPAs as on March 31, 2024 as reported by the company	–
Provisions for NPAs as on March 31, 2024 as assessed by NHB	–
Divergence in provisioning (8-7)	–
Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	–
Reported Net Profit after Tax (PAT) for the year ended March 31, 2024	–
Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 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 2024 & 31st March 2023

### 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 2024 & 31st March 2023

### 14 Contingent Provisions against Standard Assets.

There is no contingent provisions against standard asset for the year ended on 31st March 2024 & 31st March 2023

### 15 Participation in Currency Options & Currency futures

There is no transaction undertaken during year ended on 31st March 2024 & 31st March 2023

### 16 Disclosure Requirement on Perpetual Debt Instruments (PDI)

Sr. No.	Particulars	Amount (₹ in crore)
1	Amount of funds raised through PDI during the year	NIL
2	Outstanding at the close of the financial year	NIL
3	Percentage of the amount of PDI of the amount of its Tier 1 capital	NIL
4	Mention the financial year in which interest on PDI has not been paid in accordance with paragraph 1.8 of the directions	NIL

### 17 Details of auctions conducted during the financial year in case of loans granted against collateral of gold jewellery

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.

### 18 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 2024 & 31st March 2023.

## 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. 46 and 50.7 to Financial Statements.

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ 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. 50.8 & 50.9 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 2024	As at 31 March 2023
Amount of Fraud outstanding at the end of the year	27.15	26.94

#### 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, 2024 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, 2024 pursuant to Paragraph 3 of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies mentioned in Note No. 50.11 of Financial Statements

## 19 Disclosure of Complaints

### 19.1 Customer Complaints.

Summary information on complaints received by the company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024	As at 31 March 2023
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	353	183
3) No. of complaints redressed during the year	353	183
3.1) Of which, number of complaints rejected by the company	–	–
4) No. of complaints pending at the end of the year	–	–
<b>Maintainable complaints received by the company from Office of Ombudsman</b>		
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	–	–
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)	–	–

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 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.

### 19.2 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
<b>As at 31 March 2024</b>					
Builder related	–	142	1675%	–	–
FCL And LOD	–	42	(9%)	–	–
Collection Follow Up	–	38	31%	–	–
Foreclosed Original Documents	–	18	80%	–	–
ROI	–	18	(10%)	–	–
Other	–	95	58%	–	–
<b>Total</b>	–	<b>353</b>	<b>93%</b>	–	–
<b>As at 31 March 2023</b>					
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%	–	–
<b>Total</b>	–	<b>183</b>	<b>9%</b>	–	–

### 20 Sectoral exposure

Sectors	As at 31 March 2024			As at 31 March 2023		
	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	1,069.16	–	0.00%	898.20	5.65	0.63%
<b>Total of Services</b>	<b>1,069.16</b>	<b>–</b>	<b>0.00%</b>	<b>898.20</b>	<b>5.65</b>	<b>0.63%</b>
4. Personal Loans						
i. Housing Loans	2,781.17	27.40	0.99%	2,595.84	28.40	1.09%
ii. Non Housing Loan	799.63	7.30	0.91%	588.55	6.87	1.17%
<b>Total of Personal Loans (i+ii)</b>	<b>3,580.80</b>	<b>34.70</b>	<b>0.97%</b>	<b>3,184.39</b>	<b>35.28</b>	<b>1.11%</b>

\* Total exposure includes undrawn committed sanctions to borrowers.

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

### 21. Schedule to Motilal Oswal Home Finance Ltd. Balance Sheet as at 31st March 2024.

Particulars		Amount (₹ in crore)	
		Amount outstanding	Amount overdue
<b>Liabilities side</b>			
<b>(1)</b>	<b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>		
(a)	Debtures : Secured	–	–
	Debtures : Unsecured	213.99	–
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	–	–
(c)	Term Loans	2,780.25	–
(d)	Inter-corporate loans and borrowing	–	–
(e)	Commercial Paper	–	–
(f)	Public Deposits*	–	–
(g)	Other Loans (specify nature)	–	–
	* Please see Note 1 below		
<b>(2)</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a)	In the form of Unsecured debtures	–	–
(b)	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	–	–
(c)	Other public deposits	–	–
	* Please see Note 1 below		
<b>Assets side</b>			<b>Amount outstanding</b>
<b>(3)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a)	Secured		4,096.15
(b)	Unsecured		0.61
<b>(4)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:</b>		
(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 asset financing activities		
(a)	Loans where assets have been repossessed		–
(b)	Loans other than (a) above		–
<b>(5)</b>	<b>Break-up of Investments</b>		
	<b>Current Investments</b>		
1.	<u>Quoted</u>		
(i)	Shares		
(a)	Equity		–
(b)	Preference		–
(ii)	Debtures and Bonds		–
(iii)	Units of mutual funds		–

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

Particulars		Amount (₹ in crore)	
		Amount outstanding	Amount overdue
	(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)		–
	–		
<b>Long Term investments</b>			
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)		–

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**  
(Please see Note 2 below)

Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	<b>Related Parties **</b>			
	(a) Subsidiaries	–	–	–
	(b) Companies in the same group	–	–	–
	(c) Other related parties	–	–	–
2.	Other than related parties	4,096.15	0.61	4,096.76
	<b>Total</b>	<b>4,096.15</b>	<b>0.61</b>	<b>4,096.76</b>

## Annexure 1 to the financial statements (Contd..)

(All amounts are in ₹ crore, unless otherwise stated)

<b>(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> (Please see Note 3 below)				
<b>Category</b>			<b>Market Value /Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
1.	Related Parties **			
	(a)	Subsidiaries	–	–
	(b)	Companies in the same group	–	–
	(c)	Other related parties	–	–
2.	Other than related parties		–	–
	<b>Total</b>		–	–
** As per applicable Accounting Standard (Please see Note 3)				
<b>(8) Other information</b>				
	<b>Particulars</b>			<b>Amount</b>
(i)	Gross Non-Performing Assets			
	(a)	Related parties		
	(b)	Other than related parties		34.70
(ii)	Net Non-Performing Assets			
	(a)	Related parties		
	(b)	Other than related parties		17.17
(iii)	Assets acquired in satisfaction of debt			–

### Notes:

- As defined in Paragraph 4.1.30 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“The Directions”).
- Provisioning norms shall be applicable as prescribed in the Directions.
- As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

---

# **Motilal Oswal Finvest Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' 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, 2024, 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, 2024, 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
<b>Information Technology system for the financial reporting process</b>	<b>Principal audit procedures performed</b>
<p>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.</p> <p>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.</p>	<p>Our key audit procedures were relying on the work carried out by the IT specialists audit team, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• For deficiencies identified if any by the IT specialist, specialist team tested compensating controls or performed alternative procedures.</li> </ul>

## Independent Auditors' Report (Contd..)

Key audit matter	Auditor's Response
<p><b>Impairment of loans</b></p> <p>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:</p> <p>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.</p> <p>b) Staging of loans and estimation of behavioral life.</p> <p>c) Estimation of expected loss from historical observations.</p> <p>d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>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,</li> <li>The segmentation of financial assets when their ECL is assessed on a collective basis,</li> <li>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</li> <li>Assessment of qualitative factors having an impact on the credit risk.</li> </ul>	<p><b>Principal audit procedures performed</b></p> <ul style="list-style-type: none"> <li>Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment</li> <li>Assessed the critical assumptions used by the management for expected credit losses as at 31 March, 2024.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> </ul> <p>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.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p> <p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024 by reconciling it with the balances as per loan balance register as on that date.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p>

### Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors are 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.

## Independent Auditors' Report (Contd..)

- 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the 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.

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.

## Independent Auditors' Report (Contd..)

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.

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 read with the relevant rules thereunder.
  - 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, 2024 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.
    - 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 its 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

## Independent Auditors' Report (Contd..)

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 51 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.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

- 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 : 24108135BKEZUB6060

Place : Mumbai  
Date : 22 April 2024

# Independent Auditors' 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, 2024 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 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.

# Independent Auditors' 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, 2024, 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 : 24108135BKZUB6060

Place : Mumbai  
Date : 22 April 2024

# Independent Auditors' 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 of Property, Plant and Equipment. The Company has maintained proper records showing 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) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2024, aggregating ₹ 142 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 ₹ 2,56,580 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹ 142 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 ₹ 142 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

## Independent Auditors' Report (Contd..)

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, 2024 - ₹ 251,707 lakhs
  - b) % of above loans amounts mentioned in (a) above to the total gross loans outstanding - 98.05%
  - c) Aggregate amount of loans granted to promoters (included in (a) above) - ₹ Nil
  - d) Aggregate amount of loans to related parties (included in (a) above) - ₹ 5,015 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, 2024 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, 2024.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (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 does 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) The company has made preferential allotment of shares during the year under Section 42 and 62 of the Act. According to the information and explanations given to us, the Company has utilized funds raised by way of preferential allotment for the purpose for which they were raised. Further, the Company has not issued shares on 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 in respect of private placement of shares or convertible debentures.

## Independent Auditors' Report (Contd..)

- (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.
- b) We have considered the internal audit reports of the Company received by us till date, for the period under audit.
- (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 : 24108135BKEZUB6060

Place : Mumbai  
Date : 22 April 2024

# Balance Sheet

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

## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1 Financial asset</b>			
a) Cash and cash equivalents	4	1,96,273	1,28,715
b) Receivable			
Trade receivables	5	73	149
c) Loans	6	2,55,554	2,13,801
d) Investments	7	1,07,821	1,39,467
e) Other financial assets	8	24	20
<b>Sub - total financial assets (A)</b>		<b>5,59,745</b>	<b>4,82,152</b>
<b>2 Non-financial asset</b>			
a) Property, plant and equipment	9 (A)	84	73
b) Intangible assets	9 (B)	7	1
c) Goodwill	9 (C)	405	405
d) Other non-financial assets	10	173	108
<b>Sub - total non- financial assets (B)</b>		<b>669</b>	<b>587</b>
<b>Total assets (A+B)</b>		<b>5,60,414</b>	<b>4,82,739</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
a) Payables			
(I) Other Payables			
(i) total outstanding dues of micro and small enterprises	11	100	39
(ii) total outstanding dues of other than micro and small enterprises		58	93
b) Debt securities	12	3,78,612	3,61,141
c) Borrowings (other than debt securities)	13	24,066	4,062
d) Other financial liabilities	14	493	513
<b>Sub - total financial liabilities (A)</b>		<b>4,03,329</b>	<b>3,65,848</b>
<b>2 Non-Financial Liabilities</b>			
a) Current tax liabilities (net)	15	1,256	339
b) Deferred tax liabilities (net)	16	2,324	125
c) Provisions	17	205	146
d) Other non-financial liabilities	18	170	77
<b>Sub - total non-financial liabilities (B)</b>		<b>3,955</b>	<b>687</b>
<b>3 Equity</b>			
a) Equity share capital	19	8,222	7,619
b) Other equity	20	1,44,908	1,08,585
<b>Sub - total equity (C)</b>		<b>1,53,130</b>	<b>1,16,204</b>
<b>Total Liabilities and equity (A+B+C)</b>		<b>5,60,414</b>	<b>4,82,739</b>

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

Place : Mumbai  
Date : 22 April 2024

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 : 22 April 2024

Sd/-  
Pankaj Purohit  
Director  
DIN: 09613227  
Sd/-  
Ashish Kumar Shrivastava  
Company Secretary

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2024

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>REVENUE FROM OPERATIONS</b>			
(i) Interest income	21	44,685	26,972
(ii) Dividend income	22	566	365
(iii) Fees and commission income	23	96	170
(iv) Net gain on fair value changes	24	19,367	2,676
(v) Other operating income	25	233	158
<b>1) Total Revenue from operations</b>		<b>64,947</b>	<b>30,341</b>
<b>2) Other income</b>	26	<b>2,774</b>	<b>1,913</b>
<b>3) Total income (1+2)</b>		<b>67,721</b>	<b>32,254</b>
<b>EXPENSES</b>			
(i) Finance cost	27	37,129	19,832
(ii) Impairment on financial instruments	28	228	780
(iii) Employee benefits expense	29	1,706	1,537
(iv) Depreciation and amortisation	9	24	22
(v) Other expenses	30	1,633	1,494
<b>4) Total expenses</b>		<b>40,720</b>	<b>23,665</b>
<b>5) Profit/ (loss) before tax (3-4)</b>		<b>27,001</b>	<b>8,589</b>
<b>Tax expense</b>			
(a) Current tax		3,257	2,537
(b) Deferred tax (credit)/expense		1,982	(509)
(c) Short/(excess) provision for earlier years		(16)	62
<b>6) Total tax expenses</b>	31	<b>5,223</b>	<b>2,090</b>
<b>7) Profit for the year after tax (5 - 6)</b>		<b>21,778</b>	<b>6,499</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined employee benefit plans		(12)	(7)
(b) Changes in fair value gain/(loss) of FVOCI equity instruments		6,464	(1,491)
(c) Tax impact on the above		(736)	231
<b>8) Other comprehensive income/(loss)</b>		<b>5,716</b>	<b>(1,267)</b>
<b>Total comprehensive income/(loss) for the year (7 + 8)</b>		<b>27,494</b>	<b>5,232</b>
Basic and Diluted Earning per share (amount in ₹)	32	26.84	8.53

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

Place : Mumbai  
Date : 22 April 2024

**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 : 22 April 2024

Sd/-  
**Pankaj Purohit**  
Director  
DIN: 09613227  
Sd/-  
**Ashish Kumar Shrivastava**  
Company Secretary

# Cash Flow Statement

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before taxation	27,001	8,589
Adjustment for:		
Net gain on fair value changes	(19,367)	(2,676)
Impairment on financial instruments	228	780
Depreciation and amortisation	24	22
Actuarial gain	28	29
Dividend received	(566)	(365)
Interest expense pertaining to lease liability	5	7
<b>Operating profit</b>	<b>7,353</b>	<b>6,386</b>
<b>Adjustment for working capital changes:</b>		
Decrease/(increase) in receivables	76	514
Decrease/(increase) in loans	(41,981)	(1,55,759)
Decrease/(increase) in other financial assets	(3)	241
Decrease/(increase) in other non financial assets	(66)	312
Increase/(decrease) in payables	26	(393)
Increase/(decrease) in other financial liabilities	(1)	277
Increase/(decrease) in provisions	19	(4)
Increase/(decrease) in other non-financial liabilities	94	(40)
<b>Cash generated used in operations</b>	<b>(34,483)</b>	<b>(1,48,466)</b>
Direct taxes paid (net)	(2,843)	(2,768)
<b>Net cash generated used in operating activities</b>	<b>(37,326)</b>	<b>(1,51,234)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of investments	(17,970)	(33,867)
Proceeds of sale of investments	75,447	17,089
Purchase of Property, plant & equipment	(41)	(4)
Dividend received	566	365
<b>Net cash flow from used in investing activities</b>	<b>58,002</b>	<b>(16,417)</b>

# Cash Flow Statement (Contd.)

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

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>C. Cash flow from financing activities</b>		
Issue of share capital	10,000	–
Proceeds / (repayment) of short-term borrowings (net of interest)	20,003	1,39,298
Proceeds from issuance of debt securities	6,66,519	1,08,230
Repayment of debt securities	(6,49,048)	(31,851)
Payment of lease liability including interest	(24)	(24)
Dividend and dividend distribution tax paid	(568)	(415)
<b>Net cash flow generated from financing activities</b>	<b>46,882</b>	<b>2,15,238</b>
<b>Net increase in cash &amp; cash equivalents during the year (A+B+C)</b>	<b>67,558</b>	<b>47,587</b>
Cash on Hand	0	0
Scheduled Bank - In Current Account	1,28,715	41,128
Fixed Deposit with Banks (lien with stock exchange)	–	40,000
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>1,28,715</b>	<b>81,128</b>
Cash and cheques in hand	0	0
Scheduled bank - In current account	1,96,273	1,28,715
Fixed Deposit with Banks	–	–
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,96,273</b>	<b>1,28,715</b>

## 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 : 22 April 2024

**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 : 22 April 2024

Sd/-  
**Pankaj Purohit**  
Director  
DIN: 09613227  
Sd/-  
**Ashish Kumar Shrivastava**  
Company Secretary

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### (A) Equity share capital

Particulars	Equity share capital		
	Number of shares	Amount	Total
<b>Issued, subscribed and paid up</b>			
As at 01 April 2022	7,61,94,148	10	7,619
Add/Less: Changes due to prior period errors	—	—	—
<b>Restated as at 01 April 2022</b>	<b>7,61,94,148</b>	<b>10</b>	<b>7,619</b>
Add: issue of shares	—	—	—
As at 31 March 2023	7,61,94,148	10	7,619
Add/Less: Changes due to prior period errors	—	—	—
<b>Restated as at 01 April 2023</b>	<b>7,61,94,148</b>	<b>10</b>	<b>7,619</b>
Add: issue of shares	60,24,096	10	603
<b>As at 31 March 2024</b>	<b>8,22,18,244</b>	<b>10</b>	<b>8,222</b>

### (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 2022	90	82,915	3,430	12,573	90	4,693	(24)	1,03,767
Add/Less: Changes due to prior period errors	—	—	—	—	—	—	—	—
<b>Restated balance as at 01 April 2022</b>	<b>90</b>	<b>82,915</b>	<b>3,430</b>	<b>12,573</b>	<b>90</b>	<b>4,693</b>	<b>(24)</b>	<b>1,03,767</b>
Profit for the year	—	—	—	6,499	—	—	—	6,499
Total other comprehensive income for the year	—	—	—	—	—	(1,262)	(5)	(1,267)
Transfer to Statutory Reserve from retained earnings	—	—	1,300	(1,300)	—	—	—	—
Interim Dividend	—	—	—	(415)	—	—	—	(415)
<b>Balance as at 31 March 2023</b>	<b>90</b>	<b>82,915</b>	<b>4,730</b>	<b>17,358</b>	<b>90</b>	<b>3,431</b>	<b>(29)</b>	<b>1,08,585</b>
Add/Less: Changes due to prior period errors	—	—	—	—	—	—	—	—
<b>Restated balance as at 01 April 2023</b>	<b>90</b>	<b>82,915</b>	<b>4,730</b>	<b>17,358</b>	<b>90</b>	<b>3,431</b>	<b>(29)</b>	<b>1,08,585</b>
Profit for the year	—	9,398	—	21,778	—	—	—	31,176
Total other comprehensive income for the year	—	—	—	—	—	5,724	(9)	5,715
Transfer to Statutory Reserve from retained earnings	—	—	4,356	(4,356)	—	—	—	—
Interim Dividend	—	—	—	(568)	—	—	—	(568)
<b>Balance as at 31 March 2024</b>	<b>90</b>	<b>92,313</b>	<b>9,086</b>	<b>34,212</b>	<b>90</b>	<b>9,155</b>	<b>(38)</b>	<b>1,44,908</b>

The accompanying notes 1 to 56 form an integral part of the financial statements

As per 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 : 22 April 2024

**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 : 22 April 2024

Sd/-  
**Pankaj Purohit**  
Director  
DIN: 09613227

Sd/-  
**Ashish Kumar Shrivastava**  
Company Secretary

# Summary of Material Accounting Policies and Other Explanatory Information

## NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Finvest Limited (“MOFL” or the “Company”) is a Non-Banking Financial Company registered with the Reserve Bank of India (“RBI”) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI effective 01 October 2018, enabling the Company to carry on business as a Non-banking Finance Company. The Company’s registered office is at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund and every year transfers an amount equal to 20% of the profit after tax to the Reserve Fund.

The financial statements were approved for issue by the Company’s Board of Directors on 22 April 2024.

## NOTE 2 : MATERIAL 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 2024 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.

(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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

(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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## **Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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 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 'Revenue from operations' in the Statement of Profit and Loss.

## 3. Investments in mutual funds

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

(ii) Impairment

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## (ii) Subsequent measurement

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

## (iii) Derecognition

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

## 2.6. Offsetting financial instruments

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

## 2.7. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation 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 Equipments	5 years
Computers	3 years

### Derecognition:

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

## 2.8. Intangible assets

### Measurement at recognition

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

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

Assets	Useful life
Computer Software	5 years

### Derecognition:

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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 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 (₹), 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 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.

## 2.15. 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

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the 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.

## NOTE 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	0	0
<b>Balances with bank</b>		
In Current Accounts	1,96,273	1,28,715
	<b>1,96,273</b>	<b>1,28,715</b>

## NOTE 5 : RECEIVABLE

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Trade receivable</b>		
Considered good - unsecured	73	149
	<b>73</b>	<b>149</b>

- (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 ₹ Nil (31 March 2024 - ₹ Nil) are due from director or other officer of the Company either severally or jointly with any other person.
- (iv) Trade and other receivable ₹ Nil (31 March 2024 - ₹ Nil) 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

### As at 31 March 2024

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	73	-	-	-	-	-	73
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## As at 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	-	-	-	-	-	-	-
<b>Total</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>

## NOTE 6 : LOANS (AT AMORTISED COST)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(A)</b>		
Loan to related parties*	5,015	2,699
Loan repayable on demand	2,51,707	2,12,042
<b>Total (A) gross</b>	<b>2,56,722</b>	<b>2,14,741</b>
Less : impairment loss allowance	(1,168)	(940)
<b>Total (A) Net</b>	<b>2,55,554</b>	<b>2,13,801</b>
<b>(B)</b>		
(i) Secured by tangible assets	30,031	14,340
(ii) Secured by intangible assets	-	-
(iii) Unsecured	2,26,691	2,00,401
<b>Total (B) gross</b>	<b>2,56,722</b>	<b>2,14,741</b>
Less : impairment loss allowance	(1,168)	(940)
<b>Total (B) Net</b>	<b>2,55,554</b>	<b>2,13,801</b>
<b>(C) Loans in India</b>		
(i) Public sector	-	-
(ii) Other than public sector	2,56,722	2,14,741
<b>Total (C) Gross</b>	<b>2,56,722</b>	<b>2,14,741</b>
Less : Impairment loss allowance	(1,168)	(940)
<b>Total (C) Net</b>	<b>2,55,554</b>	<b>2,13,801</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## \*Break-up of loans made to related parties:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Loan repayable on demand:</b>		
Directors	20	–
Other related parties	4,995	2,699
<b>% of total loans</b>		
Directors	0%	–
Other related parties	2%	1%

## (i) Analysis of changes in the gross carrying amount of Loan Book

### Loan book movement

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Opening</b>	<b>2,14,741</b>	<b>58,976</b>
Origination of new loan	24,16,517	3,41,32,382
Write-offs during the year	–	–
Repayments received during the year	(23,74,536)	(3,39,76,617)
<b>Closing</b>	<b>2,56,722</b>	<b>2,14,741</b>
<b>Break - up of loans under</b>		
Low credit risk (Stage 1)	2,56,580	2,14,660
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	142	81
<b>Closing</b>	<b>2,56,722</b>	<b>2,14,741</b>
<b>Reconciliation of ECL balance</b>		
<b>Opening</b>	<b>940</b>	<b>155</b>
ECL impact due to Write-offs	–	–
Addition during the year	228	785
<b>Closing</b>	<b>1,168</b>	<b>940</b>
<b>Break - up of ECL under</b>		
Low credit risk (Stage 1)	1,026	859
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	142	81
<b>Closing</b>	<b>1,168</b>	<b>940</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (ii) Loans and ECL movement

1. An analysis of change in the gross carrying amount and the corresponding expected credit loss allowance in relation to lending is as follows:

Particulars	For the year 31 March 2024				For the year 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,14,660	-	81	2,14,741	58,882	-	94	58,976
New asset originated/purchased/further increases in existing asset	24,16,517	-	-	24,16,517	3,41,32,382	-	-	3,41,32,382
Assets derecognised (on repayment and assignments, excluding write-offs)	(23,74,527)	-	(9)	(23,74,536)	(3,39,76,604)	-	(13)	(3,39,76,617)
Transfers to/(from) Stage I	71	-	(71)	-	-	-	-	-
Transfers to/(from) Stage 2	-	-	-	-	-	-	-	-
Transfers to/(from) Stage 3	(141)	-	141	-	-	-	-	-
Amount written-off	-	-	-	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>2,56,580</b>	<b>-</b>	<b>142</b>	<b>2,56,722</b>	<b>2,14,660</b>	<b>-</b>	<b>81</b>	<b>2,14,741</b>

2. Reconciliation of expected credit loss allowances balance is given below:

Particulars	For the year 31 March 2024				For the year 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	859	-	81	940	146	-	9	155
New asset originated/purchased/further increases in existing asset	9,666	-	-	9,666	713	-	-	713
Changes in provision on account of migration between stages and in same stage due to change in buckets and reversal on recovery	(9,498)	-	(9)	(9,507)	-	-	-	-
Transfers to/(from) Stage I	0	-	(71)	(71)	-	-	-	-
Transfers to/(from) Stage 2	-	-	-	-	-	-	-	-
Transfers to/(from) Stage 3	(1)	-	141	140	-	-	72	72
Amount written-off	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>1,026</b>	<b>-</b>	<b>142</b>	<b>1,168</b>	<b>859</b>	<b>-</b>	<b>81</b>	<b>940</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 7 : INVESTMENTS

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
<b>I. Investments at amortised cost</b>						
<b>Investments At Equity Instruments</b>						
<b>Investments In Fellow Subsidiaries - Unquoted</b>						
Motilal Oswal Home Finance Limited (Formerly Known As Aspire Home Finance Corporation Limited)	1	60,00,00,000	15000	1	60,00,00,000	15000
<b>Investment In Debenture</b>						
Terrapolis Assets Private Limited	–	–	–	10,00,000	29	287
Rajapushpa Properties Private Limited	–	–	–	10,00,000	80	800
Casa Grande Milestone Private Limited	1,00,000	525	525	1,00,000	525	525
Casa Grande Milestone Private Limited	1,00,000	610	610	1,00,000	610	610
Skyscape Developers Private Limited	–	–	–	10,00,000	100	1,000
Ativa Real Estate Developers Private Limited	10,00,000	115	1,138	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	10,00,000	50	500
Casagrand Builder Private Limited	50,00,000	32	1,646	–	–	–
<b>Total</b>			<b>4,419</b>			<b>5,127</b>
<b>Total I</b>			<b>19,419</b>			<b>20,127</b>
<b>II. Investment At Fair Value Through Profit And Loss Account At FVTPL</b>						
<b>Investments In Mutual Funds (Equity) - Fully Paid Up - Unquoted</b>						
Motilal Oswal Midcap 30 Fund - Growth	10	1,49,89,899.454	13,421	10	1,49,89,899.454	8,277
Motilal Oswal Focused 25 Fund - Growth	10	8,36,076.938	395	10	8,36,076.938	300
Motilal Oswal Nifty 50 Index Fund	10	6,15,438.441	117	10	6,15,438.441	90
Motilal Oswal Nifty Next 50 Index Fund	10	1,79,254.302	39	10	1,79,254.302	24
Motilal Oswal Flexi Cap Fund - Growth (Formerly Known As Motilal Oswal Most Focused Multicap 35 Fund - Growth)	10	30,00,000.376	1,583	10	5,58,04,414.000	18,920
Motilal Oswal Nifty G-Sec May 2029 Index Fund	–	–	–	10	19,99,900.000	203
Motilal Oswal S&P BSE Enhanced Value Index Fund	10	9,99,950.000	222	10	9,99,950.000	117
Motilal Oswal S&P BSE Quality Index Fund - Direct	10	6,99,965.000	107	10	6,99,965.000	71
Motilal Oswal Large Cap Fund	10	4,99,97,500.125	5,116	–	–	–
<b>Total</b>			<b>21,000</b>			<b>28,002</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
<b>Investments In Mutual Funds (Debt) – Fully Paid Up</b>						
Nippon India Overnight Fund	–	–	–	10	16,61,907.837	2,001
Kotak Overnight Fund	–	–	–	10	1,67,278.183	2,000
Sundaram Overnight Fund Direct Growth	10	78,658.312	1,001	10	1,67,907.214	2,000
Mirae Asset Overnight Fund Collection	–	–	–	10	1,74,055.080	2,000
L And T Mutual Fund	–	–	–	10	1,70,530.426	2,000
Mahindra Overnight Fund	10	80,743.432	1,001	10	86,179.088	1,000
Axis Overnight Fund	–	–	–	10	1,68,722.727	2,000
ICICI Prudential Overnight Fund Direct Growth	–	–	–	10	1,65,524.148	2,001
TrustMF Overnight Fund	10	44,137.407	500	–	–	–
SBI Overnight Fund Direct Growth	10	25,687.350	1,000	–	–	–
Baroda BNP Paribas Overnight Fund	10	79,584.706	1,001	–	–	–
HDFC Cash Management–Call Plan–Dir Pl– Growth	10	28,164.438	1,001	–	–	–
PGIM India Overnight Fund – Direct Plan – Growth	10	40,498.136	500	–	–	–
Bajaj Finserv Overnight Fund – Direct Plan – Growth	10	95,297.946	1,001	–	–	–
<b>Total</b>			<b>7,005</b>			<b>15,002</b>
<b>Investments In Exchange Traded Fund (Equity) - Fully Paid Up - Quoted</b>						
Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	10	17,889.000	86	10	17,889.000	74
Motilal Oswal Mutual Fund-Motilal Oswal Most Shares Midcap 100 ETF	10	2,27,920.000	117	10	2,27,920.000	73
Motilal Oswal Mutual Fund-Motilal Oswal Most Shares Nasdaq 100 ETF	10	3,78,200.522	121	10	3,78,200.522	84
Motilal Oswal S&P BSE Low Volatility ETF	100	1,42,295.000	50	100	1,42,295.000	35
Nippon India ETF Gold Bees	100	67,500.000	38	100	67,500.000	34
SBI-ETF Nifty Next 50	10	44,978.000	105	10	44,978.000	81
Motilal Oswal Gold And Silver ETFs Fund Of Funds	10	23,09,962.000	297	10	23,09,962.000	274
<b>Total</b>			<b>814</b>			<b>655</b>
<b>Investment In Private Equity</b>						
Investment In IREF IV	–	–	–	100	95,93,703	9,958
Investment In IREF V	–	–	–	100	75,03,919	5,771
Investment In IBEF IV	–	–	–	100	3,50,666	1,781
<b>Total</b>			<b>–</b>			<b>17,510</b>
<b>Investment In Debenture</b>						
Ativa Real Estate Developers Private Limited	–	–	–	10,00,000	15	150
Casa Grande Milestone Private Limited	1,00,000	175	175	1,00,000	175	175
Casa Grande Milestone Private Limited	1,00,000	90	90	1,00,000	90	90
Pelagus Infrastructures Private Limited	–	–	–	10,00,000	4	45
Squarespace Infra City Private Limited	10,00,000	98	980	10,00,000	185	1850
Rajapushpa Properties Private Limited	–	–	–	10,00,000	316	3160
Avanti Finance Private Limited	1,00,000	388	388	–	–	–
<b>Total</b>			<b>1,633</b>			<b>5,470</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
<b>Investment In Equity Shares (Unlisted)</b>						
National Stock Exchange Limited	1	5,00,000	16,715	1	5,00,000	16,365
Fincare Small Finance Bank Limited	10	11,94,369	1,954	10	11,94,369	1,533
Fincare Business Services Limited	1	12,81,767	1,500	1	12,81,767	779
Radiant Cash Management Services Limited	1	2,52,450	192	1	2,52,450	244
<b>Total</b>			<b>20,361</b>			<b>18,921</b>
<b>Investment In Security Receipts</b>						
Phoenix Trust FY 20-9	294	22,10,000	6,487	476	22,10,000	7,461
Phoenix Trust-FY20-21	349	2,84,750	991	544	2,84,750	1,065
Phoenix Trust-FY21-16	417	2,08,250	864	644	2,08,250	944
Phoenix Trust-FY21-2	384	1,53,000	580	596	1,53,000	641
Phoenix Trust-FY21-6	286	2,75,740	786	569	2,75,740	1,129
Phoenix Trust-FY21-14	419	4,76,000	1,981	711	4,76,000	2,438
Phoenix Trust-FY22-22	409	2,55,000	1,039	697	2,55,000	1,257
Phoenix Trust-FY23-6	543	3,05,490	1,657	893	3,05,490	2,718
Phoenix Trust-FY23-32	720	1,99,300	1,430	1000	1,99,300	1,993
Phoenix Trust FY24-16	1000	1,45,200	1,452	-	-	-
<b>Total</b>			<b>17,267</b>			<b>19,646</b>
<b>Total II</b>			<b>68,079</b>			<b>1,05,206</b>
<b>III. Investment at fair value through other comprehensive income FVOCI:</b>						
<b>Quoted Equity Instruments- Fully Paid-Up Investment Through Portfolio Management Services (PMS)</b>						
<b>i) Allcap Growth Strategy</b>						
IndusInd Bank Limited	10	2,039	32	10	2,039	22
Axis Bank Limited	2	2,663	28	2	2,663	23
Federal Bank Limited	2	18,033	27	2	18,033	24
Equitas Small Finance Bank Limited	10	21,589	20	10	21,589	14
AU Small Finance Bank Limited	10	1,487	8	10	1,487	9
One 97 Communications Limited	1	3,611	15	1	3,611	23
SBI Cards and Payment Services Limited	-	-	-	10	3,008	22
Balance with PMS Fund manager	-	-	19	-	-	2
<b>ii) Emerging Business Strategy</b>						
Global Health Limited	2	6,880	91	2	6,880	36
Mankind Pharma Limited	1	3,869	89	1	-	-
Sun Pharmaceuticals Limited	1	3,154	51	1	3,154	31
Torrent Pharmaceuticals Limited	5	1,005	26	5	1,005	15
Ajanta Pharma	2	399	9	2	1,994	24
Unichem Laboratories Limited	-	-	-	2	4,614	13
Jubilant Pharmova Limited	-	-	-	1	834	2
IPCA Laboratories Limited	-	-	-	2	3,687	30
Balance with PMS Fund manager	-	-	22	-	-	(0)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
<b>iii) Multicap Oppurtunities Strategy</b>						
Bharat Electronics Limited	1	13,679	28	1	33,346	33
Hindustan Aeronautics Limited	5	344	11	-	-	-
Polycab India Limited	10	432	22	-	-	-
Amber Enterprises India Limited	10	639	23	-	-	-
Voltas Limited	1	2,050	23	-	-	-
Suzlon Energy Limited	2	52,835	21	-	-	-
Chalet Hotels Limited	10	875	8	10	4,685	17
Hi-Tech Pipes Limited	1	15,286	21	-	-	-
Welspun Corp Limited	5	3,148	16	-	-	-
Ganesh Polytex Limited	10	804	8	-	-	-
DCX Systems Limited	-	-	-	2	5,670	8
Mtar Technologies Limited	-	-	-	10	1,077	17
CG Power And Industrial Solutions Limited	-	-	-	2	10,811	32
Balance with PMS Fund manager	-	-	39	-	-	26
<b>iv) Mid and Smallcap Oppurtunities Strategy</b>						
Titan Company Limited	1	692	26	-	-	-
La Opala RG Limited	2	2,804	8	-	-	-
Safari Industries (India) Limited	2	938	16	-	-	-
Zomato Limited	1	24,135	44	-	-	-
Trent Limited	1	924	36	-	-	-
Metro Brands Limited	5	1,895	22	-	-	-
Vedant Fashions Limited	1	1,101	10	-	-	-
ITC Limited	1	4,302	18	-	-	-
Balance with PMS Fund manager	-	-	12	-	-	125
<b>v) Next Trillion Dollar Opportunity Strategy</b>						
Bharat Electronics Limited	1	3,51,881	709	-	-	-
Hero Motocorp Limited	2	13,466	636	-	-	-
BSE Limited	10	40,786	1,026	-	-	-
IndusInd Bank Limited	10	49,237	765	-	-	-
IDFC First Bank Limited	10	8,19,013	618	-	-	-
State Bank of India	1	79,575	599	1	1,41,325	740
Mahindra & Mahindra Financial Services Limited	2	1,58,484	442	-	-	-
Deepak Nitrite Limited	2	29,485	627	-	-	-
Birlasoft Limited	2	84,139	624	-	-	-
Tech Mahindra Limited	5	40,158	501	5	47,570	524
JSW Energy Limited	10	1,91,973	1,015	-	-	-
Larsen & Toubro Limited	2	18,684	703	2	18,684	404
One 97 Communications Limited	1	1,76,560	711	-	-	-
Honasa Consumer Limited	10	77,799	313	-	-	-
Kalyan Jewellers India Limited	10	1,40,600	601	-	-	-
Global Health Limited	2	66,375	877	-	-	-
Bharat Heavy Electricals Limited	2	3,92,399	970	-	-	-
INOX Wind Limited	10	1,24,029	647	-	-	-
CG Power And Industrial Solutions Limited	2	1,04,686	566	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Suzlon Energy Limited	2	9,19,839	372	–	–	–
Indian Hotels Company Limited	1	1,10,190	651	–	–	–
L&T Technology Services Limited	2	10,982	602	2	26,323	889
Angel One Limited	10	19,822	604	–	–	–
Religare Enterprises Limited	10	1,62,915	341	10	60,931	88
Piramal Enterprises Limited	2	88,957	756	–	–	–
APL Apollo Tubes Limited	2	27,483	411	–	–	–
Prestige Estates Projects Limited	10	52,315	612	–	–	–
Zomato Limited	1	7,07,431	1,288	1	4,65,811	238
Housing Development Finance Corporation Limited	–	–	–	2	11,357	298
ICICI Bank Limited	–	–	–	2	1,38,535	1,215
Kotak Mahindra Bank Limited	–	–	–	5	82,607	1,431
Bosch Limited	–	–	–	10	2,111	409
Eicher Motors Limited	–	–	–	10	21,090	622
Maruti Suzuki India Limited	–	–	–	5	2,320	192
Alkem Laboratories Limited	–	–	–	2	7,157	243
Gland Pharma Limited	–	–	–	1	31,765	403
IPCA Laboratories Limited	–	–	–	2	52,398	425
LTIMindtree Limited	–	–	–	1	5,585	266
Tata Consultancy Services Limited	–	–	–	1	7,453	239
Page Industries Limited	–	–	–	10	1,868	708
ITC Limited	–	–	–	1	1,83,658	704
Max Financial Services Limited	–	–	–	2	86,204	547
Vedant Fashions Limited	–	–	–	1	22,973	262
Aegis Logistics Limited	–	–	–	1	1,02,183	387
Bharat Forge Limited	–	–	–	2	42,431	327
Container Corporation of India Limited	–	–	–	5	51,578	299
Voltas Limited	–	–	–	1	33,280	272
Emami Limited	–	–	–	1	69,211	248
Clean Science and Technology Limited	–	–	–	1	17,033	216
Bayer Cropscience Limited	–	–	–	10	3,991	163
Birla Corporation Limited	–	–	–	10	17,973	160
Cummins India Limited	–	–	–	2	6,349	103
Balance with PMS Fund manager	–	–	205	–	–	23
<b>vi. Motilal Oswal 25 for 25 Fund Strategy</b>						
Bajaj Finance Limited	2	16	1	2	16	1
AU Small Finance Bank Limited	10	178	1	10	178	1
Muthoot Finance Limited	10	65	1	10	65	1
HDFC Bank Limited	2	64	1	2	64	1
Mphasis Limited	10	46	1	10	46	1
Whirlpool of India Limited	10	43	1	10	43	1
Dixon Technologies (India) Limited	2	21	2	2	21	1
Honeywell Automation India Limited	10	2	1	10	2	1
Coromandel International Limited	1	107	1	1	107	1
Varun Beverages Limited	10	396	6	10	198	3

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Page Industries Limited	10	3	1	10	3	1
ICICI Lombard General Insurance Company Limited	10	61	1	10	61	1
Dr. Lal Pathlabs Limited	10	30	1	10	30	1
Syngene International Limited	10	164	1	10	164	1
Max Financial Services Limited	2	89	1	2	89	1
HDFC Life Insurance Company Limited	10	140	1	10	140	1
HDFC Asset Management Company Limited	5	33	1	5	33	1
ICICI Securities Limited	5	151	1	5	151	1
Bayer Cropsience Limited	10	17	1	10	17	1
Ajanta Pharma	2	69	2	2	69	1
Procter & Gamble Health Limited	10	17	1	10	17	1
Alembic Pharmaceuticals Limited	2	47	0	2	97	0
Astral Limited	1	66	1	1	66	1
Bata India Limited	5	60	1	5	60	1
Indiamart Intermesh Limited	10	14	0	10	14	1
Balance with PMS Fund manager	-	-	(0)	-	-	(0)
<b>vii) Motilal Oswal Multifactor Equity Strategy</b>						
Hero Motocorp Limited	2	151	7	2	200	5
REC Limited	10	2,005	9	-	-	-
Power Finance Corporation Limited	10	2,137	8	-	-	-
Muthoot Finance Limited	10	414	6	-	-	-
Housing & Urban Development Corporation Limited	10	1,966	4	-	-	-
Godrej Industries Limited	1	265	2	-	-	-
SJVN Limited	10	2,225	3	-	-	-
NLC India Limited	10	819	2	-	-	-
Kalyan Jewellers India Limited	10	597	3	-	-	-
Narayana Hrudayalaya Limited	10	505	6	-	-	-
Oracle Financial Services Software Limited	5	80	7	-	-	-
Sun TV Limited	5	977	6	5	967	4
Oil India Limited	10	1,735	10	-	-	-
Zydus Lifesciences Limited	1	709	7	-	-	-
Alkem Laboratories Limited	2	135	7	-	-	-
Ajanta Pharma	2	278	6	-	-	-
Dr. Reddy's Laboratories Limited	5	98	6	-	-	-
Aurobindo Pharma Limited	1	197	2	-	-	-
Prestige Estates Projects Limited	10	173	2	-	-	-
M R F Limited	10	5	7	-	-	-
HDFC Asset Management Company Limited	-	-	-	5	264	5
Bayer Cropsience Limited	-	-	-	10	110	4
National Mineral Development Corporation Limited	-	-	-	1	2,562	3
NMDC Steel Limited	-	-	-	10	2,562	1
Britannia Industries Limited	-	-	-	1	162	7
Colgate Palmolive (India) Limited	-	-	-	1	327	5
Gillette India Limited	-	-	-	10	67	3
Godrej Consumer Products Limited	-	-	-	1	419	4

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Marico Limited	-	-	-	1	1,116	5
Procter & Gamble Hygiene & Health Care Limited	-	-	-	10	41	5
Indraprastha Gas Limited	-	-	-	2	1,377	6
Petronet LNG Limited	-	-	-	10	2,672	6
A I A Engineering Limited	-	-	-	2	254	7
Cummins India Limited	-	-	-	2	424	7
Kajaria Ceramics Limited	-	-	-	1	591	6
Abbott India Limited	-	-	-	10	27	6
Coromandel International Limited	-	-	-	1	641	6
Gujarat State Petronet Limited	-	-	-	10	2,122	6
Metro Brands Limited	-	-	-	5	661	5
Balance with PMS Fund manager	-	-	74	-	-	(0)
<b>viii) Motilal Oswal Large Cap Momentum Strategy</b>						
Bajaj Auto Limited	10	107	10	-	-	-
REC Limited	10	1,691	8	-	-	-
Power Finance Corporation Limited	10	1,820	7	-	-	-
NTPC Limited	10	2,318	8	-	-	-
R*Shares Liquid Bees – N	10	20	0	-	-	-
Indian Railway Finance Corporation Limited	10	5,659	8	-	-	-
Nestle India Limited	1	234	6	-	-	-
Cipla Limited	2	574	9	-	-	-
Torrent Pharmaceuticals Limited	5	313	8	-	-	-
Dr. Reddy's Laboratories Limited	5	123	8	-	-	-
Trent Limited	1	239	9	-	-	-
Balance with PMS Fund manager	-	-	40	-	-	-
<b>ix) Motilal Oswal Midcap Multifactor Equity Strategy</b>						
Muthoot Finance Limited	10	638	10	-	-	-
Sundaram Finance Limited	10	197	8	-	-	-
BSE Limited	10	75	2	-	-	-
Bank of Maharashtra	10	3,624	2	-	-	-
Exide Industries Limited	1	2,621	8	-	-	-
Torrent Power	10	176	2	-	-	-
SJVN Limited	10	1,672	2	-	-	-
NLC India Limited	10	661	2	-	-	-
L&T Finance Holdings Limited	10	1,199	2	-	-	-
Kalyan Jewellers India Limited	10	508	2	-	-	-
Oracle Financial Services Software Limited	5	93	8	-	-	-
National Mineral Development Corporation Limited	1	3,925	8	-	-	-
Oil India Limited	10	1,718	10	-	-	-
Hindustan Petroleum Corporation Limited	10	414	2	-	-	-
Ajanta Pharma	2	309	7	-	-	-
Alkem Laboratories Limited	2	137	7	-	-	-
IPCA Laboratories Limited	2	445	6	-	-	-
Aurobindo Pharma Limited	1	173	2	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Prestige Estates Projects Limited	10	140	2	–	–	–
M R F Limited	10	4	5	10	8	7
Indraprastha Gas Limited	–	–	–	2	1,396	6
Petronet LNG Limited	–	–	–	10	2,709	6
Abbott India Limited	–	–	–	10	27	6
Pfizer Limited	–	–	–	10	133	5
Cummins India Limited	–	–	–	2	510	8
A I A Engineering Limited	–	–	–	2	251	7
Colgate Palmolive (India) Limited	–	–	–	1	395	6
Solar Industries India Limited	–	–	–	2	156	6
Coromandel International Limited	–	–	–	1	621	5
Metro Brands Limited	–	–	–	5	671	5
Bayer Cropsience Limited	–	–	–	10	121	5
Sun TV Limited	–	–	–	5	1,169	5
Blue Dart Express Limited	–	–	–	10	68	4
Fine Organic Industries Limited	–	–	–	5	94	4
Balance with PMS Fund manager	–	–	69	–	–	0
<b>x) Motilal Oswal Small Cap Multifactor Strategy</b>						
Equitas Small Finance Bank Limited	10	5,892	6	–	–	–
Amara Raja Batteries Limited	1	710	5	1	710	4
eClerx Services Limited	10	226	5	–	–	–
Castrol India Limited	5	3,760	7	5	3,027	3
Supreme Petrochem Limited	2	1,070	7	2	914	3
Birlasoft Limited	2	808	6	–	–	–
Akzo Nobel India Limited	10	202	5	10	161	4
Rites Limited	10	1,017	7	10	1017	4
Emami Limited	1	1,010	4	–	–	–
Krishna Institute of Medical Sciences Limited	10	296	6	10	271	4
Mahanagar Gas Limited	10	477	7	10	477	5
Alembic Pharmaceuticals Limited	2	692	7	–	–	–
Granules India Limited	1	1,497	7	–	–	–
Caplin Point Laboratories Limited	2	475	6	2	475	3
Natco Pharma Limited	2	621	6	–	–	–
Eris Lifesciences Limited	1	639	5	1	492	3
Sanofi India Limited	10	63	5	–	–	–
Godfrey Phillips India Limited	–	–	–	2	194	4
Cochin Shipyard Limited	–	–	–	5	721	3
Shyam Metalics & Energy Limited	–	–	–	10	1249	3
Aditya Birla Sun Life AMC Limited	–	–	–	5	892	3
Godrej Agrovvet Limited	–	–	–	10	653	3
Security & Intelligence Services (India) Limited	–	–	–	5	839	3
V-Guard Industries Limited	–	–	–	1	1471	4
Jyothy Laboratories Limited	–	–	–	1	1894	4
Affle (India) Limited	–	–	–	2	381	4
Symphony Limited	–	–	–	2	405	4

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Gujarat State Petronet Limited	-	-	-	10	1502	4
VRL Logistics Limited	-	-	-	10	685	4
SIVN Limited	-	-	-	10	12406	4
Finolex Industries Limited	-	-	-	2	2164	4
Ajanta Pharma	-	-	-	2	280	3
BLS International Services Limited	-	-	-	1	2347	4
Bombay Burmah Trading Corporation Limited	-	-	-	2	384	3
Finolex Cables Limited	-	-	-	2	780	6
Sonata Software Limited	-	-	-	1	708	6
Blue Star Limited	-	-	-	2	373	5
Bharat Dynamics Limited	-	-	-	10	496	5
Balance with PMS Fund manager	-	-	80	-	-	1
<b>xi) Large Cap Growth Strategy</b>						
AU Small Finance Bank Limited	-	-	-	10	580	3
Axis Bank Limited	-	-	-	2	240	2
Bajaj Finance Limited	-	-	-	2	70	4
HDFC Bank Limited	-	-	-	2	640	10
ICICI Bank Limited	-	-	-	2	620	5
IndusInd Bank Limited	-	-	-	10	60	1
State Bank of India	-	-	-	1	350	2
HCL Technologies Limited	-	-	-	2	180	2
Infosys Technologies Limited	-	-	-	5	360	5
Tata Consultancy Services Limited	-	-	-	1	110	4
Craftsman Automation Limited	-	-	-	5	120	4
Eicher Motors Limited	-	-	-	10	110	3
Maruti Suzuki India Limited	-	-	-	5	10	1
Tata Motors Limited	-	-	-	2	160	1
Maharashtra Seamless Limited	-	-	-	5	880	3
Ratnamani Metals & Tubes Limited	-	-	-	2	170	3
Tata Steel Limited	-	-	-	1	700	1
Asahi India Glass Limited	-	-	-	1	540	2
Automotive Axles Limited	-	-	-	10	132	3
Larsen & Toubro Limited	-	-	-	2	110	2
Praj Industries Limited	-	-	-	2	790	3
APL Apollo Tubes Limited	-	-	-	2	360	4
JK Paper Limited	-	-	-	10	990	4
Symphony Limited	-	-	-	2	350	4
TCPL Packaging Limited	-	-	-	10	248	3
Action Construction Equipment Limited	-	-	-	2	846	3
Oberoi Realty Limited	-	-	-	10	360	3
ICICI Lombard General Insurance Company Limited	-	-	-	10	260	3
Century Plyboards (India) Limited	-	-	-	1	560	3
Greenlam Industries Limited	-	-	-	1	840	3
Avanti Feeds Limited	-	-	-	1	660	2
Hindustan Unilever Limited	-	-	-	1	80	2

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Face value	As at 31 March 2024		Face value (In ₹)	As at 31 March 2023	
		Units	Amount		Units	Amount
Bharti Airtel Limited	-	-	-	5	230	2
Greenpanel Industries Limited	-	-	-	1	630	2
Dr. Reddy's Laboratories Limited	-	-	-	5	10	0
Sun Pharmaceuticals Limited	-	-	-	1	100	1
Ultratech Cement Limited	-	-	-	10	10	1
Adani Ports & Special Economic Zone Limited	-	-	-	2	60	0
Balance with PMS Fund manager	-	-	-	-	-	2
<b>xii) Motilal Oswal Multiasset Momentum Strategy</b>						
ICICI Prudential Gold ETF	-	-	-	1	48,369	25
Motilal Oswal 5 Yr G Sec ETF	-	-	-	10	49,244	25
Motilal Oswal Nasdaq 100 ETF	-	-	-	1	24,441	26
R*Shares Liquid Bees - N	-	-	-	10	19	0
Balance with PMS Fund manager	-	-	-	-	-	25
<b>Total III</b>			<b>20,323</b>			<b>14,134</b>
<b>Total (I)+(II)+(III)</b>			<b>1,07,821</b>			<b>1,39,467</b>
Aggregate amount of quoted investments and market value thereof			21,329			15,033
Aggregate amount of unquoted investments			86,492			1,24,434
<b>(i) Investment outside India</b>			-			-
<b>(ii) Investment in India</b>			1,07,821			1,39,467
<b>Total</b>			<b>1,07,821</b>			<b>1,39,467</b>

## NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits (Unsecured, considered good)	24	20
	<b>24</b>	<b>20</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 9 (A) : PROPERTY, PLANT AND EQUIPMENT

### Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023	
Computer	10	3	-	13	8	2	-	10	3	2	
Mobile	0	-	-	0	0	-	-	0	0	0	
Office Equipments	-	0	-	0	-	0	-	0	0	-	
Vehicle	-	33	-	33	-	2	-	2	31	-	
Sub-Total (a)	10	36	-	46	8	4	-	12	34	2	
Right of use (office premises)	100	-	-	100	29	20	-	50	50	71	
Sub-Total (b)	100	-	-	100	29	20	-	50	50	71	
Total (A) = (a) + (b)	110	36	-	146	37	24	-	62	84	73	

### (B) Intangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023	
Computer Software	6	6	-	12	5	0	-	5	7	1	
Total (B)	6	6	-	12	5	0	-	5	7	1	

### (C) Goodwill

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023	
Goodwill	405	-	-	405	-	-	-	-	405	405	
Total (C)	405	-	-	405	-	-	-	-	405	405	
Total (A)+(B)+(C)	521	42	-	563	42	24	-	66	496	479	

### Previous 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	
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	

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (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
Sub-Total (B)	5	1	-	6	4	1	-	5	1	1

## (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 (A)+(B)+(C)	517	4	-	521	20	22	-	42	479	497

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 2024 and 31 March 2023.

## NOTE 10 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	173	103
Indirect tax credit receivable	0	1
Advance against expenses	0	4
	<b>173</b>	<b>108</b>

## NOTE 11 : PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
(i) total outstanding dues of micro and small enterprises	100	39
(ii) total outstanding dues of creditors other than Micro and small enterprises	58	93
	<b>158</b>	<b>132</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (i) : Trade Payable ageing schedule

As at 31 March 2024

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) Dues of Micro and small enterprises	100	–	–	–	100
(ii) Others	58	–	–	–	58
(iii) Disputed dues of Micro and small enterprises	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
<b>Total</b>	<b>158</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>158</b>

As at 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) Dues of Micro and small enterprises	39	–	–	–	39
(ii) Others	93	–	–	–	93
(iii) Disputed dues of Micro and small enterprises	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
<b>Total</b>	<b>132</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>132</b>

Note: Dues of Micro and small enterprises comprises of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consists portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 12 : DEBT SECURITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At Amortised cost</b>		
(i) Commercial paper (unsecured) [Net off unamortised discount ₹ 6,018 Lakhs (Previous year ₹ 4,359 Lakhs)]	1,66,982	2,48,479
(ii) Non-convertible debentures (secured)	2,11,630	1,12,662
<b>Total (A)</b>	<b>3,78,612</b>	<b>3,61,141</b>
Debt securities in India	3,78,612	3,61,141
Debt securities outside India	–	–
<b>Total (B)</b>	<b>3,78,612</b>	<b>3,61,141</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd.)

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

## Terms and condition:-

As at 31 March 2024

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES M-1 /FY.21 /FY.24	140	1,606	Pari Passu on all present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	Monday, February 3, 2025
SERIES M-1 /FY.21 /FY.24	321	3,682	Pari Passu on all present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	Monday, February 3, 2025
SERIES N-1 /FY.23 /FY.25	9000	93,421	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans , Other Receivables etc)	1.1 times of the amount outstanding including interest	9.25%	Friday, November 1, 2024
SERIES N-1 /FY.24 / FY.27	1170	1,232	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans , Other Receivables etc)	1.1 times of the amount outstanding including interest	8.80%	Monday, August 24, 2026
SERIES N-1 /FY.24 / FY.26	81000	85,259	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans , Other Receivables etc)	1.1 times of the amount outstanding including interest	9.50%	Friday, September 12, 2025
SERIES N-1 /FY.24 / FY.34	6000	6,300	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans , Other Receivables etc)	1.1 times of the amount outstanding including interest	9.30%	Friday, September 16, 2033
SERIES N-1 /FY.24 / FY.35	5000	5,059	Pari Passu on all present & future receivables of the Company	1.05 times of the amount outstanding including interest	9.20%	Tuesday, February 14, 2034
SERIES M-2 /FY.22 /FY.25	987	10,932	Pari Passu on all present & future receivables arising from security receipts &/or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	Friday, December 20, 2024
SERIES M-2 /FY.22 /FY.25	373	4,139	Pari Passu on All present & future receivables arising from security receipts &/or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	Friday, December 20, 2024
<b>Total</b>		<b>2,11,630</b>				

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

As at 31 March 2023

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES M-1 /FY.21 /FY.24	10	122	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.25%	Tuesday, April 18, 2023
SERIES M-1 /FY.22 /FY.24	30	360	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	Thursday, July 20, 2023
SERIES M-1 /FY.21 /FY.24	140	1,486	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	Monday, February 3, 2025
SERIES M-1 /FY.21 /FY.24	321	3,407	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	Monday, February 3, 2025
SERIES N-1 /FY.23 /FY.25	9000	93,398	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans , Other Receivables etc)	1.1 times of the amount outstanding including interest	9.25%	Friday, November 1, 2024
SERIES M-2 /FY.22 /FY.25	987	10,080	Pari Passu on All present & future receivables arising from security receipts & or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	Friday, December 20, 2024
SERIES M-2 /FY.22 /FY.25	373	3,809	Pari Passu on All present & future receivables arising from security receipts & or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	Friday, December 20, 2024
<b>Total</b>		<b>1,12,662</b>				

## NOTE 13 : BORROWINGS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At Amortised cost</b>		
<b>Term loans</b>		
(i) from other parties(secured)	–	35
<b>Demand loans</b>		
(i) from other parties(secured)*	24,000	4,027
(ii) From related parties (Unsecured)	66	–
<b>Total (A)</b>	<b>24,066</b>	<b>4,062</b>
Borrowings in India	24,066	4,062
Borrowings outside India	–	–
<b>Total (B)</b>	<b>24,066</b>	<b>4,062</b>

\*Borrowings from Non-Banking Financial Company is secured against shares and securities.

It carries floating interest rate of 9% p.a. to 9.70% which is payable on demand

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Book overdraft	–	10
Accrued salaries and benefits	389	318
Other payables	49	110
Lease liability (refer note 40)	55	75
	<u>493</u>	<u>513</u>

## NOTE 15 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Provisions for tax [net of advance tax and tax deducted at source ₹ 4,782 lakhs (Previous year ₹ 4,460 lakhs)]	1,256	339
	<u>1,256</u>	<u>339</u>

## NOTE 16 : DEFERRED TAX (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets</b>		
Difference between tax depreciation and book depreciation	(1)	(2)
Provision for post retirement benefits and other employee benefits	(51)	(37)
Allowance for expected credit loss	(294)	(237)
Fair value gain/(loss) on investments	2,670	401
<b>Net deferred tax (asset)/ liability</b>	<u>2,324</u>	<u>125</u>
<b>Net deferred tax assets</b>	–	–
<b>Net deferred tax liability</b>	<u>2,324</u>	<u>125</u>

## NOTE 17 : PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provisions for Employee Benefits</b>		
Gratuity (unfunded) (refer note 41)	154	101
Heritage club Benefit (refer note 41)	15	8
Compensated absences (refer note 36)	36	37
	<u>205</u>	<u>146</u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 18 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at	
	31 March 2024	31 March 2023
Advance received from customers	–	11
Withholdings and other tax payables	170	66
	<u>170</u>	<u>77</u>

## NOTE 19 : EQUITY SHARE CAPITAL

Particulars	As at	
	31 March 2024	31 March 2023
<b>Authorised share capital :</b>		
Equity shares of ₹ 10 each	12,000	12,000
	<u>12,000</u>	<u>12,000</u>
<b>Issued, Subscribed and Paid Up :</b>		
Equity Shares of ₹ 10 Each Fully Paid Up	8,222	7,619
	<u>8,222</u>	<u>7,619</u>

### Rights, preferences and restrictions attached to shares

#### 1. Equity shares :

The Company has one class of equity shares having a par value of ₹ 10 each (previous year: having a par value of ₹ 10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 2. Reconciliation of number of shares outstanding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	7,61,94,148	7,619	7,61,94,148	7,619
Additions during the year	60,24,096	603	–	–
<b>At the end of the year</b>	<u>8,22,18,244</u>	<u>8,222</u>	<u>7,61,94,148</u>	<u>7,619</u>

#### 3. Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	92.67%	7,61,94,148	100.00%

#### 4. Shares held by holding company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	92.67%	7,61,94,148	100.00%

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 5. Shares held by promoters in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023		% Change
	No. of shares held	% of holding	No. of shares held	% of holding	
Motilal Oswal Financial Services Limited and its nominees	7,61,94,149	92.67%	7,61,94,148	100.00%	-7.33%

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 2024	As at 31 March 2023
<b>a) Capital redemption reserve</b>		
Balance at the beginning of the year	90	90
Add: Additions during the year	—	—
<b>Balance at the end of the year</b>	<b>90</b>	<b>90</b>
<b>b) Securities premium</b>		
Balance at the beginning of the year	82,915	82,915
Add: Additions during the year	9,398	—
<b>Balance at the end of the year</b>	<b>92,313</b>	<b>82,915</b>
<b>c) Statutory reserve u/s 45 IC of RBI Act 1934</b>		
Balance at the beginning of the year	4,730	3,430
Add: Transferred from retained earnings	4,356	1,300
<b>Balance at the end of the year</b>	<b>9,086</b>	<b>4,730</b>
<b>d) Retained earnings</b>		
Balance at the beginning of the year	17,358	12,573
Add: Profit for the year	21,778	6,499
Less: Interim Dividend	(568)	(415)
Less: Transfer to statutory reserves	(4,356)	(1,300)
<b>Closing Balance</b>	<b>34,212</b>	<b>17,358</b>
<b>e) Impairment reserve</b>		
Balance at the beginning of the year	90	90
Add: Transferred from statement of profit and loss	—	—
	<b>90</b>	<b>90</b>
<b>f) Other comprehensive income</b>		
Balance at the beginning of the year	3,402	4,669
Add: Changes in accounting policy/prior period errors	—	—
<b>Restated Balance as at the beginning of the year</b>	<b>3,402</b>	<b>4,669</b>
Add: Other comprehensive income during the year	<b>5,715</b>	<b>(1,267)</b>
<b>Balance as at end of the year</b>	<b>9,117</b>	<b>3,402</b>
	<b>1,44,908</b>	<b>1,08,585</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Nature and purpose of Reserves

### Capital Redemption Reserve

The Capital Redemption Reserve is created pursuant to redemption of preference shares and the same 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 u/s 45 IC of RBI Act 1934

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 ₹ 4,356 lakhs. (Previous year ₹ 1,300 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 2024	For the year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>		
Interest on loans	44,685	26,972
	<u>44,685</u>	<u>26,972</u>

## NOTE 22 : DIVIDEND INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend income	566	365
	<u>566</u>	<u>365</u>

## NOTE 23 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees and commission Income	96	170
	<u>96</u>	<u>170</u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 24 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
Realised	8,306	3,683
Unrealised	11,061	(1,007)
	<u>19,367</u>	<u>2,676</u>

## NOTE 25 : OTHER OPERATING INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Collection fees & other charges	233	158
	<u>233</u>	<u>158</u>

## NOTE 26 : OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on deposit with banks	1	14
Business support income	1,276	1,276
Training Fees	1,469	618
Miscellaneous income	28	5
	<u>2,774</u>	<u>1,913</u>

## NOTE 27 : FINANCE COST

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>On financial liabilities measured at amortised cost</b>		
Interest on debt securities	35,763	19,227
Interest on borrowings (other than debt securities)	1,341	511
Other borrowing cost	20	87
Interest on lease (refer note 40)	5	7
	<u>37,129</u>	<u>19,832</u>

## NOTE 28 : IMPAIRMENT ON FINANCIAL INSTRUMENT (MEASURED AT AMORTISED COST)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Impairment loss allowance on Loan and receivables	228	780
	<u>228</u>	<u>780</u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 29 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowance	1,500	1,325
Contribution to provident fund (refer note 41)	43	37
Expenses on employee stock option scheme (refer note 43)*	52	81
Staff welfare expenses	83	71
Gratuity (refer note 41)	28	23
	<u>1,706</u>	<u>1,537</u>

\*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 31 March 2024	For the year ended 31 March 2023
Rates & Taxes	87	60
Bank charges	-	14
Printing & stationary expenses	1	3
Power and fuel	2	2
Business Support Charges	31	29
Remuneration to auditors (refer note 33)	17	13
Legal & professional fees	978	1,068
Rent (refer note 40)	4	4
Advertisement and Brand promotion expenses	238	149
Mobile charges	3	2
Travelling & conveyance	11	6
Insurance	22	13
Corporate social responsibility expenses {refer note 30(i)}	134	70
Miscellaneous expenses	105	61
	<u>1,633</u>	<u>1,494</u>

## 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 2023-24.

### (a) Break-up of various heads of expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Donation for the education program and scholarship	101	16
Donation for medical aid	8	2
Donation for skill & community development	25	52
	<u>134</u>	<u>70</u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (b) Shortfall/(excess) contribution

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a. Gross amount required to be spent during the year	134	70
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	106	60
(ii) On purposes other than (i) above	28	10
	<u>134</u>	<u>70</u>
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

## 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 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	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>I. Tax expense recognised in the statement of profit and loss</b>		
<b>Current tax expense</b>		
Current tax for the year	3,257	2,537
Tax adjustment in respect of earlier years	(16)	62
<b>Total current tax expense</b>	<u>3,241</u>	<u>2,599</u>
<b>Deferred tax (credit)</b>		
Origination and reversal of temporary differences	1,982	(509)
<b>Net deferred tax (credit)</b>	<u>1,982</u>	<u>(509)</u>
	<u>5,223</u>	<u>2,090</u>
<b>II. Tax on other comprehensive income</b>		
<b>Deferred tax charge / (credit)</b>		
(Gain)/loss on equity instruments through other comprehensive income	739	(229)
(Gain)/loss on remeasurement of net defined benefit plans	(3)	(2)
	<u>736</u>	<u>(231)</u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## C. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Profit before income tax expense</b>	<b>27,001</b>	<b>8,589</b>
Tax at the rate of 25.17%	6,796	2,162
<b>Differences due to:</b>		
Temporary tax difference		
Exempt income	(142)	(92)
Tax adjustment of previous years	(16)	62
Tax at different rate	(1,448)	(60)
Expenses disallowed under income tax	34	18
<b>Income tax expense</b>	<b>5,223</b>	<b>2,090</b>

## D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 2024	As at 1 April 2023	(Credit) in the Statement of Profit and Loss	(Credit) in Other Comprehensive Income	As at 31 March 2024
<b>Deferred tax (assets) / liabilities</b>				
Difference between tax depreciation and book depreciation	(2)	1		(1)
Provision for post retirement benefits and other employee benefits	(37)	(17)	3	(51)
Provision for doubtful debts and advances	(237)	(57)		(294)
Fair value gain/(loss) on investments	401	3,008	(739)	2,670
	<u>125</u>	<u>2,935</u>	<u>(736)</u>	<u>2,324</u>
Movement during the year ended 31 March 2023	As at 1 April 2022	(Credit) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2023
<b>Deferred tax (assets) / liabilities</b>				
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 doubtful debts and advances	(40)	(196)	-	(237)
Fair value gain/(loss) on investments	935	(305)	(229)	401
	<u>866</u>	<u>(509)</u>	<u>(231)</u>	<u>125</u>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 32 : EARNINGS PER SHARE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders [A]	21,778	6,499
Weighted average number of equity shares issued (in lakhs) [B]	811	762
Nominal value per share	10	10
<b>Earning per share (Basic and diluted) [A]/[B] (₹)</b>	<b>26.84</b>	<b>8.53</b>

## NOTE 33 : REMUNERATION TO AUDITORS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>As auditors:</b>		
Payment to Auditor		
Statutory audit	11	10
For other services	5	2
GST	1	1
<b>Total*</b>	<b>17</b>	<b>13</b>

\*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 ₹ 0 (previous year : ₹ 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 2024	As at 31 March 2023
(i) Uncalled liability on shares and other investments partly paid:		
1) India Business Excellence Fund IV	—	1,894
2) India Realty Excellence Fund V	—	1,951
	<b>—</b>	<b>3,845</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024	For the year ended 31 March 2023
The Principal amount remaining unpaid at the year end	100	39
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	—	—
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	100	39

### Note:

Dues of Micro and small enterprises comprises of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consists portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 36 : PROVISIONS MADE COMPRISES OF

### For the year ended 31 March 2024

Particulars	Opening balance as on 01 April 2023	For the F.Y. 2023-24	Reversed / paid for the FY 2023-24	Closing balance as of 31 March 2024
Provision for gratuity	101	54	1	154
Heritage club Benefit	8	7	-	15
Compensated absences	37	-	1	36
<b>Total</b>	<b>146</b>	<b>61</b>	<b>2</b>	<b>205</b>

### 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
<b>Total</b>	<b>114</b>	<b>62</b>	<b>30</b>	<b>146</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 37 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Financial assets</b>		
Loans	2,50,918	1,21,902
Investments :		
Cash & Cash equivalents	–	1,28,715
Mutual funds	15,392	28,900
Security receipts	–	19,646
Equity shares	12,443	14,134
<b>Total assets pledged as security</b>	<b>2,78,753</b>	<b>3,13,297</b>

### Terms and conditions:

- 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 (cash & cash equivalents and loan book) with minimum cover of 1.1 times of outstanding balance including interest.
- Investments are pledged with Banks and NBFCs against borrowing facilities taken by the Company with margin of two times cover.
- 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 has assigned and reaffirmed its rating on Commercial Paper of the Company to "CRISIL A1+". Further, India Ratings & Research Private Limited, has assigned & affirmed 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 affirmed at "IND A1+."

Further, ICRA Ltd has reaffirmed its credit rating of "[ICRA] AA (Stable)" on Non-Convertible Debentures and " PP-MLD [ICRA] AA (Stable) on Principal Protected Market Linked Debentures.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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%.

### A. Right of use Assets (ROU)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	71	91
Adjustment on transition to Ind AS	–	–
Movement during the year	–	–
Depreciation on ROU assets	(20)	(20)
<b>Balance at the end of the year</b>	<b>51</b>	<b>71</b>

### B. Lease liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	75	92
Adjustment on transition to Ind AS	–	–
Movement during the year	–	–
Interest cost accrued during the period	5	7
Payment of lease liabilities	(24)	(24)
<b>Balance at the end of the year</b>	<b>55</b>	<b>75</b>

### C. Amount recognised in statement of profit & loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on ROU assets	20	20
Interest cost accrued during the period	5	7
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	4	4

### D. Amount recognised in statement of cash flows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash payment of lease liabilities	24	24
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	4	4

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## E. Maturity analysis - Undiscounted Cashflows of Contractual maturities of lease liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
upto one year	21	20
one to 5 years	34	55
more than 5 years	–	–
<b>Total</b>	<b>55</b>	<b>75</b>

## NOTE 41 : EMPLOYEE BENEFITS

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

### (a) Defined contribution plan

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's contribution to provident fund (including Admin charges)	43	37

### (b) Defined benefit plan

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20 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 2024	31 March 2023	31 March 2024	31 March 2023
<b>Assumptions as at</b>				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.97%	7.11%	6.88%	6.79%
Rate of increase in compensation	7.28%	6.50%		
Rate of return (expected) on plan assets				
Employee Attrition Rate(Past Service (PS))		PS: 0 to 37 : 26%	PS: 0 to 40 YRS: 54.43%	PS: 0 to 37 : 54.43%
D & V	PS: 0 to 40 : 0%			
M1 to M3	PS: 0 to 40 : 11%			
E1 to E3	PS: 0 to 40 : 11.60%			
Expected average remaining service	7.99	2.8		0.29 to 0.52
<b>I) Changes in present value of obligations</b>				
PVO at beginning of period	101	84	8	2
Interest cost	7	3	–	–
Current service cost	21	20	7	6
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Transfer in Liability	17	–	–	–
Transfer out Liability	(3)	–	–	–
Benefits paid	(1)	(13)	–	–
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Actuarial (gain)/loss on obligation	12	7	–	–
PVO at end of period	154	101	15	8
<b>II) Interest expense</b>				
Interest cost	7	3	–	–
<b>III Fair value of plan assets</b>				
Fair Value of Plan Assets at beginning of period	–	–	–	–
Interest income	–	–	–	–
<b>IV Net Liability</b>				
PVO at beginning of period	101	84	8	2
Fair value of the assets at beginning report	–	–	–	–
Net Liability	101	84	8	2
<b>V) Net Interest</b>				
Interest expenses	7	3	–	–
Interest income	–	–	–	–
Net interest	7	3	–	–
<b>VI) Actual return on plan assets</b>				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
<b>VII) Actuarial (gain)/loss on obligation</b>				
Due to demographic assumption	2	(2)	–	–
Due to financial assumption	9	(18)	–	–
Due to experience	1	26	–	–
Total actuarial (gain)/loss	12	7	–	–
<b>VIII) Fair value of plan assets</b>				
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	1	13	–	–
Contributions by employee	–	–	–	–
Benefits paid	(1)	(13)	–	–
Fair value of plan assets at end	–	–	–	–
<b>IX) Past service cost recognised</b>				
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	–	–	–	–
<b>X) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>				
PVO at end of period	154	101	15	8
Fair value of plan assets at end of period	–	–	–	–
Funded Status	(154)	(101)	(15)	(8)
Unrecognised past service cost- non vested benefits	–	–	–	–
Net asset/(liability) recognized in the balance sheet	(154)	(101)	(15)	(8)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>XI) Expense recognised in the statement of profit and loss</b>				
Current service cost	21	20	7	6
Net interest	7	3	-	-
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	28	23	7	6
<b>XII) Other comprehensive income (OCI)</b>				
Actuarial (gain)/loss recognized for the period	12	7	-	-
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	7	-	-
<b>XIII) Movement in liability recognized in balance sheet</b>				
Opening net liability	101	84	8	2
Adjustment to opening balance				
Transfer in liability	17	-	-	-
Transfer out liability	(3)	-	-	-
Expenses as above	28	23	7	6
Contribution paid	(1)	(13)	-	-
Other Comprehensive Income(OCI)	12	7	-	-
Closing net liability	154	101	15	8
<b>XIV) Schedule III of The Companies Act 2013</b>				
Current liability	7	25	11	6
Non - current liability	147	76	4	2
<b>XV) Projected service cost 31 March 2025</b>	<b>24</b>	<b>21</b>	-	-
<b>XVI) Asset information</b>				
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	141	169	164	145

## 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	7	8	8	8	27	75

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## XX) Asset liability comparisons

Year	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024
PVO at end of period	7	54	84	101	154
Plan assets	–	–	–	–	–
Surplus / (deficit)	(7)	(54)	(84)	(101)	(154)
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 Financials 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
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
11. India Business Excellence Management Company
12. Motilal Oswal Asset Management (Mauritius) Private Limited
13. Motilal Oswal Capital Limited
14. Motilal Oswal Broking and Distribution Limited (formerly known as Glide Tech Investment Advisors Private Limited)
15. Motilal Oswal Finsec IFSC Limited
16. TM Investment Technologies Private Limited
17. MO Alternative IFSC Private Limited

#### Key Management Personnel (KMP)

1. Mr. Harsh Joshi - Whole time Director
2. Mr. Akash Anchan - Company Secretary (Till November 24, 2023)
3. Mr. Ashish Kumar Shrivastava - Company Secretary (From 27 March 2024)
4. Mr. Vijay Bansal - Chief Financial Officer (From 25 April 2023)
5. Mr. Shalibhadra Shah - Director (Till 4 August 2022)
6. Mr. Nikunj Pugalia - Chief Financial Officer (From 20 October 2022 till 24 January 2023)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (ii) Transactions with related parties for the year ended 31 March 2024 and 31 March 2023

Particulars	Name of the related Party	Holding Companies		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Business Support Income</b>	Motilal Oswal Financial Services Limited	1,276	1,276	-	-	-	-	1,276	1,276
<b>Business Support Expenses</b>	Motilal Oswal Financial Services Limited	31	29	-	-	-	-	31	29
<b>Fees and commission income</b>	Motilal Oswal Financial Services Limited	28	113	-	-	-	-	28	113
<b>Employee stock option expense</b>	Motilal Oswal Financial Services Limited	52	81	-	-	-	-	52	81
<b>Reimbursement of common cost</b>	Motilal Oswal Financial Services Limited	3	4	-	-	-	-	3	4
<b>Dividend</b>	Motilal Oswal Financial Services Limited	527	415	-	-	-	-	527	415
<b>Dividend</b>	Motilal Oswal Wealth Limited	-	-	25	-	-	-	25	-
<b>Dividend</b>	MO Alternate Investment Advisors Private Limited	-	-	17	-	-	-	17	-
<b>Purchase of investment</b>	Motilal Oswal Financial Services Limited	-	19,901	-	-	-	-	-	19,901
<b>Sale of investment</b>	Motilal Oswal Financial Services Limited	-	20,101	-	-	-	-	-	20,101
<b>Advisory &amp; other fees</b>	Motilal Oswal Asset Management Company Limited	-	-	120	89	-	-	120	89
<b>Miscellaneous expenses</b>	Motilal Oswal Asset Management Company Limited	-	-	2	2	-	-	2	2
<b>Interest Expense</b>	Motilal Oswal Wealth Limited	-	-	154	-	-	-	154	-
	Motilal Oswal Home Finance Limited	-	-	478	210	-	-	478	210
	Motilal Oswal Home Finance Limited	-	-	-	16	-	-	-	16
	Motilal Oswal Finsec IFSC Limited	-	-	3	0	-	-	3	0
	Motilal Oswal Broking and Distribution Limited	-	-	1	55	-	-	1	55
	Motilal Oswal Asset Management Company Limited	-	-	18	5	-	-	18	5
	Motilal Oswal Commodities Broker Private Limited	-	-	26	0	-	-	26	0
<b>Interest Income</b>	Motilal Oswal Investment Advisors limited	-	-	-	13	-	-	-	13
	Motilal Oswal Wealth Limited	-	-	1,485	1,284	-	-	1,485	1,284
	TM Investment Technologies Private Limited	-	-	0	8	-	-	0	8
	Mr. Shalibhadra Shah	-	-	-	-	-	3	-	3
	MO Alternate Investment Advisors Private Limited	-	-	96	53	-	-	96	53
	MO Alternative IFSC Private Limited	-	-	1	-	-	-	1	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Name of the related Party	Holding Companies		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Managerial remuneration	Mr. Harsh Joshi	-	-	-	-	361	189	361	189
	Mr. Ashish Kumar Shrivastava	-	-	-	-	1	-	1	-
	Mr. Akash Ganesh Anchan	-	-	-	-	9	8	9	8
	Mr. Nikunj Rajeev Pugalía	-	-	-	-	-	15	-	15
	Mr. Vijay Bansal	-	-	-	-	55	-	55	-
Rent Expense	Motilal Oswal Financial Services Limited	28	28	-	-	-	-	28	28
	Motilal Oswal Home Finance Limited	-	-	-	85,500	-	-	-	85,500
	Motilal Oswal Home Finance Limited	-	-	(1,20,900)	(16,500)	-	-	(1,20,900)	(16,500)
	Motilal Oswal Asset Management Company Limited	-	-	4,100	2,070	-	-	4,100	2,070
	Motilal Oswal Asset Management Company Limited	-	-	-	(97)	-	-	-	(97)
	Motilal Oswal Commodities Broker Private Limited	-	-	308	10	-	-	308	10
	Motilal Oswal Investment Advisors limited	-	-	-	819	-	-	-	819
Loan given / (taken)	Motilal Oswal Wealth Limited	-	-	2,04,300	11,14,300	-	-	2,04,300	11,14,300
	Motilal Oswal Wealth Limited	-	-	(62,100)	-	-	-	(62,100)	-
	Motilal Oswal Broking and Distribution Limited	-	-	15	733	-	-	15	733
	MO Alternate Investment Advisors Private Limited	-	-	12,244	2,821	-	-	12,244	2,821
	TM Investment Technologies Private Limited	-	-	40	-	-	-	40	-
	MO Alternative IFSC Private Limited	-	-	26	-	-	-	26	-
	Mr. Shalibhadra Shah	-	-	-	-	-	666	-	666
	Harsh Joshi	-	-	-	-	20	-	20	-
	Motilal Oswal Finsec IFSC Limited	-	-	103	36	-	-	103	36
	Motilal Oswal Home Finance Limited	-	-	-	85,500	-	-	-	85,500
Motilal Oswal Home Finance Limited	-	-	(1,20,900)	(16,500)	-	-	(1,20,900)	(16,500)	
Motilal Oswal Asset Management Company Limited	-	-	5,200	970	-	-	5,200	970	
Motilal Oswal Asset Management Company Limited	-	-	-	(97)	-	-	-	(97)	
Motilal Oswal Commodities Broker Private Limited	-	-	318	-	-	-	318	-	
Motilal Oswal Investment Advisors limited	-	-	-	819	-	-	-	819	
Repayment of loan given / (taken)	Motilal Oswal Wealth Limited	-	-	2,01,060	11,13,200	-	-	2,01,060	11,13,200
	Motilal Oswal Wealth Limited	-	-	(62,100)	-	-	-	(62,100)	-
	Motilal Oswal Broking and Distribution Limited	-	-	485	450	-	-	485	450
	TM Investment Technologies Private Limited	-	-	-	351	-	-	-	351
	Motilal Oswal Finsec Limited	-	-	103	36	-	-	103	36
	Mr. Shalibhadra Shah	-	-	-	-	-	2,669	-	2,669
	Harsh Joshi	-	-	-	-	0	-	0	-
	MO Alternative IFSC Private Limited	-	-	26	-	-	-	26	-
	MO Alternate Investment Advisors Private Limited	-	-	11,889	2,823	-	-	11,889	2,823

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Name of the related Party	Holding Companies		Fellow Subsidiary Companies		KMP / Other related parties*		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Borrowings (Maximum during the year) #</b>	Motilal Oswal Home Finance Limited	–	–	19,500	20,000	–	–	19,500	20,000
	Motilal Oswal Wealth Limited	–	–	18,900	7,000	–	–	18,900	7,000
	Motilal Oswal Home Finance Limited	–	–	11,000	11,757	–	–	11,000	11,757
	Motilal Oswal Wealth Limited	–	–	39,500	40,000	–	–	39,500	40,000
	Motilal Oswal Asset Management Company	–	–	1,700	1,100	–	–	1,700	1,100
	Motilal Oswal Commodities Broker Private Limited	–	–	318	10	–	–	318	10
	Motilal Oswal Investment Advisors Limited	–	–	–	669	–	–	–	669
	Motilal Oswal Broking and Distribution Limited	–	–	470	805	–	–	470	805
<b>Advances (Maximum during the year) #</b>	MO Alternate Investment Advisors Private Limited	–	–	4,763	2,286	–	–	4,763	2,286
	Motilal Oswal Finsec IFSC Private Limited	–	–	72	36	–	–	72	36
	TM Investment Technologies Private Limited	–	–	40	351	–	–	40	351
	MO Alternate IFSC Private Limited	–	–	26	–	–	–	26	–
	Mr. Shalibhadra Shah	–	–	–	–	–	2,101	–	2,101

\* Other related parties includes Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/significant influence. Further the company does not have any transactions with relatives of Key Management Personnel

# Disclosure of maximum borrowings & advances in line with disclosure requirement in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

## (iii) Outstanding balances of/with Holding Company / Fellow Subsidiary / Other related parties\* :

Nature of transactions	Name of the Related party	Holding Company / Other Related Parties* / Fellow Subsidiary	
		As at 31 March 2024	As at 31 March 2023
<b>Investments</b>	Motilal Oswal Home Finance Limited	15,000	15,000
	Motilal Oswal Commodities Broker Private Limited	–	10
	Motilal Oswal Asset Management Company Limited	–	1,100
	Motilal Oswal Wealth Limited	4,340	1,100
<b>Loan &amp; Advances receivables/ (payable)</b>	MO Alternate Investment Advisors Private Limited	355	–
	Motilal Oswal Finsec IFSC Limited	0	–
	Motilal Oswal Broking and Distribution Limited	–	470
	TM Investment Technologies Private Limited	40	–
<b>Trade receivables/ (Payables)</b>	Motilal Oswal Financial Services Limited	30	38
	Motilal Oswal Asset Management Company Limited	–	1
<b>Interest receivables/ (Payable)</b>	Motilal Oswal Commodities Broker Private Limited	–	0
	Motilal Oswal Home Finance Limited	(66)	(36)
	TM Investment Technologies Private Limited	0	–
	MO Alternate Investment Advisors Private Limited	1	–
	Motilal Oswal Broking and Distribution Limited	–	4
	Motilal Oswal Wealth Limited	259	14

\* Other related parties includes Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/significant influence.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (iv) Loans to Directors, Senior Officers and Relatives of Directors

Particulars	As at 31 March 2024	As at 31 March 2023
Directors and their relatives	20	—
Entities associated with directors and their relatives	—	—
Senior Officers and their relatives	—	—

Note: The company does not have any transactions with relatives of Key Management Personnel.

## 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 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, investments held through Portfolio management services 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 2024	As at 31 March 2023
Low credit risk (Stage1)	1,026	859
Significant increase in credit risk (Stage2)	—	—
Credit impaired (Stage3)	142	81
<b>Closing</b>	<b>1,168</b>	<b>940</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Age of Loans:

Particulars	Principal as at 31 March 2024	ECL as at 31 March 2024	Net Loan as at 31 March 2024
0-90 days	2,56,580	1,026	2,55,554
91-180 days	–	–	–
181-365 days	142	142	–
1-3 years	–	–	–
More than 3 years	–	–	–
<b>Total</b>	<b>2,56,722</b>	<b>1,168</b>	<b>2,55,554</b>

Particulars	Principal as at 31 March 2024	ECL as at 31 March 2024	Net Loan as at 31 March 2024
0-90 days	2,14,660	859	2,13,801
91-180 days	–	–	–
181-365 days	81	81	–
1-3 years	–	–	–
More than 3 years	–	–	–
<b>Total</b>	<b>2,14,741</b>	<b>940</b>	<b>2,13,801</b>

## Age of receivables:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	73	149
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
<b>Total</b>	<b>73</b>	<b>149</b>

## 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 2024	As at 31 March 2023
Expiring within one year (working capital demand loan sanctioned)	100	–

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (i) Maturities of non – derivative financial liabilities

As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Payables	158	–	–	158
Debt securities	2,85,442	82,170	11,000	3,78,612
Borrowing	24,066	–	–	24,066
Other financial liabilities	459	34	–	493
<b>Total</b>	<b>3,10,125</b>	<b>82,204</b>	<b>11,000</b>	<b>4,03,329</b>

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
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
<b>Total</b>	<b>2,57,012</b>	<b>1,08,836</b>	<b>–</b>	<b>3,65,848</b>

## (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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 2024	As at 31 March 2023
Demand loans	2,56,722	2,14,741
Term loans	–	–
<b>Total loans</b>	<b>2,56,722</b>	<b>2,14,741</b>
<b>Security Receipts</b>	<b>17,267</b>	<b>19,646</b>
Variable rate borrowing	44,359	23,290
Fixed rate borrowing	3,58,319	3,41,913
<b>Total Borrowing</b>	<b>4,02,678</b>	<b>3,65,203</b>

### 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 reasonable 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 2024	31 March 2023
<b>Loans</b>		
Interest rates – increase by 100 basis points	1,921	1,607
Interest rates – decrease by 100 basis points	(1,921)	(1,607)
<b>Security receipts</b>		
Interest rates – increase by 100 basis points	129	147
Interest rates – decrease by 100 basis points	(129)	(147)
<b>Borrowings</b>		
Interest rates – increase by 100 basis points	(332)	(174)
Interest rates – decrease by 100 basis points	332	174

## (iii) Price risk

The company is exposed to price risk from its investment in mutual funds, equity shares, exchange traded funds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

The Investments held by the Company are ancillary to the Investment management business objective.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Exposure to price risk	71,135	99,694

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024	31 March 2023
Impact on profit before tax for 10% increase in NAV/price	7,114	9,969
Impact on profit before tax for 10% decrease in NAV/price	(7,114)	(9,969)

## 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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,96,273	–	1,96,273	1,28,715	–	1,28,715
Receivables						
Trade receivables	73	–	73	149	–	149
Other receivables	–	–	–	–	–	–
Loans	2,55,554	–	2,55,554	2,13,801	–	2,13,801
Investments	49,722	58,099	1,07,821	59,037	80,430	1,39,467
Other financial assets	–	24	24	–	20	20
<b>Non-financial assets</b>						
Current tax assets (net)	–	–	–	–	–	–
Deferred tax assets (net)	–	–	–	–	–	–
Property, plant and equipment	–	84	84	–	73	73
Intangible assets	–	7	7	–	1	1
Goodwill	–	405	405	–	405	405
Other non-financial assets	–	173	173	–	108	108
<b>Total assets</b>	<b>5,01,622</b>	<b>58,792</b>	<b>5,60,414</b>	<b>4,01,702</b>	<b>81,037</b>	<b>4,82,739</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Payables	158	–	158	132	–	132
Debt securities	2,85,442	93,170	3,78,612	2,52,360	1,08,781	3,61,141
Borrowings	24,066	–	24,066	4,062	–	4,062
Other financial liabilities	459	34	493	458	55	513
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	1,256	–	1,256	339	–	339
Deferred tax liabilities (net)	–	2,324	2,324	–	125	125
Provisions	205	–	205	146	–	146
Other non-financial liabilities	170	–	170	66	11	77
<b>Total liabilities</b>	<b>3,11,756</b>	<b>95,528</b>	<b>4,07,284</b>	<b>2,57,563</b>	<b>1,08,972</b>	<b>3,66,535</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

**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 2024	As at 31 March 2023	Variance %
i)	CRAR (%)	33.90%	27.84%	22%
ii)	CRAR - Tier I Capital (%)	33.62%	27.60%	22%
iii)	CRAR - Tier II Capital (%)	0.28%	0.24%	16%
iv)	Liquidity coverage ratio	422.70%	122.03%	246%
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 2024	As at 31 March 2023
<b>(1)</b>	<b>Value of investments</b>		
(i)	Gross value of investments		
(a)	In India	1,07,919	1,46,020
(b)	Outside India	–	–
(ii)	Provisions for depreciation*		
(a)	In India	98	6,553
(b)	Outside India	–	–
(iii)	Net value of investments		
(a)	In India	1,07,821	1,39,467
(b)	Outside India	–	–
<b>(2)</b>	<b>Movement of provisions held towards depreciation on investments</b>		
(i)	Opening balance	6,553	4,605
(ii)	Add : Provisions made during the year	–	1,948
(iii)	Less : Write-off / write-back of excess provisions during the year	-6,455	–
(iv)	Closing balance	98	6,553

\*Provision for depreciation includes provision for diminution in value of Investment.

## C. Derivatives

The Company has no transactions/exposure in derivative during the current and previous year.

The Company has no unhedged foreign currency exposure as on 31 March 2024.

The company has not entered in any Forward Rate Agreement/Interest Rate Swap

The Company has no transactions/exposure in Exchange Traded Interest Rate (IR) Derivative

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## E. Exposures

### F.1 Exposure to real estate sector

Sr. No.	Category	As at 31 March 2024	As at 31 March 2023
a)	<b>Direct exposure</b>		
(i)	<b>Residential mortgages -</b> Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	—	—
(ii)	<b>Commercial real estate -</b> 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.	9,894	71
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitized exposures -</b>		
a.	Residential	—	—
b.	Commercial real estate	17,267	19,646
b)	<b>Indirect exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	15,000	15,000
	Others	6,052	26,326
	<b>Total exposure to real estate sector</b>	<b>48,213</b>	<b>61,043</b>

### F.2 Exposure to capital market

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
(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;	69,502	61,713
(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;	1,27,514	1,12,046
(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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;	–	–
(vii)	bridge loans to companies against expected equity flows / issues;	–	–
(viii)	all exposures to Venture Capital Funds/ Alternative Investment Funds (both registered and unregistered)- Category III	–	17,510
(ix)	other fund based advance to Capital Market	1,08,912	98,320
	<b>Total exposure to capital market</b>	<b>3,05,928</b>	<b>3,04,589</b>

### 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 Nil

### 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 2023-24, 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 2023-24, ₹ Nil remuneration paid to the directors (Non executive).

### F.6 Credit default swaps

The company has not entered into credit default swaps, hence disclosure not applicable

### F.7 Advances Against Intangible Securities

The Company has not provided any advances against intangible securities hence disclosure is not applicable.

### F.8 Disclosure of Restructured Accounts

No loan have been restructured during the year. (Previous year: Nil)

### F.9 Consolidated Financial Statements (CFS)

Since the company does not have any Subsidiaries, associates or joint ventures, this disclosure is not applicable

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

**F.10 Divergence In Asset Classification And Provisioning - Disclosure Pursuant To Reserve Bank Of India (Scale Based Regulation) RBI/2022-23/26 DOR.ACC.REC.No.20 /21.04.018 /2022-23 Dated April 19, 2022.**

No such divergence observed hence disclosure not applicable.

## G Additional disclosures

### G.1 Provisions

Provisions shown under the head expenditure in profit and loss account	For the year ended 31 March 2024	For the year ended 31 March 2023
Provisions for depreciation on Investment	-	1,948
Provision towards NPA	60	72
Provision made towards Income tax	5,223	2,090
Other provision (with details)*	61	62
Provision for standard assets	167	713
<b>*Other provisions</b>		
Provision for gratuity	54	30
Compensated absences	-	9
Heritage club Benefit	7	23
	<b>61</b>	<b>62</b>

### G.2 Drawn down from reserve

No draw down from reserve during the year.

### G.3 Concentration of advances

Particulars	As at 31 March 2024	As at 31 March 2023
Total advances to twenty largest borrowers	1,25,203	1,02,676
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	49%	48%

### G.4 Concentration of exposures

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to twenty largest borrowers	1,25,203	1,02,676
Percentage of exposure to twenty largest borrowers to total exposure of the Company on borrowers/ customers(%)	49%	48%

### G.5 Concentration of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts	142	81

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## G.6 Sector - wise NPAs

Sectors	As at 31 March 2024			As at 31 March 2023		
	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	2,36,426	142	0.06%	2,10,366	81	0.04%
ii. Loan against property	9,880	–	0%	–	–	0%
<b>Total of Industry</b>	<b>2,46,305</b>	<b>142</b>	<b>0%</b>	<b>2,10,366</b>	<b>81</b>	<b>0%</b>
3. Services	–	–	0%	–	–	0%
4. Personal Loans	–	–	0%	–	–	0%
5. others	10,417	–	0.00%	4,375	–	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'.
- 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 2024	As at 31 March 2023
(i)	Net NPAs to Net Advances (%)	0%	0%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	81	94
(b)	Additions during the year	108	17
(c)	Reductions during the year	(47)	(30)
(d)	Closing balance	142	81
(iii)	Movement of Net NPAs		
(a)	Opening balance	–	84
(b)	Additions during the year	–	–
(c)	Reductions during the year	–	(84)
(d)	Closing balance	–	0
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	81	9
(b)	Provisions made during the year	60	72
(c)	Write-off / (write-back) of excess provisions	–	–
(d)	Closing balance	142	81

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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

Particulars	As at 31 March 2024	As at 31 March 2023
Complaints received by the company from its customers		
1) No. of complaints pending at the beginning of the year	1	0
2) No. of complaints received during the year	0	7
3) No. of complaints redressed during the year	1	6
3.1) Of which, number of complaints rejected by the company	0	0
4) No. of complaints pending at the end of the year	0	1
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
<b>As at 31 March 2024</b>					
Service related	1	0	-100%	0	0
Non-receipt of documents	0	0	0%	0	0
Others	0	0	0%	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>-100%</b>	<b>0</b>	<b>0</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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
<b>As at 31 March 2023</b>					
Service related	0	7	0%	1	0
Non-receipt of documents	0	0	-100%	0	0
Others	0	0	-100%	0	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>-59%</b>	<b>1</b>	<b>0</b>

## I) Schedule to the Balance Sheet of “Motilal Oswal Finvest Limited” as at 31 March 2024 (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 2024		As at 31 March 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures : <b>Secured</b>	2,11,630	–	1,12,662	–
<b>Unsecured</b> (other than falling within the meaning of public deposits)	–	–	–	–
(b) Deferred Credits	–	–	–	–
(c) Term Loans	–	–	–	–
(d) Inter-corporate loans and borrowing	–	–	–	–
(e) Commercial paper	1,66,982	–	2,48,479	–
(f) Other loans (Borrowings)	24,066	–	4,062	–
<b>Assets side :</b>				
	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding		Amount outstanding	
<b>2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>				
(a) Secured		30,031		14,340
(b) Unsecured		2,26,691		2,00,401
		<b>2,56,722</b>		<b>2,14,741</b>
<b>3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
(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		–		–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Assets side :	As at 31 March 2024	As at 31 March 2023
	Amount outstanding	Amount outstanding
<b>4 Break-up of Investments :</b>		
<b>Current Investments :</b>		
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	7,005	15,002
(iv) Government securities	—	—
(v) Others (please specify)	—	—
<b>Long term Investments :</b>		
1. Quoted		
(i) Shares : (a) Equity	20,515	14,378
(b) Preference	—	—
(ii) Debentures and bonds	—	—
(iii) Units of mutual funds	—	—
(iv) Government Securities	—	—
(v) Others - Exchange traded funds	814	655
2. Unquoted		
(i) Shares : (a) Equity	35,168	33,677
(b) Preference	—	—
(ii) Debentures and bonds	6,052	10,597
(iii) Units of mutual funds	21,000	28,002
(iv) Government Securities	—	—
(v) Others (Investment in security receipts and private equity funds)	17,267	37,156
<b>Total</b>	<b>1,07,821</b>	<b>1,39,467</b>

## 5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provision (Refer Note No. 3)					
	As at 31 March 2024			As at 31 March 2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	—	—	—	—	—	—
(b) Companies in the same group	—	4,995	4995	—	2,699	2,699
(c) Other related parties	—	20	20	—	—	—
2. Other than related parties	30,031	2,21,676	2,51,707	14,340	1,97,640	2,11,980
<b>Total</b>	<b>30,031</b>	<b>2,26,691</b>	<b>2,56,722</b>	<b>14,340</b>	<b>2,00,339</b>	<b>2,14,679</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024		As at 31 March 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries			–	–
(b) Companies in the same group(Refer note 1)	15,000	15,000	15,000	15,000
(c) Other related parties			–	–
2. Other than related parties (Refer note 2)	92,821	92,821	1,24,467	1,24,467
<b>Total</b>	<b>1,07,821</b>	<b>1,07,821</b>	<b>1,39,467</b>	<b>1,39,467</b>

## 7) Other Information

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Gross non- performing assets		
(a) Related parties	–	–
(b) Other than related parties	142	81
(ii) Net non- performing assets		
(a) Related parties	–	–
(b) Other than related parties	–	0
(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 2024

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
<b>Assets</b>									
Loan	33,473	41,179	41,884	53,535	85,483	–	–	–	2,55,554
Investments	7,005	20,711	22,006	–	–	1,400	4,265	52,434	1,07,821
Foreign currency assets	–	–	–	–	–	–	–	–	–
<b>Liabilities</b>									
Borrowings	66	–	–	–	24,000	–	–	–	24,066
Debt securities	4,478	60,423	39,380	4,620	1,76,541	82,170	–	11,000	3,78,612
Deposits (Refer note 2)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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
<b>Assets</b>									
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	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>									
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	-	-	-	-	-	-	-	-	-

Notes

- The above maturity pattern is determined on management estimation.
- The Company does not accept public deposits.
- 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 2024

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)
<b>Performing Assets</b>						
Standard	Stage 1	2,56,580	1,026	2,55,554	1,026	0
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>2,56,580</b>	<b>1,026</b>	<b>2,55,554</b>	<b>1,026</b>	<b>0</b>
<b>Non-performing Assets (NPA)</b>						
Sub-standard	Stage 3	142	142	-	36	(106)
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
Doubtful - 1 to 3 year	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss asset	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>142</b>	<b>142</b>	<b>-</b>	<b>36</b>	<b>(106)</b>
		<b>2,56,722</b>	<b>1,168</b>	<b>2,55,554</b>	<b>1,062</b>	<b>(106)</b>

The above table discloses the provisions amounts as per IRAC norms, where the Company has made a provision of non-performing assets of ₹ 1,168 lacs as per IndAs 109 which is in excess of provision as per IRACP norms.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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)
<b>Performing Assets</b>						
Standard	Stage 1	2,14,660	859	2,13,801	859	(0)
	Stage 2	–	–	–	–	–
<b>Subtotal</b>		<b>2,14,660</b>	<b>859</b>	<b>2,13,801</b>	<b>859</b>	<b>(0)</b>
<b>Non-performing Assets (NPA)</b>						
Sub-standard	Stage 3	10	10	-	3	(7)
Doubtful - upto 1 year	Stage 3	71	71	-	71	-
Doubtful - 1 to 3 year	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss asset	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>81</b>	<b>81</b>	<b>-</b>	<b>74</b>	<b>(7)</b>
		<b>2,14,741</b>	<b>940</b>	<b>2,13,801</b>	<b>933</b>	<b>(7)</b>

The above table discloses the provisions amounts as per IRAC norms, where the Company has made a provision of non-performing assets of ₹ 940 lacs as per IndAs 109 which is in excess of provision as per IRACP norms.

## 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 2024

### 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 - 9	1,59,036	39%	39%
Non Convertible Debenture - 9	1,70,850	42%	42%
Demand Loan - 2	24,000	6%	6%

### L.2 Top 20 large deposits (amount and % of total deposits) – Not Applicable

### L.3 Top 10 borrowings (amount in ₹ lakhs and % of total borrowings) - ₹ 3,11,735.74 lakhs and 77.42 %

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## L.4 Stock Ratios

Name of instrument/product	% of Total deposits / borrowings	% of total public funds	% of total liability	% of total assets
Commercial papers (CPs)	41%	41%	41%	30%
Non-convertible debentures (NCDs) with original maturity of less than one year	53%	53%	52%	38%
Other short-term liabilities, if any	6%	6%	6%	4%

## 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.

\* The provision included in the financial statements has been determined in accordance with the Expected Credit Loss method, which is higher than the requirement of the said circular.

## M. Intra-group exposures

Particulars	Amount	
	As at 31 March 2024	As at 31 March 2023
i) Total amount of intra-group exposures	20,025	17,737
ii) Total amount of top 20 intra-group exposures	20,025	17,737
iii) Percentage of intra-group exposures to total exposure of the company on borrowers/customers	5.49%	5.00%

## N. Breach of covenant

The is no breach of financial covenant with respect to any term loan & debt security issued.

## O. Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	Amount	
	31 March 2024	31 March 2023
Net profit/Loss for the period	21,778	6,499
Impact of prior period items on current year's profit	–	–
Reason for Changes in accounting policies	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## P. 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 issued by the RBI.

### Reporting of Fraud

Particulars	Amount	
	31 March 2024	31 March 2023
<b>Classification of Fraud</b>		
a. Misappropriation and criminal breach of trust	–	–
b. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property	–	–
c. Unauthorized credit facilities extended for reward or for illegal gratification.	–	–
d. Negligence and cash shortages	–	–
e. Cheating and forgery	–	–
f. Irregularities in foreign exchange transactions	–	–
g. Any other type of fraud not coming under the specific heads as above.	–	–
<b>Total</b>	–	–

Particulars	As at 31 March 2024	As at 31 March 2023
Amount related to Fraud reported during the year	–	–

## Q. LCR Disclosure

Particulars	31-03-2024		31-12-2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>				
1 **Total High Quality Liquid Assets (HQLA)	78,567	78,567	61,577	61,577
<b>Cash Outflows</b>				
2 Deposits (for deposit taking companies)	–	–	–	–
3 Unsecured wholesale funding	–	–	–	–
4 Secured wholesale funding	–	–	–	–
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–
(ii) Outflows related to loss of funding on debt products	–	–	–	–
(iii) Credit and liquidity facilities	–	–	–	–
6 Other contractual funding obligations	64,650	74,348	65,726	75,585
7 Other contingent funding obligations	0	0	0	0
<b>8 TOTAL CASH OUTFLOWS</b>	<b>64,650</b>	<b>74,348</b>	<b>65,726</b>	<b>75,585</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	31-03-2024		31-12-2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>Cash Inflows</b>				
9 Secured lending	–	–	–	–
10 Inflows from fully performing exposures	57,146	42,860	6,065	4,549
11 Other cash inflows	17,302	12,977	21,226	15,920
<b>12 TOTAL CASH INFLOWS</b>	<b>74,448</b>	<b>55,836</b>	<b>27,291</b>	<b>20,468</b>
		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
<b>13 TOTAL HQLA</b>		<b>78,567</b>		<b>61,577</b>
<b>14 TOTAL NET CASH OUTFLOWS</b>		<b>18,587</b>		<b>55,116</b>
<b>15 LIQUIDITY COVERAGE RATIO (%)</b>		<b>423%</b>		<b>112%</b>

Particulars	31-03-2024		31-12-2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1 Assets to be included as HQLA without any Haircut	78,567	78,567	61,577	61,577
2 Assets to be considered For HQLA with a minimum haircut of 15%	–	–	–	–
3 Assets to be considered For HQLA with a minimum haircut of 50%	–	–	–	–

## Notes:

**Main Drivers and Evolution of LCR Results:** The primary drivers of MOFL's LCR results are the quality and composition of our High-Quality Liquid Assets (HQLAs) and the diversification of our funding sources. Over time, we have observed a positive trend in our LCR due to strategic enhancements in our liquidity management practices and broadening of our funding base. Continuous efforts in identifying and maintaining a robust portfolio of HQLAs have been crucial in sustaining our LCR above the regulatory threshold.

**Composition of HQLAs:** Our HQLA portfolio predominantly consists of bank balances

**Concentration of Funding Sources:** MOFL has actively reduced concentration risk in our funding sources by diversifying our funding base. This includes accessing long-term debt markets and broadening our investor base. A well-distributed funding profile mitigates the risk of sudden outflows and enhances our liquidity stability. We have an appropriate mix of long term and short term funding sources.

**Derivative Exposures and Collateral Calls:** We adopt a conservative approach to managing potential collateral calls. Through regular stress testing and scenario analysis, we prepare for potential liquidity pressures arising from derivative positions, ensuring minimal impact on our LCR.

**Overall, MOFL's approach to managing LCR is dynamic and responsive to both internal and external factors, ensuring we maintain robust liquidity and financial stability.**

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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.

### 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	2023-24			2022-23		
	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
<b>Total Revenue from contracts with customers</b>	<b>44,685</b>	<b>1,475</b>	<b>1,600</b>	<b>26,972</b>	<b>635</b>	<b>1,588</b>
<b>Geographical Markets</b>						
India	44,685	1,475	1,600	26,972	635	1,588
Outside India	–	–	–	–	–	–
<b>Total Revenue from contracts with customers</b>	<b>44,685</b>	<b>1,475</b>	<b>1,600</b>	<b>26,972</b>	<b>635</b>	<b>1,588</b>
<b>Timing of revenue recognition</b>						
Services transferred at a point in time	–	1,475	–	–	–	–
Services transferred over time	44,685	–	1,600	26,972	635	1,588
<b>Total Revenue from contracts with customers</b>	<b>44,685</b>	<b>1,475</b>	<b>1,600</b>	<b>26,972</b>	<b>635</b>	<b>1,588</b>

### 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 received at the time of subscription are recognised when client's access to training module is activated.

Income from referral is recognised upon rendering of the services.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 48 : FAIR VALUE MEASUREMENT

### a) Financial instruments by category

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Cash and cash equivalents	–	–	1,96,273	–	–	1,28,715
Receivables						
Trade receivables	–	–	73	–	–	149
Loans			2,55,554	–	–	2,13,801
Investments	68,079	20,323	19,419	1,05,206	14,134	20,127
Other financial assets	–	–	24	–	–	20
<b>Total financial assets</b>	<b>68,079</b>	<b>20,323</b>	<b>4,71,343</b>	<b>1,05,206</b>	<b>14,134</b>	<b>3,62,812</b>
<b>Financial liabilities</b>						
Payables	–	–	158	–	–	132
Debt securities	–	–	3,78,612	–	–	3,61,141
Borrowings	–	–	24,066	–	–	4,062
Other financial liabilities	–	–	493	–	–	513
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>4,03,329</b>	<b>–</b>	<b>–</b>	<b>3,65,848</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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.

## 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 2024			As at 31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Financial investments at FVTPL						
– Mutual funds	28,005	–	–	43,004	–	–
– Exchange traded funds	814	–	–	655	–	–
– Investment in security receipt	–	–	17,267	–	–	19,646
– Investment in unlisted equity	–	–	20,168	–	–	18,678
– Investment in listed equity	192	–	–	244	–	–
– Investment in private equity	–	–	–	–	–	17,510
– Investment in NCD	–	–	1,633	–	–	5,470
Financial investments at FVOCI						
– Equity instruments held through portfolio management schemes	20,323	–	–	14,134	–	–
<b>Total</b>	<b>49,334</b>	<b>–</b>	<b>39,068</b>	<b>58,037</b>	<b>–</b>	<b>61,304</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024 and 31 March 2023:

Particulars	Security receipts	Private equity	NCD	Unlisted equity
<b>As at 01 April 2022</b>	<b>21,746</b>	<b>11,645</b>	<b>8,036</b>	<b>19,404</b>
Additions	5,048	11,715	2,310	–
Disposals	(5,618)	(6,080)	(4,876)	(626)
Gains/(losses) recognised in statement of profit and loss	(1,530)	230	–	(100)
<b>As at 31 March 2023</b>	<b>19,646</b>	<b>17,510</b>	<b>5,470</b>	<b>18,678</b>
Additions	1,452	701	388	–
Disposals	(9,906)	(17,800)	(4,225)	–
Gains/(losses) recognised in statement of profit and loss	6,075	(411)	–	1,490
<b>As at 31 March 2024</b>	<b>17,267</b>	<b>–</b>	<b>1,633</b>	<b>20,168</b>

## 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 2024	As at 31 March 2023
Fair value of Private Equity fund, unlisted equity shares and Security Receipts	37,435	55,834
<b>Significant unobservable inputs</b>		
Net worth of the fund at Fair value		
– increase by 100 bps	374	558
– decrease by 100 bps	(374)	(558)
Fair value of NCD	1,633	5,470
<b>Significant unobservable inputs</b>		
Net Asset Value of the investment		
– increase by 100 bps	16	55
– decrease by 100 bps	(16)	(55)

## NOTE 49 : BUSINESS SUPPORT

The Company provides business support to its 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 2024 and 31 March 2023.

**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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

("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 has no satisfaction of charges which are pending to be filed with ROC.

**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 2024 and 31 March 2023.

## **NOTE 54 : INTERIM DIVIDEND**

The Board of Directors at its meeting held on 24 January 2024 and March 27, 2024 has declared an interim dividend of ₹ 0.65 /- and ₹ 0.041/- respectively per equity share (on face value of ₹ 10/- per equity share) for the financial year 2023-24.

**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 : 22 April 2024

**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 : 22 April 2024

Sd/-  
**Pankaj Purohit**  
Director  
DIN: 09613227

Sd/-  
**Ashish Kumar Shrivastava**  
Company Secretary

# **Motilal Oswal Wealth Limited**

**FINANCIAL STATEMENT  
2023-24**

# 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, 2024, 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, 2024, and profit, and its cash flows for the year ended on March 31, 2024.

### 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.

Till FY 2023, investment in fellow subsidiary -Motilal Oswal Home Finance Limited was being valued at cost. During the current year, in order to align with accounting policy, the Company recognised these investments at fair value based on a valuation done by an independent valuer. The cumulative impact amounting ₹ 4,312 lacs has been considered in the current profit and loss account, as the fair value estimate involves use of significant unobservable inputs and it is impracticable to adjust comparative information for prior periods.

### 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, 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

# Independent Auditors' Report (Contd..)

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

## Independent Auditors' Report (Contd..)

- (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (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.
  - (vii.)The Company has declared and paid interim 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, 2024.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Review of software audit trail was done at group level by an Independent Consultant, appointed by the Management. Further during the course of our audit we did not come across any instances of audit trail feature being tampered with.

For **PGS & ASSOCIATES**  
*Chartered Accountants*

Firm Registration No.: 0122384W

UDIN: 24111592BKBINV9220

**Premal H Gandhi**  
*Partner*

Membership No. 111592

Place: Mumbai

Date: 25th April, 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE A TO THE AUDITORS' REPORT

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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, 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, 2024 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.
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 has financial assets that are more than 50 per cent of the total assets but its income from financial assets is not more than 50 per cent of the gross income. However the company is engaged in 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

## Independent Auditors' Report (Contd..)

services in accordance with applicable laws. The company is not covered under the definition of NBFC as per Companies Act, 2003. So, the Company is not required to get itself registered under section 45 IA of the Reserve Bank of India Act, 1934. 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.

17. 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.
18. According to the information and explanations given to us, and the records of the Company examined by us, there is no material uncertainty existence 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.
19. 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.
20. 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: 24111592BKBINV9220

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 25th April, 2024

# 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 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

# Independent Auditors' Report (Contd..)

## 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 2024, 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: 24111592BKBINV9220

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 25th April, 2024

# Balance Sheet

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

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
a) Cash and cash equivalents	4	489	434
b) Other bank balances	5	–	14
c) Receivables	6		
(i) Trade receivables		7,247	4,169
(ii) Other receivables		–	1
d) Loans	7	2,669	77
e) Investments	8	34,899	21,639
f) Other financial assets	9	373	225
<b>Sub - total financial assets (A)</b>		<b>45,677</b>	<b>26,559</b>
<b>2. Non-financial assets</b>			
a) Current tax assets (net)	10	–	147
b) Deferred tax asset (Net)	11	–	25
c) Property, plant and equipment	12(a)	467	402
d) Intangible assets	12(b)	66	105
e) Other non-financial assets	13	157	101
<b>Sub - total non-financial assets (B)</b>		<b>690</b>	<b>780</b>
<b>Total Assets (A+B)</b>		<b>46,367</b>	<b>27,339</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities</b>			
a) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		104	41
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		777	357
b) Borrowings (Other than debt securities)	15	4,340	1,100
c) Other financial liabilities	16	2,780	1,876
<b>Sub - total financial liabilities (A)</b>		<b>8,001</b>	<b>3,374</b>
<b>2. Non-financial liabilities</b>			
a) Current tax liabilities (net)	17	104	–
b) Deferred tax liability (net)	11	1,403	–
c) Provisions	18	957	753
d) Other non-financial liabilities	19	1,169	378
<b>Sub - total non-financial liabilities (B)</b>		<b>3,633</b>	<b>1,131</b>

## Balance Sheet (Contd..)

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

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>3. Equity</b>			
(a) Equity share capital	20	8	8
(b) Other equity	21	34,725	22,826
<b>Sub - total equity (C )</b>		<b>34,733</b>	<b>22,834</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>46,367</b>	<b>27,339</b>

The accompanying notes 1 to 51 form an integral part of the financial statements.

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

**For PGS & Associates**

*Chartered Accountants*

Firm Registration No. 122384W

**Premal H. Gandhi**

*Partner*

Membership No. : 111592

Place : Mumbai

Date : 25th April, 2024

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 : 25th April, 2024

**Ajay Menon**

*Director*

DIN No: 00024589

# Statement of Profit And Loss

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

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>INCOME</b>			
<b>Revenue from operations</b>			
(i) Fees and commission income	22	26,778	19,270
(ii) Interest Income	23	1,302	1,802
(iii) Rental Income	24	110	110
(iv) Dividend income	25	25	3
(v) Net gain on fair value changes	26	8,578	473
<b>1) Total Revenue from operations</b>		<b>36,793</b>	<b>21,658</b>
<b>2) Other Income</b>	27	52	4
<b>3) Total Income (1+2)</b>		<b>36,845</b>	<b>21,662</b>
<b>EXPENSES</b>			
i) Employee benefit Expenses	28	15,254	10,813
ii) Finance Cost	29	1,818	1,284
iii) Depreciation	12	143	133
iv) Fees and commission expense	30	704	532
v) Other Expenses	31	3,470	2,719
<b>4) Total Expenses</b>		<b>21,389</b>	<b>15,481</b>
<b>5) Profit before tax (3-4)</b>		<b>15,456</b>	<b>6,181</b>
<b>Tax expense / (credit):</b>			
(i) Current tax		2,084	1,602
(ii) Deferred tax expense / (credit)		1,433	(40)
(iii) Short / (excess) provision for earlier years		(0)	112
<b>6) Total tax expenses</b>	32	<b>3,517</b>	<b>1,674</b>
<b>7) Profit after tax (5 - 6)</b>		<b>11,939</b>	<b>4,507</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain / (loss) on post retirement benefit plans		(19)	11
(b) Deferred tax impact on the above		5	(3)
<b>8) Other comprehensive income / (loss)</b>		<b>(14)</b>	<b>8</b>
<b>Total comprehensive income for the year (7 + 8)</b>		<b>11,925</b>	<b>4,515</b>
<b>Earnings per share (Face value per share ₹ 1/-)</b>	34		
Basic & Diluted		1,468.21	554.26

The accompanying notes 1 to 51 form an integral part of the financial statements

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

**For PGS & Associates**

Chartered Accountants

Firm Registration No. 122384W

**Premal H. Gandhi**

Partner

Membership No. : 111592

Place : Mumbai

Date : 25th April, 2024

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 : 25th April, 2024

**Ajay Menon**

Director

DIN No: 00024589

# Statement of Cash Flow

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. Cash flow from Operating Activities :</b>		
<b>Profit before taxation</b>	<b>15,456</b>	6,181
<b>Adjustments for :</b>		
Esop Expenditure	3	2
(Profit) / Loss on sale of Fixed asset	3	–
(Profit) / Loss on Sale of Investment-Realised	(1,288)	(533)
(Profit) / Loss on Sale of Investment - Unrealised	(7,290)	60
Dividend Income	(25)	(3)
Depreciation	143	133
Gratuity	154	127
<b>Operating profit before Working Capital changes</b>	<b>7,156</b>	<b>5,967</b>
<b>Adjustments for Working Capital changes</b>		
(Increase) / Decrease in receivables	(3,078)	(1,257)
(Increase) / Decrease in other receivables	1	(2)
(Increase) / Decrease in loans	(2,591)	8,254
(Increase) / Decrease in financial assets	(147)	(83)
(Increase) / Decrease in non-financial assets	(55)	67
Increase / (Decrease) in payables	483	(129)
Increase / (Decrease) in borrowings	3,240	1,100
Increase / (Decrease) in other financial liabilities	905	40
Increase / (Decrease) in provisions	31	281
Increase / (Decrease) in other non-financial liabilities	791	(65)
<b>Cash generated from / (used in) Operations</b>	<b>6,736</b>	<b>14,173</b>
Direct taxes paid (net)	(1,834)	(2,277)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>4,902</b>	<b>11,896</b>
<b>B. Cash flow from Investing Activities :</b>		
(Purchase) of Investments	1,91,718	(1,34,337)
Proceeds of sale of Investments	(1,96,402)	1,22,583
(Purchase) of Fixed Assets	(172)	(163)
Proceeds on Fixed deposit maturity	13	–
Dividend Income	25	3
<b>Net Cash generated from / (used in) Investing Activities (B)</b>	<b>(4,818)</b>	<b>(11,914)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	(29)	–
<b>Net cash from / (used in) financing activities (C)</b>	<b>(29)</b>	<b>–</b>

## Statement of Cash Flow (Contd..)

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>D. Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>55</b>	<b>(18)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		
Cash in hand	1	0
Scheduled bank - In Current Account	433	452
<b>Total (E)</b>	<b>434</b>	<b>452</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>489</b>	<b>434</b>
<b>Cash and cash equivalents at the end of the year :</b>		
Cash in hand	1	1
Scheduled bank - In Current Account	488	433
<b>Total (G)</b>	<b>489</b>	<b>434</b>
<b>Changes in liabilities arising from financing activities</b>		
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	1,100	–
Proceeds from borrowings (other than debt securities)	3,15,700	3,31,100
Repayment of borrowings	(3,12,460)	(3,30,000)
Repayment of debt securities	–	–
<b>Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>4,340</b>	<b>1,100</b>

### 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 the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Figures in brackets indicate cash outflows.

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

### For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

### Premal H. Gandhi

Partner

Membership No. : 111592

Place : Mumbai

Date : 25th April, 2024

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 : 25th April, 2024

### Ajay Menon

Director

DIN No: 00024589

# Statement of Changes in Equity

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

## (A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 1st April 2022</b>	8,13,200	8
Add / Less: Changes due to prior period errors	–	–
<b>Restated as at 01 April 2022</b>	8,13,200	8
Changes during the year	–	–
<b>As at 31 March 2023</b>	8,13,200	8
Add / Less: Changes due to prior period errors	–	–
<b>Restated as at 01 April 2023</b>	8,13,200	8
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>8,13,200</b>	<b>8</b>

## (B) Other Equity

Particulars	Reserve and surplus			Total
	Securities premium	Share option outstanding Reserve	Retained earnings	
<b>Balance as at 01 April 2022</b>	503	107	17,699	<b>18,309</b>
Add / Less: Changes due to prior period errors	–	–	–	–
<b>Restated balance as at 01 April 2022</b>	503	107	17,699	<b>18,309</b>
Addition during the year	–	2	–	2
Profit during the year	–	–	4,507	4,507
Actuarial gains / (losses) on post retirement benefit plans	–	–	8	8
<b>Balance as at 31 March 2023</b>	503	109	22,214	22,826
Add / Less: Changes due to prior period errors	–	–	–	–
<b>Restated balance as at 01 April 2023</b>	503	109	22,214	22,826
Addition during the year	–	3	–	3
Profit during the year	–	–	11,939	11,939
Actual gain / (loss) during the year (net of tax)	–	–	(14)	(14)
Dividend paid during the year	–	–	(29)	(29)
<b>Balance as at 31 March 2024</b>	503	112	34,110	34,725

The accompanying notes 1 to 51 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

**Premal H. Gandhi**  
Partner

Membership No. : 111592

Place : Mumbai  
Date : 25th April, 2024

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 : 25th April, 2024

**Ajay Menon**  
Director

DIN No: 00024589

# Summary of Material Accounting Policies and Other Explanatory Information

## NOTE 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 Limited (Reg. No. INP000004409 date of Reg. Nov 29, 2012) for doing business of portfolio management services.

Company is carrying the business of distribution of all kinds of financial instruments including portfolio management services, mutual funds, alternative investment funds, private equity funds, unit linked policies, insurance policies and providing financial and investment advisory services and wealth management services in accordance with the applicable laws.

## NOTE 2 : BASIS OF PREPARATION

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

### (i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 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 (₹), 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.

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.

## Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

- (c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.
- (d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- (e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.
- (f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.
- (g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## NOTE 3 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 3.1. Financial instruments

#### (i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

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

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

#### (ii) Classification and subsequent measurement

##### (a) Financial Assets

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

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

Classification and subsequent measurement of financial assets depend on:

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

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

**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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## **(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.

#### **(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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

**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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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 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.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (ii) Subsequent cost

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

## (iv) Gain or Loss on disposal

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

### 3.7 Intangible assets

#### (i) Recognition and measurement

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

#### (ii) Subsequent cost

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

#### (iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

### 3.8 Employee benefits

#### (i) Short-term employee benefit

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

#### (ii) Post-employment benefit

##### Defined contribution plan:

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

##### Defined benefits plan:

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

#### (iii) Other long-term employee benefits

##### (a) Heritage club benefits

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

## (iv) Share-based payments

### Employee Stock Option Scheme (ESOS)

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

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

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

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

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

## 3.9 Earnings per share

### (a) Basic earnings per share

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

### (b) Diluted earnings per share

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

## 3.10 Provisions and Contingent Liabilities:

Provisions are 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 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	1	1
<b>Balance with bank</b>		
In current accounts	488	433
<b>TOTAL</b>	<b>489</b>	<b>434</b>

## NOTE 5 : OTHER BANK BALANCES

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed Deposits with Bank (maturity more than 3 months)	–	14
<b>TOTAL</b>	<b>–</b>	<b>14</b>

## NOTE 6 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Trade receivables</b>		
Unsecured, Considered Good	7,247	4,169
Significant increase in credit risk	–	–
	<b>7,247</b>	<b>4,169</b>
<b>(ii) Other receivables</b>		
Unsecured, Considered Good	–	1
<b>TOTAL</b>	<b>7,247</b>	<b>4,170</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 6 (I) : RECEIVABLE AGEING SCHEDULE

For the year ended March 2024

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 receivables - considered good	7,222	3	20	2	–	7,247
(ii) Undisputed receivables - which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed receivables - which have significant increase in credit risk	–	–	–	–	–	–
(v) Disputed receivables - credit impaired	–	–	–	–	–	–

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 receivables - considered good	4,159	9	2	–	–	4,170
(ii) Undisputed receivables - which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed receivables - which have significant increase in credit risk	–	–	–	–	–	–
(v) Disputed receivables - credit impaired	–	–	–	–	–	–

## NOTE 7: LOANS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Others</b>		
Loans to employees	85	67
Interest accrued	546	0
Loans to related parties (subsidiaries)	1,062	–
Loans to other parties	976	10
<b>TOTAL</b>	<b>2,669</b>	<b>77</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## LOAN REPAYABLE ON DEMAND INCLUDING INTEREST ACCRUED

Type of Borrowers	31 March 2024		31 March 2023	
	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	15	1%	19	24%
KMPs	–	–	–	–
Related parties	365	14%	–	–
Holding company	1,242	47%	–	–

## NOTE 8: INVESTMENTS

Particulars	Quoted/ Unquoted	31 March 2024		31 March 2023	
		Units	Amount	Units	Amount
<b>I. Investment - at Fair value through profit and loss (A)</b>					
<b>Investments in Mutual Funds</b>					
Motilal Oswal Most Focused Multicap 35 Fund	Quoted	16,99,433	897	16,99,433	576
Motilal Oswal Most Focused Multicap 25 Fund	Quoted	48,03,867	2,272	48,03,867	1,722
Motilal Oswal Large And Midcap Fund	Quoted	47,50,000	1,305	47,50,000	850
Motilal Oswal Nifty 50 Index Fund	Quoted	35,00,000	664	35,00,000	511
Motilal Oswal S&P BSE Low Volatility Index Fund	Quoted	–	–	7,42,295	181
Motilal Oswal S&P BSE Low Volatility ETF	Quoted	4,63,502	162	–	–
Motilal Oswal S&P BSE QUALITY ETF	Quoted	67,521	123	1,08,000	124
Motilal Oswal S&P BSE Enhanced Value Index Fund	Quoted	9,99,950	221	9,99,950	117
Motilal Oswal Liquid Fund	Quoted	25,24,261	324	25,24,261	303
Motilal Oswal Nifty Gsec May 2029 Index Fund	Quoted	–	–	19,99,900	203
Motilal Oswal S&P Quality Index Fund	Quoted	4,99,975	76	4,99,975	51
Motilal Oswal S&P Bse Enhanced Value ETF	Quoted	1,36,313	124	–	–
Motilal Oswal Nifty 200 Momentum 30 ETF	Quoted	1,88,276	117	–	–
<b>Investment in Equity Instruments</b>					
Birlasoft Limited	Quoted	1,000	7	–	–
Coal India Limited	Quoted	2,100	9	–	–
Divis Laboratories Limited	Quoted	26	1	26	1
Glenmark Pharmaceuticals Limited	Quoted	725	7	–	–
Hindustan Aeronautics Limited	Quoted	300	10	–	–
Punjab National Bank	Quoted	8,000	10	–	–
REC Limited	Quoted	6,000	27	–	–
Zydus Lifesciences Limited	Quoted	900	9	–	–
<b>Investments in fellow subsidiaries</b>					
Motilal Oswal Home Finance Limited*	Unquoted	48,21,62,594	21,312	48,21,62,594	17,000
Motilal Oswal Finvest Limited	Unquoted	36,14,458	7,222	–	–
<b>Total Gross (A+B)</b>			<b>34,899</b>		<b>21,639</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Quoted/ Unquoted	31 March 2024		31 March 2023	
		Units	Amount	Units	Amount
(I) Investment outside India			–		–
(II) Investment in India			34,899		21,639
C) Total (I+II)			34,899		21,639
D) Less : Allowance for Impairment loss			–		–
E) Total net (C-D)			34,899		21,639

\*Till FY 2023, investment in fellow subsidiary - Motilal Oswal Home Finance Limited was being valued at cost. During the current year, in order to align with accounting policy, the Company recognised these investments at fair value based on a valuation done by an independent valuer. The cumulative impact amounting ₹ 4,312 lacs has been considered in the current profit and loss account, as the fair value estimate involves use of significant unobservable inputs and it is impracticable to adjust comparative information for prior periods.

## NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Rent deposits	120	83
Margin money	253	142
Accrued interest	0	0
<b>TOTAL</b>	<b>373</b>	<b>225</b>

## NOTE 10 : CURRENT TAX ASSET (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted at source (net of provisions)	–	147
<b>TOTAL</b>	<b>–</b>	<b>147</b>

## NOTE 11 : DEFERRED TAX ASSET / (LIABILITIES) (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets (A)</b>		
Gratuity	184	146
Short term Capital loss	7	7
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	17	13
<b>Total</b>	<b>208</b>	<b>166</b>
<b>Deferred tax liabilities (B)</b>		
Unrealised gain	1,611	141
<b>Total</b>	<b>1,611</b>	<b>141</b>
<b>Net deferred tax asset (A-B)</b>	<b>–</b>	<b>25</b>
<b>Net deferred tax liabilities (B-A)</b>	<b>(1,403)</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 12 : PROPERTY, PLANT & EQUIPMENTS

### Current year

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01 April 2023	Additions	Deductions	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Deductions	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
<b>(A) Tangible Assets</b>										
Office Premises	448	–	–	448	260	11	–	271	177	188
Renovation of Leased Office Premises	147	69	–	216	114	25	–	139	77	33
Computer	271	79	44	306	186	50	41	195	111	85
Furniture	7	–	–	7	4	1	–	5	2	4
Electrical Equipment	3	–	–	3	1	0	–	1	2	2
Air Conditioner	15	–	–	15	12	2	–	14	1	3
Mobile	1	–	–	1	1	–	–	1	0	0
Office Equipments	15	–	0	15	14	1	0	15	0	1
Television	0	–	–	0	0	–	–	0	0	0
Network Equipments	2	–	–	2	1	0	–	1	1	1
Projector	1	–	–	1	0	0	–	0	1	0
Car	160	21	–	181	76	11	–	87	94	83
Scooter	2	–	–	2	1	0	–	1	1	1
<b>Total (A)</b>	<b>1,072</b>	<b>169</b>	<b>44</b>	<b>1,197</b>	<b>671</b>	<b>101</b>	<b>41</b>	<b>731</b>	<b>467</b>	<b>402</b>
<b>(B) Intangible Assets</b>										
Commercial Rights	5	–	–	5	5	–	–	5	0	0
Computer Software	304	2	–	307	199	42	–	241	66	105
PMS Licence	1	–	–	1	1	–	–	1	0	0
<b>Total (B)</b>	<b>310</b>	<b>2</b>	<b>–</b>	<b>313</b>	<b>205</b>	<b>42</b>	<b>–</b>	<b>247</b>	<b>66</b>	<b>105</b>
<b>TOTAL (A+B)</b>	<b>1,382</b>	<b>172</b>	<b>44</b>	<b>1,510</b>	<b>876</b>	<b>143</b>	<b>41</b>	<b>979</b>	<b>533</b>	<b>507</b>

### Previous Year

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01 April 2022	Additions	Deductions	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Deductions	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>(A) Tangible Assets</b>										
Office Premises	448	–	–	448	248	12	–	260	188	200
Renovation of Leased Office Premises	147	–	–	147	90	24	–	114	33	57
Computer	202	69	–	271	147	39	–	186	85	55
Furniture	7	–	–	7	3	1	–	4	3	4
Electrical Equipment	3	0	–	3	1	0	–	1	2	2
Air Conditioner	15	–	–	15	9	3	–	12	3	6
Mobile	1	–	–	1	1	0	–	1	0	0
Office Equipments	15	0	–	15	12	2	–	14	1	3
Television	0	–	–	0	0	–	–	0	0	0

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01 April 2022	Additions	Deductions	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Deductions	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Network Equipments	1	1	–	2	1	0	–	1	1	0
Projector	1	–	–	1	0	0	–	0	1	1
Car	83	77	–	160	69	7	–	76	84	14
Scooter	2	–	–	2	1	0	–	1	1	1
<b>Total (A)</b>	<b>925</b>	<b>147</b>	<b>–</b>	<b>1,072</b>	<b>582</b>	<b>88</b>	<b>–</b>	<b>671</b>	<b>402</b>	<b>343</b>
<b>(B) Intangible Assets</b>										
Commercial Rights	5	–	–	5	5	–	–	5	0	0
Computer Software	289	15	–	304	154	45	–	199	105	135
PMS Licence	1	–	–	1	1	–	–	1	0	0
<b>Total (B)</b>	<b>295</b>	<b>15</b>	<b>–</b>	<b>310</b>	<b>160</b>	<b>45</b>	<b>–</b>	<b>205</b>	<b>105</b>	<b>135</b>
<b>TOTAL (A+B)</b>	<b>1,220</b>	<b>162</b>	<b>–</b>	<b>1,382</b>	<b>742</b>	<b>133</b>	<b>–</b>	<b>876</b>	<b>507</b>	<b>477</b>

## NOTE 13 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Advances	1	5
Prepaid Expenses	54	48
Advance for expenses	102	48
<b>TOTAL</b>	<b>157</b>	<b>101</b>

## NOTE 14 : TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Due to micro and small enterprise	104	41
Due to other than micro and small enterprise	777	357
<b>TOTAL</b>	<b>881</b>	<b>398</b>

## NOTE 14 (I) : TRADE PAYABLES AGEING SCHEDULE

For the year ended March 2024

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	101	2	0	1	104
(ii) Others	766	4	4	3	777
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - others	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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	40	0	1	0	41
(ii) Others	351	3	2	1	357
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - others	–	–	–	–	–

**Note :** Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 15 : BORROWINGS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At Amortised cost</b>		–
Unsecured- From Related Party	4,340	1,100
<b>TOTAL</b>	<b>4,340</b>	<b>1,100</b>

## NOTE 16 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Ex- Gratia Payables	2,658	1,737
Security Deposit (Against premises given on lease)	55	55
Other provisions (includes provision for expenses)	67	84
<b>TOTAL</b>	<b>2,780</b>	<b>1,876</b>

## NOTE 17 : CURRENT TAX LIABILITY (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liability (net of advance tax)	104	–
<b>TOTAL</b>	<b>104</b>	<b>–</b>

## NOTE 18 : PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Provision for Gratuity	660	534
Provision for Heritage	72	45
Compensated absences	225	174
<b>TOTAL</b>	<b>957</b>	<b>753</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 19: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	In Rupees	Number of shares	In Rupees
Statutory Dues Payable		943		378
Advances from Customers		226		–
<b>TOTAL</b>		<b>1,169</b>		<b>378</b>

## NOTE 20: SHARE CAPITAL

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	In Rupees	Number of shares	In Rupees
<b>Authorised</b>				
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	15,00,000	15	15,00,000	15
<b>TOTAL</b>	<b>15,00,000</b>	<b>15</b>	<b>15,00,000</b>	<b>15</b>
<b>Issued, Subscribed &amp; Paid Up</b>				
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	8,13,200	8	8,13,200	8
Changes in Equity Share capital during the year	–	–	–	–
<b>TOTAL</b>	<b>8,13,200</b>	<b>8</b>	<b>8,13,200</b>	<b>8</b>

### 20.1 Rights, preferences and restrictions attached to shares

#### Equity Shares :

All the Equity shares are held by Motilal Oswal Financial Services Limited, the holding company (including 60 share held jointly with nominee)

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 20.2 Reconciliation of number of shares outstanding

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	In Rupees	Number of shares	In Rupees
Number of share at beginning	8,13,200	8	8,13,200	8
Addition During the Year	–	–	–	–
<b>At the end of the year</b>	<b>8,13,200</b>	<b>8</b>	<b>8,13,200</b>	<b>8</b>

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited*	8,13,200	100.00	8,13,200	100.00

\*It includes beneficial ownership of 60 shares

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 20.4 Shares held by holding / promoter company

Shareholding pattern as on March 31, 2024			
Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financial Services Limited*	8,13,200	100.00	0.00
<b>Total</b>	<b>8,13,200</b>	<b>100.00</b>	

Shareholding pattern as on March 31, 2023			
Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financial Services Limited*	8,13,200	100.00	0.00
<b>Total</b>	<b>8,13,200</b>	<b>100.00</b>	

## NOTE 21: OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Securities Premium</b>		
Balance at the beginning of the year	503	503
Add: Addition during the year	–	–
<b>Balance at the end of year</b>	<b>503</b>	<b>503</b>
<b>b) Share option outstanding reserve</b>		
Balance at the beginning of the year	109	107
Add: Addition during the year	3	2
<b>Balance at the end of year</b>	<b>112</b>	<b>109</b>
<b>c) Retained earnings</b>		
Balance at the beginning of the year	22,214	17,699
Add: Transfer from Statement of Profit and Loss	11,939	4,507
Less: Interim dividend	(29)	–
Add: Actuarial gains / (losses) on post retirement benefit plans	(14)	8
<b>Balance at the end of year</b>	<b>34,110</b>	<b>22,214</b>
	<b>34,725</b>	<b>22,826</b>

## Nature and purpose of Reserves

### Securities Premium

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

### Share option outstanding account

Share option outstanding account is used to 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 22 : FEES AND COMMISSION INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Brokerage Mutual Fund	4,265	3,103
AIF Fees Income	4,846	5,451
Portfolio Management Commission	7,723	5,282
Placement fee - Private equity funds	1,428	1,162
Commission and Referral Income	7,865	4,000
Advisory Fees	651	272
<b>TOTAL</b>	<b>26,778</b>	<b>19,270</b>

## NOTE 23: INTEREST INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest income at amortised cost	1,302	1,802
<b>TOTAL</b>	<b>1,302</b>	<b>1,802</b>

## NOTE 24: RENTAL INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Rent Income	110	110
<b>TOTAL</b>	<b>110</b>	<b>110</b>

## NOTE 25: DIVIDEND INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Dividend Income from Subsidiaries	25	–
Dividend Income from Investments	0	3
<b>TOTAL</b>	<b>25</b>	<b>3</b>

## NOTE 26: NET GAIN / (LOSS) ON FAIR VALUE CHANGE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Net gain on financial instruments at fair value:</b>		
Realised Gain / (Loss)	1,288	533
Unrealised Gain / (Loss)	7,290	(60)
<b>TOTAL</b>	<b>8,578</b>	<b>473</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 27: OTHER INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Miscellaneous Income	52	4
<b>TOTAL</b>	<b>52</b>	<b>4</b>

## NOTE 28: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salary and Bonus	13,176	8,879
Contribution to provident & other funds	344	226
Staff Welfare	698	613
Employee Stock option expense (Refer note 44)	882	968
Gratuity (Refer note 43)	154	127
<b>TOTAL</b>	<b>15,254</b>	<b>10,813</b>

## NOTE 29 : FINANCE COST

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest on borrowings	1,818	1,284
<b>TOTAL</b>	<b>1,818</b>	<b>1,284</b>

## NOTE 30 : FEES AND COMMISSION EXPENSE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Brokerage Sharing with Intermediaries	704	532
<b>TOTAL</b>	<b>704</b>	<b>532</b>

## NOTE 31: OTHER EXPENSES

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Business Support	533	521
Rent Paid (Refer note 36)	780	675
Insurance	87	56
Marketing & Brand Promotion Expenses	671	308
Travelling Expenses and Conveyance	317	200
Printing & Stationery Expenses	142	59
Client Entertainment	61	38
Legal & Professional Fees	251	358
Data Processing Charges	92	80
Communication Expenses	8	8
Power and Fuel	133	49

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Software Charges	38	37
Training Expenses	7	21
Auditors Remuneration (Refer note 33)	1	1
Rates and Taxes	12	6
Repairs And Maintenance	48	37
Corporate Social Responsibility (Refer note 39)	141	98
Donation	–	42
Miscellaneous Expenses	148	125
<b>TOTAL</b>	<b>3,470</b>	<b>2,719</b>

## NOTE 32.1 : TAX EXPENSES

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	2,084	1,602
Tax adjustment in respect of earlier years	(0)	112
<b>Total current tax expense</b>	<b>2,084</b>	<b>1,714</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	1,433	(40)
<b>Net deferred tax expense</b>	<b>1,433</b>	<b>(40)</b>
	<b>3,517</b>	<b>1,674</b>

## NOTE 32.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Remeasurement of defined benefit plan	5	(3)
<b>Total</b>	<b>5</b>	<b>(3)</b>

## NOTE 32.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Profit / (loss) before income tax expense</b>	15,456	6,181
Tax at the rate of 25.168%	3,890	1,556
<b>Tax effect of :</b>		
Tax adjustment of previous years	(0)	112
Tax at different rate	(387)	(11)
Expenses not deductible for tax purposes	35	37
Exempt Income / Deduction on income	(21)	(9)
Short term capital loss	–	(11)
<b>Total</b>	<b>3,517</b>	<b>1,674</b>
<b>Income tax expense</b>	<b>3,517</b>	<b>1,674</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 32.4 : EFFECTIVE TAX RATE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Effective tax rate	22.75%	27.08%

## NOTE 32.5 : ITEMS OF DEFERRED TAX ASSET / (LIABILITY)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Deferred tax assets on account of:</b>		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	17	13
Gratuity	184	146
Short term capital loss	7	7
<b>Total deferred tax assets (A)</b>	<b>208</b>	<b>166</b>
<b>Deferred tax liability on account of :</b>		
Unrealised gain	1,611	141
<b>Total deferred tax liabilities (B)</b>	<b>1,611</b>	<b>141</b>
<b>Net deferred tax Assets / (Liability) (A-B)</b>	<b>(1,403)</b>	<b>25</b>

## NOTE 33 : REMUNERATION TO AUDITORS:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Audit Fees	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

## NOTE 34 : BASIC & DILUTED EARNINGS PER SHARE:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Net Profit attributable to equity shareholders [A] (₹)	11,939	4,507
Weighted Average Number of equity shares issued (face value of ₹ 1 each) [B] (₹)	8,13,200	8,13,200
<b>Basic EPS [A/B] (₹)</b>	<b>1,468.21</b>	<b>554.26</b>
Net Profit attributable to equity shareholders [A] (₹)	11,939	4,507
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]	11,939	4,507
Weighted average number of equity shares issued (face value of ₹ 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
<b>Diluted EPS [C/F] (₹)</b>	<b>1,468.21</b>	<b>554.26</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 35 : TRANSACTIONS IN FOREIGN CURRENCY

In (₹)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>(i) Earnings in foreign currency (on accrual basis)</b>		
Income from Advisory	303	160
Management Fees	12	—
<b>Total</b>	<b>315</b>	<b>160</b>
<b>(ii) Expenditure in foreign currency</b>		
Courier Charges	0	1
Marketing Expenses	2	—
<b>Total</b>	<b>2</b>	<b>1</b>

## NOTE 36 : 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 2024 aggregated ₹ 780 lakhs (PY ₹ 675 lakhs/-) 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 2024

## NOTE 37 : DUES TO MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 2, 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 2024	31 March 2023
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	—	—

\*Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 38 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 7 lakhs (Previous Year : ₹ 9 lakhs).

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 39 : CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Total amount required to be spent during the year	137	102
(b) Total amount of expenditure incurred during the year	141	98
(c) Shortfall at the end of the year	–	4
(d) Previous year shortfall spent in current year	4	–
(e) Excess spent during the year carried forward	–	–
(f) Reason for shortfall	NA	Unspent amount of ₹ 4 Lakhs 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.

### The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Donation for education	110	29
Donation for medical aid	2	3
Donation for Skill Training	25	66
Donation for environment sustainability	–	0
Donation to PM care funds	4	–

### Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Motilal Oswal Foundation	137	98

## NOTE 40 : PROVISIONS

Provisions made for the year ended 31<sup>st</sup> March, 2024 comprises of:

### For the year ended 31 March 2024

Particulars	Opening balance as at 01 April 2023	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2024
Gratuity	534	192	66	660
Heritage obligation	45	27	–	72
Compensated absences	174	51	–	225

### 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	462	116	44	534
Heritage obligation	48	–	3	45
Compensated absences	136	174	136	174

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 41: 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 42 : RELATED PARTY DISCLOSURE

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

### i) List of related parties and their relationship

#### Holding Company

Motilal Oswal Financial Services Limited

#### Fellow subsidiaries:

1. Motilal Oswal Finvest Limited
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Limited
4. Motilal Oswal Alternate Investment Advisors 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
11. India Business Excellence Management Company
12. Motilal Oswal Asset Management (Mauritius) Co. Limited
13. Motilal Oswal Capital Limited
14. Motilal Oswal Broking and Distribution Limited (Formerly known as 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
2. Ajay Menon - Director
3. Harsh Joshi - Director

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (ii) Transactions with related parties for the year ended 31 March 2024

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Rent Income	Motilal Oswal Financial Services Limited	110	110	–	–	–	–	110	110
Rent Expense	Motilal Oswal Financial Services Limited	575	575	–	–	–	–	575	575
Commission Income	Motilal Oswal Financial Services Limited	19	–	–	–	–	–	19	–
Reimbursement of expenses	Motilal Oswal Financial Services Limited	90	75	–	–	–	–	90	75
Interest Income	Motilal Oswal Financial Services Limited	1,142	1,781	–	–	–	–	1,142	1,781
	Motilal Oswal Finvest Limited	–	–	154	–	–	–	154	–
	Motilal Oswal Broking and Distribution Limited	–	–	–	1	–	–	–	1
	Motilal Oswal Commodity Private Limited	–	–	4	–	–	–	4	–
Interest Expense	Motilal Oswal Financial Services Limited	333	–	–	–	–	–	333	–
	Motilal Oswal Finvest Limited	–	–	1,485	1,284	–	–	1,485	1,284
Placement fees Income	MO Alternate Investment Advisors Private Limited	–	–	1,428	1,150	–	–	1,428	1,150
Advisory Fees Income	Motilal Oswal Asset Management (Mauritius) Co. Limited	–	–	29	42	–	–	29	42
	Motilal Oswal Asset Management Company Limited	–	–	–	22	–	–	–	22
Referral Fees Expense	Motilal Oswal Financial Services Limited	1	5	–	–	–	–	1	5
Referral Fees Income	Motilal Oswal Financial Services Limited	–	86	–	–	–	–	–	86
Setup Fees Income	MO Alternate Investment Advisors Private Limited	–	–	–	10	–	–	–	10
	Motilal Oswal Asset Management Company Limited	–	–	7	17	–	–	7	17
ESOP Expenses	Motilal Oswal Financial Services Limited	882	21	–	–	–	–	882	21
PMS Sharing Income	Motilal Oswal Asset Management Company Limited	–	–	3,176	2,246	–	–	3,176	2,246
AIF Distribution Income	Motilal Oswal Asset Management Company Limited	–	–	1,188	1,604	–	–	1,188	1,604
Brokerage Commission Income	Motilal Oswal Financial Services Limited	6,577	3,415	–	–	–	–	6,577	3,415
Brokerage Commission Expense	MO Alternate Investment Advisors Private Limited	–	–	(3)	3	–	–	(3)	3
Business Support Expense	Motilal Oswal Financial Services Limited	533	521	–	–	–	–	533	521
Dividend Income	Motilal Oswal Finvest Limited	–	–	25	–	–	–	25	–
Proposed Dividend	Motilal Oswal Financial Services Limited	29	–	–	–	–	–	29	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Loan Taken	Motilal Oswal Finvest Limited	–	–	2,20,300	3,31,100	–	–	2,20,300	3,31,100
	Motilal Oswal Financial Services Limited	95,400	–	–	–	–	–	95,400	–
Repayment of Loan Taken	Motilal Oswal Finvest Limited	–	–	2,17,060	3,30,000	–	–	2,17,060	3,30,000
	Motilal Oswal Financial Services Limited	95,400	–	–	–	–	–	95,400	–
Loan Taken (Maximum Balance)	Motilal Oswal Finvest Limited	–	–	39,500	40,000	–	–	39,500	40,000
	Motilal Oswal Financial Services Limited	25,500	–	–	–	–	–	25,500	–
Loan Given	Motilal Oswal Financial Services Limited	1,69,850	3,37,475	–	–	–	–	1,69,850	3,37,475
	Motilal Oswal Broking and Distribution Limited	–	–	–	–	–	–	–	–
	Motilal Oswal Commodity Private Limited	–	–	362	–	–	–	362	–
	Motilal Oswal Finvest Limited	–	–	–	–	–	–	–	–
	Motilal Oswal Financial Services Limited	1,69,150	3,45,575	–	–	–	–	1,69,150	3,45,575
Repayment of loan Given	Motilal Oswal Broking and Distribution Limited	–	–	–	(16)	–	–	–	(16)
	Motilal Oswal Commodity Private Limited	–	–	–	–	–	–	–	–
	Motilal Oswal Finvest Limited	–	–	–	–	–	–	–	–
	Motilal Oswal Financial Services Limited	–	12,000	–	–	–	–	–	12,000
Investment in Fellow subsidiary	Motilal Oswal Financial Services Limited	–	–	6,000	–	–	–	6,000	–
	Motilal Oswal Finvest Limited	–	–	–	–	–	–	–	–
Managerial Remuneration	Ashish Shanker	–	–	–	–	287	272	287	272

### (iii) Outstanding balances of / with related parties :

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Key Managerial Personnel (KMP) / Relative of KMP (C)		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Trade Receivable	Motilal Oswal Asset Management Company Limited	–	–	1,384	328	–	–	1,384	328
	MO Alternate Investment Advisors Pvt. Ltd.	–	–	648	259	–	–	648	259
	Motilal Oswal Financial Services Limited	1,470	874	–	–	–	–	1,470	874
Payable for Expenses	Motilal Oswal Commodity Private Limited	–	–	4	–	–	–	4	–
	Motilal Oswal Financial Services Limited	672	113	–	–	–	–	672	113
	Motilal Oswal Finvest Limited	–	–	259	14	–	–	259	14
Deposit Rent Payable	Motilal Oswal Financial Services Limited	55	55	–	–	–	–	55	55
Loan Taken	Motilal Oswal Finvest Limited	–	–	4,340	1,100	–	–	4,340	1,100
Loan Given	Motilal Oswal Financial Services Limited	700	–	–	–	–	–	700	–
	Motilal Oswal Commodity Private Limited	–	–	362	–	–	–	362	–
Investment in Fellow Subsidiaries	Motilal Oswal Home Finance Limited	–	–	21,312	–	–	–	21,312	–
	Motilal Oswal Finvest Limited	–	–	7,222	–	–	–	7,222	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 43 : 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 2024	Year ended 31 March 2023
Employer's contribution to provident fund	328	217
Employer's contribution to ESIC	–	0
Employer's contribution to National Pension Scheme	16	9
	<u>344</u>	<u>226</u>

### (B) Defined benefit plan

Particulars	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>I) Assumptions as at</b>				
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	6.97%	7.13%	6.88%	6.79%
Rate of increase in compensation	7.28%	6.50%	–	–
Expected rate of return on plan assets (per annum)				
Employee Attrition Rate (Past Service)		PS: 0 to 37 : 20%	PS: 0 to 40 YRS: 54.43%	PS: 0 to 37 : 54.43%
D1 to D5	PS: 0 to 40 : 13%	–	–	–
E1 to E3	PS: 0 to 40 : 17.5%	–	–	–
M1 to M3 & MT	PS: 0 to 40 : 21%	–	–	–
V1 to V6	PS: 0 to 40 : 10%	–	–	–
Expected average remaining service	5.47	3.81	–	–
<b>II) Changes in present value of obligations (PVO)</b>				
PVO at beginning of period	534	462	45	48
Interest cost	35	24	–	–
Current Service Cost	119	103	27	(3)
Past Service Cost - (non vested benefits)	–	–	–	–
Past Service Cost - (vested benefits)	–	–	–	–
Benefits Paid	(67)	(44)	–	–
Contributions paid	–	–	–	–
Transfer in liability	20	–	–	–
Transfer out liability	–	–	–	–
Business Combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (Gain)/Loss on obligation	19	(11)	–	–
PVO at end of period	660	534	72	45

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>III) Interest expense</b>				
Interest cost	35	24	—	—
<b>IV) Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning	—	—	—	—
Interest income	—	—	—	—
<b>V) Net Liability</b>				
PVO at beginning of period	534	462	—	—
Fair Value of the Assets at beginning report	—	—	—	—
Net Liability	534	462	—	—
<b>VI) Net Interest</b>				
Interest Expenses	35	24	—	—
Interest Income	—	—	—	—
Net Interest	35	24	—	—
<b>VII) Actual return on plan assets</b>				
Less Interest income included above	—	—	—	—
Return on plan assets excluding interest income	—	—	—	—
<b>VIII) Actuarial (Gain) / loss on obligation</b>				
Due to Demographic Assumption	3	0	—	—
Due to Financial Assumption	27	(13)	—	—
Due to Experience	(11)	2	—	—
Total Actuarial (Gain) / Loss	19	(11)	—	—
<b>IX) Fair Value of Plan Assets</b>				
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	67	44	—	—
Contributions by Employee	—	—	—	—
Benefits Paid	(67)	(44)	—	—
Fair Value of Plan Assets at end	—	—	—	—
<b>X) Past Service Cost Recognised</b>				
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	—	—	—	—
<b>XI) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>				
PVO at end of period	660	534	—	—
Fair Value of Plan Assets at end of period	—	—	—	—
Funded Status	(660)	(534)	—	—
Unrecognised past service cost - non vested benefits	—	—	—	—
Net Asset / (Liability) recognized in the balance sheet	(660)	(534)	—	—

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>XII) Expense recognised in the statement of profit and loss</b>				
Current service cost	119	103	27	(3)
Net Interest	35	24	–	–
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	154	127	27	(3)
<b>XIII) Other Comprehensive Income (OCI)</b>				
Actuarial (Gain) / Loss recognized for the period	19	(11)	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–
Unrecognized Actuarial (Gain) / Loss from previous period	–	–	–	–
<b>Total Actuarial (Gain) / Loss recognized in (OCI)</b>	<b>19</b>	<b>(11)</b>	<b>–</b>	<b>–</b>
<b>XIV) Movement in liability recognized in balance sheet</b>				
Opening net liability	534	462	45	48
Adjustment to opening balance	–	–	–	–
Expenses as above	154	127	27	(3)
Transfer in liability	20	–	–	–
Transfer out liability	–	–	–	–
Contribution paid	(67)	(44)	–	–
Other Comprehensive Income (OCI)	19	(11)	–	–
<b>Closing net liability</b>	<b>660</b>	<b>534</b>	<b>72</b>	<b>45</b>
<b>XV) Schedule III of The Companies Act 2013</b>				
Current liability	69	105	49	33
Non-current liability	591	430	23	12
<b>XVI) Projected Service Cost 31 March 2024</b>	169	119	–	–
<b>XVII) Asset Information</b>				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
<b>Total Itemized Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## XVIII) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation Rate	
	PVO DR +1%	PVO DR +1%	PVO ER +1%	PVO ER -1%
PVO	621	704	687	633

## XIX) Expected Payout

Year	Expected Outgo					
	First	Second	Third	Fourth	Fifth	Six to Ten years
Payouts	69	80	64	75	66	297

## XX) Asset Liability Comparisons

Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PVO at End of period	383	412	462	534	660
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(383)	(412)	(462)	(534)	(660)
Experience adjustments on plan assets	-	-	-	-	-

## NOTE 44 : 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 2024 and March 2023 is set below:

Particulars	For the Year Ended 31 March 2024		For the Year Ended 31 March 2023	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
<b>The MOWML (ESOS-I) : (Face value of ₹ 1/- each)</b>				
Option outstanding, beginning of the year	-	-	-	-
Add: Granted	-	NA	-	NA
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	-	-	-	-
<b>Option outstanding, end of the year</b>	-	-	-	-
<b>Exercisable at the end of the period</b>	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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
<b>Weighted Average Remaining Contractual Life</b>	
Granted but not Vested	NIL (Previous year : Nil)
Vested but not exercised	NIL (Previous year : Nil)
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	2023-24	2022-23
ESOP Expenses	882	968
Reserve and surplus - Share option outstanding account	112	109
<b>Impact on the income statement of a change in leaver assumptions</b>	<b>2023-24</b>	<b>2022-23</b>
(+)5%	-	-
(-)5%	0	0

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 45 : FAIR VALUE MEASUREMENT

### a) Financial instruments by category

Particulars	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	489	–	434
Bank balance other than cash and cash equivalents above	–	–	–	14
Receivables	–	7,247	–	4,170
Loans	–	2,669	–	77
Investments*	34,899	–	21,639	–
Other financial assets	–	373	–	225
<b>Total financial assets</b>	<b>34,899</b>	<b>10,778</b>	<b>21,639</b>	<b>4,920</b>
<b>Financial liabilities</b>				
Payables	–	881	–	398
Borrowings	–	4,340	–	1,100
Other financial liabilities	–	2,780	–	1,876
<b>Total financial liabilities</b>	<b>–</b>	<b>8,001</b>	<b>–</b>	<b>3,374</b>

### 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 and equity shares 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 and Listed Equity shares investments have been categorised into level 1 and Equity share investments in fellow subsidiary is categorised into level 3 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 24			As at 31 March 23		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Financial investments at FVTPL						
- Mutual funds	6,286	–	–	4,638	–	–
- Equity Shares	80	–	–	1	–	–
- Fellow Subsidiaries*	–	–	28,533	–	–	17,000
<b>Total</b>	<b>6,366</b>	<b>–</b>	<b>28,533</b>	<b>4,639</b>	<b>–</b>	<b>17,000</b>

\*Please refer foot note on Investment in fellow subsidiary- Motilal Oswal Home Finance Limited under Note no 8- Investment

## 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 46 : 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.

## NOTE 47 : 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-24	31-Mar-23
Upto 3 months	7,191	4,141
3 - 6 months	31	18
6 - 12 months	3	9
More than 12 months	22	2
<b>Total</b>	<b>7,247</b>	<b>4,170</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Lakhs, 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 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payables	881	–	–	881
Borrowings	4,340	–	–	4,340
Other financial liabilities	2,726	55	–	2,780
<b>Total</b>	<b>7,946</b>	<b>55</b>	<b>–</b>	<b>8,001</b>

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Payables	398	–	–	398
Borrowings	1,100	–	–	1,100
Other financial liabilities	1,821	55	–	1,876
<b>Total</b>	<b>3,319</b>	<b>55</b>	<b>–</b>	<b>3,374</b>

## 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 and equity shares 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 and Investment in fellow subsidiary is strategic investment.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 2024	31 March 2023
Impact on profit before tax for 1% increase in NAV / price	349	216
Impact on profit before tax for 1% decrease in NAV / Price	(349)	(216)

## NOTE 48 : 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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	489	–	489	434	–	434
Other bank balances	–	–	–	14	–	14
Receivables						
(i) Trade receivables	7,247	–	7,247	4,169	–	4,169
(ii) Other receivables	–	–	–	1	–	1
Loans	2,550	119	2,669	24	53	77
Investments	404	34,495	34,899	304	21,335	21,639
Other financial assets	253	120	373	142	83	225
<b>Non-financial assets</b>						
Current tax assets (Net)	–	–	–	–	147	147
Deferred tax assets (Net)	–	–	–	–	25	25
Property, plant and equipment	–	467	467	–	402	402
Other intangible assets	–	66	66	–	105	105
Other non-financial assets	157	–	157	101	–	101
<b>Total assets</b>	<b>11,100</b>	<b>35,267</b>	<b>46,367</b>	<b>5,189</b>	<b>22,150</b>	<b>27,339</b>
<b>Financial liabilities</b>						
Payables	881	–	881	398	–	398
Borrowings (Other than debt securities)	4,340	–	4,340	1,100	–	1,100
Other financial liabilities	2,725	55	2,780	1,821	55	1,876
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	–	104	104	–	–	–
Provisions	342	615	957	311	442	753
Deferred tax liabilities (Net)	–	1,403	1,403	–	–	–
Other non-financial liabilities	1,169	–	1,169	378	–	378
<b>Total liabilities</b>	<b>9,457</b>	<b>2,177</b>	<b>11,634</b>	<b>4,008</b>	<b>497</b>	<b>4,505</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## **NOTE 49 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR :**

Demand of ₹ 20 lakhs/- with respect to Service tax matters for which appeal has been filed and order is pending (Previous year: ₹ Nil). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid an amount of ₹ 2 lakhs/- 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 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 2024 and 31 March 2023.

## **NOTE 51 :**

Previous year figures have been regrouped / reclassified wherever necessary.

---

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

**Premal H. Gandhi**  
*Partner*

Membership No. : 111592

Place : Mumbai  
Date : 25th April, 2024

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 : 25th April, 2024

**Ajay Menon**  
*Director*

DIN No: 00024589

# **MO Alternate Investment Advisors Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' 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, 2024, 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 Material 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, 2024, 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 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.

## Independent Auditors' Report (Contd..)

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 an 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 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.

# Independent Auditors' Report (Contd..)

## 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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.
  - 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 s– Refer Note 39 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.

## Independent Auditors' Report (Contd..)

- v. The company has declared and paid dividend during the year in conformity with the provision of Section 123 of Companies Act, 2013
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Singhi & Co.**

*Chartered Accountants*

Firm Registration No. 302049E

**Sameer Mahajan**

*Partner*

Membership No. 123266

UDIN: 24123266BKEXGW9235

Place: Mumbai

Date: 23rd April 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE "A" TO AUDITOR'S REPORT:

### 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.
- 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 2023-2024 by the Management. No material discrepancies were noticed on such physical 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.
- b) 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.
- c) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- d) 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.
- a) The Company has granted loans to Holding Company and other Companies covered under the register maintained under section 189 of the Companies Act 2013. Refer the table below for details of loans given and security provided

Amount (₹ In lakhs)

Particulars	Guarantees	Security	Loans	Advance in nature of loans
<b>Aggregate amount during the year</b>				
Holding Company	Nil	Nil	4,200	Nil
<b>Balance outstanding as at balance sheet date</b>				
Holding Company	Nil	Nil	Nil	Nil

- 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. 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 reporting for paragraph 3 (iii) (c) is not applicable to the Company.

## Independent Auditors' Report (Contd..)

- d) As the loans given are repayable on demand and no advances in nature of loan were granted, reporting for paragraph 3 (iii) (d) will not be applicable to the Company.
- e) Basis the information and explanations provided to us, as the loans given are repayable on demand, there are no loan which has fallen due during the year which has been renewed or extended or fresh loans granted to settle the overdue 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 Motilal Oswal Financial Services Limited which are repayable on demand. Details of the same are mentioned below:

Particulars	All Parties	Related Parties	Promoters
Aggregate amount of loan Repayable on demand made during the year.	4200	–	4200
Percentage of loans to total loans	100%	–	100%

- (iv) In our opinion and according to the information and explanations given to us, Company had not given any guarantee during the year. With respect to transactions of investment, loans given and security provided, Company has complied with provisions of Section 185 and Section 186.
- (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, 2024 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.
- (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 accrued in the books, including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added, 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, service 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, 2024 which have not been deposited on account of any dispute.
- (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.

## Independent Auditors' Report (Contd..)

- 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.
- (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.
  - 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, 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

## Independent Auditors' Report (Contd..)

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

**Sameer Mahajan**

*Partner*

Membership No. 123266

UDIN: 24123266BKEXGW9235

Place: Mumbai

Date: 23rd April 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE "B" TO THE AUDITORS' REPORT

### 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, 2024 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; (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.

# 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, 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, 2024 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

### Sameer Mahajan

*Partner*

Membership No. 123266

UDIN: 24123266BKEXGW9235

Place: Mumbai

Date: 23rd April 2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	36	535
(b) Receivables			
(I) Trade receivables	5	7,882	5,743
(c) Loans	6	39	4
(d) Investments	7	4,898	251
(e) Other financial assets	8	9	41
<b>Sub- total financial asset (A)</b>		<b>12,864</b>	<b>6,574</b>
<b>2 Non-financial assets</b>			
(a) Current tax asset (net)	9	2,539	2,513
(b) Property, plant and equipment	10(A)	243	194
(c) Other intangible assets	10(B)	0	0
(d) Other non - financial assets	11	14,019	13,760
<b>Sub- total non financial asset (B)</b>		<b>16,801</b>	<b>16,467</b>
<b>Total Assets (A+B)</b>		<b>29,665</b>	<b>23,041</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
(I) Trade payables	12		
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		958	602
(II) Other payables			
(i) total outstanding dues of micro enterprise and small enterprise		34	60
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		9	401
(b) Borrowings (Other than debt securities)	13	355	–
(c) Other financial liabilities	14	4,201	3,891
<b>Sub - total financial liabilities (A)</b>		<b>5,557</b>	<b>4,954</b>
<b>2 Non-financial liabilities</b>			
(a) Deferred tax liabilities (net)	15	3,089	2,757
(b) Provision	16	356	280
(c) Other non-financial liabilities	17	2,939	2,795
<b>Sub - total non - financial liabilities (B)</b>		<b>6,384</b>	<b>5,832</b>
<b>3 Equity</b>			
(a) Share capital	18	300	300
(b) Other Equity	19	17,424	11,955
<b>Sub - total equity (C)</b>		<b>17,724</b>	<b>12,255</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>29,665</b>	<b>23,041</b>

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 Singhi & co**

Chartered Accountants

Firm Registration No : 302049E

**Sameer Mahajan**

Partner

Membership No : 123266

Place : Mumbai

Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**MO Alternate Investment Advisors Private Limited**

**Vishal Tulsyan**

Managing Director  
Chief Executive Officer

DIN No: 00139754

Place : Mumbai

Date: 23rd April 2024

**Motilal Oswal**

Director

DIN No: 00024503

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Note No.	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Revenue from operations</b>			
(i) Fees and commission Income	20	17,225	15,548
(ii) Dividend Income	21	17	–
(iii) Net gain on fair value changes	22	835	(34)
<b>1) Total Revenue from operations</b>		<b>18,077</b>	<b>15,514</b>
<b>2) Other Income</b>	23	445	759
<b>3) Total Income (1+2)</b>		<b>18,522</b>	<b>16,273</b>
<b>Expenses</b>			
(i) Finance cost	24	237	53
(ii) Fees and commission expense	25	1,966	1,746
(iii) Employee benefits expense	26	7,554	6,664
(iv) Depreciation and amortisation expense	10	40	21
(v) Other expenses	27	1,953	1,694
<b>4) Total Expenses</b>		<b>11,750</b>	<b>10,178</b>
<b>5) Profit before tax (3-4)</b>		<b>6,772</b>	<b>6,095</b>
<b>Tax expense/(credit):</b>	28		
(i) Current tax		1,322	1,186
(ii) Deferred tax		340	577
(iii) Short Provision of Tax for earlier years		–	0
<b>6) Total tax expenses</b>		<b>1,662</b>	<b>1,763</b>
<b>7) Profit after tax (5 - 6)</b>		<b>5,110</b>	<b>4,332</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(31)	29
(b) Deferred tax impact on the above		8	(7)
<b>Total other comprehensive income</b>		<b>(23)</b>	<b>22</b>
<b>Total comprehensive income for the year (7 + 8)</b>		<b>5,087</b>	<b>4,354</b>
<b>Earnings per share (₹ 10 each)</b>	29		
Basic & Diluted (Refer Note 36 )		170.32	144.42

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 Singhi & co**  
Chartered Accountants  
Firm Registration No : 302049E

**Sameer Mahajan**  
Partner  
Membership No : 123266

Place : Mumbai  
Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**MO Alternate Investment Advisors Private Limited**

**Vishal Tulsyan**  
Managing Director  
Chief Executive Officer  
DIN No: 00139754

Place : Mumbai  
Date: 23rd April 2024

**Motilal Oswal**  
Director  
DIN No: 00024503

# Cash Flow Statement

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION</b>	<b>6,772</b>	<b>6,095</b>
<b>Adjustment for:</b>		
Depreciation, amortisation and impairment	40	21
(Gain)/loss on disposal of Fixed asset	1	–
Dividend income	(17)	–
(Gain)/Loss on sale of investment	(43)	50
Unrealised (gain)/loss	(792)	(16)
Interest Income	(4)	(33)
Interest Expense	237	53
Gratuity	47	48
	<b>(531)</b>	<b>123</b>
<b>Operating profit before Working Capital changes</b>	<b>6,241</b>	<b>6,218</b>
<b>Adjustment for working capital changes:</b>		
(Increase)/decrease in trade receivables	(2,139)	(1,815)
(Increase)/decrease in other financial assets	32	1
(Increase)/decrease in other non financial asset	(259)	(3,638)
Increase / (Decrease) in Trade Payables	339	(2,133)
Increase/ (Decrease) in other financial liabilities	309	(117)
Increase / (Decrease) in other non financial liabilities	144	(460)
Increase / (Decrease) in Provisions	(2)	1,569
<b>NET CHANGE IN WORKING CAPITAL</b>	<b>(1,576)</b>	<b>(6,593)</b>
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>4,665</b>	<b>(375)</b>
Direct Taxes Paid / (refund received) (Net)	(1,347)	(1,116)
<b>NET CASH GENERATED FROM / (USED IN ) OPERATING ACTIVITIES (A)</b>	<b>3,318</b>	<b>(1,491)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of investments	1,759	1,790
Purchase of Investment	(5,574)	(1,840)
Purchase of fixed assets	(90)	(107)
Dividend income	17	–
Loan Given	(4,234)	(4,300)
Repayment of Loan Given	4,200	4,610
Interest received on Loans	4	33
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(3,918)</b>	<b>186</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings other than debt securities	16,244	2,822
Repayment of Borrowings other than debt securities	(15,889)	(2,823)
Interest paid on borrowings	(236)	(53)
Dividend paid	(18)	–
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>100</b>	<b>(54)</b>
<b>D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(499)</b>	<b>(1,359)</b>

# Cash Flow Statement (Contd..)

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Cash in hand	1	13
Scheduled bank - In current account	534	1,881
<b>Total (E)</b>	<b>535</b>	<b>1,894</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (D+E)</b>	<b>36</b>	<b>535</b>
<b>Cash and cash equivalents at the end of the year :</b>		
Cash in hand	7	1
Scheduled bank - In current account	29	534
<b>Total (G)</b>	<b>36</b>	<b>535</b>

### Changes in liabilities arising from financing activities

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	0	1
Proceeds from borrowings (other than debt securities)	16,244	2,822
Proceeds from issuance of debt securities		
Repayment of borrowings	(15,889)	(2,823)
Repayment of debt securities		
<b>Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>355</b>	<b>0</b>

### 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 the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- 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 Registration No : 302049E

#### Sameer Mahajan

Partner

Membership No : 123266

Place : Mumbai

Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**MO Alternate Investment Advisors Private Limited**

#### Vishal Tulsyan

Managing Director  
Chief Executive Officer

DIN No: 00139754

Place : Mumbai

Date: 23rd April 2024

#### Motilal Oswal

Director

DIN No: 00024503

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

### (A) Equity Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 01 April 2022</b>	30,00,000	300
Add/Less: Changes due to prior period errors	—	—
<b>Restated as at 01 April 2022</b>	30,00,000	300
Changes during the year	—	—
<b>As at 31 March 2023</b>	30,00,000	300
Add/Less: Changes due to prior period errors	—	—
<b>Restated as at 01 April 2023</b>	30,00,000	300
Changes during the year	—	—
<b>As at 31 March 2024</b>	<b>30,00,000</b>	<b>300</b>

### (B) Other Equity

Particulars	Reserves and surplus					Total
	Capital redemption reserve	Other reserve- Preference share equity component	Retained Earnings	Deemed Equity Contribution	General Reserve	
<b>Balance as at 01 April 2022</b>	495	97	6,996	13	—	<b>7,601</b>
Add/Less: Changes due to prior period errors	—	—	—	—	—	—
<b>Restated balance as at 01 April 2022</b>	495	97	6,996	13	—	<b>7,601</b>
Transfer during the year	—	(97)	—	—	97	—
Profit during the year	—	—	4,332	—	—	<b>4,332</b>
Actuarial gains/(losses) on post retirement benefit plans	—	—	22	—	—	<b>22</b>
Balance as at 31 March 2023	495	—	11,350	13	97	<b>11,955</b>
Add/Less: Changes due to prior period errors	—	—	—	—	—	—
<b>Restated balance as at 01 April 2023</b>	495	—	11,350	13	97	<b>11,955</b>
Transfer during the year	—	—	13	(13)	—	<b>0</b>
Profit during the year	—	—	5,110	—	—	<b>5,110</b>
Actuarial gains/(losses) on post retirement benefit plans	—	—	(23)	—	—	<b>(23)</b>
Impact of scheme of merger	—	—	400	—	—	<b>400</b>
Dividend paid during the year	—	—	(18)	—	—	<b>(18)</b>
<b>Balance as at 31 March 2024</b>	<b>495</b>	<b>—</b>	<b>16,832</b>	<b>—</b>	<b>97</b>	<b>17,424</b>

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 Singhi & co**

Chartered Accountants

Firm Registration No : 302049E

**Sameer Mahajan**

Partner

Membership No : 123266

Place : Mumbai

Date: 23rd April 2024

For and on behalf of the Board of Directors of

**MO Alternate Investment Advisors Private Limited**

**Vishal Tulsyan**

Managing Director

Chief Executive Officer

DIN No: 00139754

Place : Mumbai

Date: 23rd April 2024

**Motilal Oswal**

Director

DIN No: 00024503

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 1 : 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.

### NOTE 2 : MATERIAL 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (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.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 2.5. Leases

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

### Measurement and recognition of leases as a lessee

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

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

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

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

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

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

- 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.

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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

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	5 years

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## **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. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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 (₹), 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.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) **Provision and contingent liability** – On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. 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

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	7	1
<b>Balance with Bank</b>		
In Current Accounts	29	534
<b>TOTAL</b>	<b>36</b>	<b>535</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 5 : TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
a) Considered good - unsecured (Refer Note 5(i))	7,882	5,743
<b>TOTAL</b>	<b>7,882</b>	<b>5,743</b>

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivable due from firms or companies respectively in which director is a partner, a director or a member is as follow:

Particulars	As at 31 March 2024	As at 31 March 2023
Motilal Oswal Broking and Distribution Limited (Formerly known as Glide Tech Investment Advisors Private Limited)	20	–
N. Ranga Rao & Sons Private Limited	3	2
TM Investment Technologies Private Limited	–	5
<b>TOTAL</b>	<b>23</b>	<b>7</b>

## NOTE 5 (i) : RECEIVABLE AGEING SCHEDULE

For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	7,878	1	3	–	–	7,882
(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 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 6 : LOANS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Others</b>		
Loan to Employees	39	4
Interest accrued from related party	0	0
less : Impairment loss allowance	—	—
<b>Total Net</b>	<b>39</b>	<b>4</b>

## Loan repayable on demand

Type of Borrowers	31 March 2024		31 March 2023	
	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	—	—	—	—

## NOTE 7 : INVESTMENTS

Particulars	Subsidiary/ Others	Quoted/ Unquoted	31 March 2024		31 March 2023	
			Units	Amount	Units	Amount
<b>Investment - at Fair value through profit and loss (A)</b>						
<b>Investments in Mutual Funds</b>						
SBI Savings Fund - Direct Plan - Growth	Others	Unquoted	—	—	4,49,669	169
<b>Investment in Equity Instruments</b>						
ABB India Limited	Others	Quoted	3	0	—	—
Adani Ports And Special Economic Zone Limited	Others	Quoted	18	0	—	—
Ashok Leyland Limited	Others	Quoted	812	2	812	1
Asian Paints Limited	Others	Quoted	—	—	8	0
Axis Bank Limited	Others	Quoted	140	2	169	2
Bajaj Finance Limited	Others	Quoted	9	1	9	1
Bank of Baroda	Others	Quoted	94	0	—	—
Bharti Airtel Limited	Others	Quoted	—	—	72	1
Birlasoft Limited	Others	Quoted	245	2	245	1
Castrol India Limited	Others	Quoted	125	0	—	—
Colgate-Palmolive (India) Limited.	Others	Quoted	42	1	42	1
Container Corporation Of India Limited	Others	Quoted	28	0	—	—
Delhivery Limited	Others	Quoted	—	—	73	0
Dr Reddys Laboratories Limited	Others	Quoted	—	—	5	0
Escorts Kubota Limited	Others	Quoted	—	—	48	1
Gail (India) Limited.	Others	Quoted	—	—	351	0

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	31 March 2024		31 March 2023	
			Units	Amount	Units	Amount
Glenmark Pharmaceuticals Limited.	Others	Quoted	41	1	41	0
Godrej Consumer Products Limited	Others	Quoted	–	–	26	0
Granules India Limited.	Others	Quoted	194	1	194	1
Gujarat Gas Limited	Others	Quoted	152	1	152	1
Havells India Limited	Others	Quoted	16	0	–	–
HCL Technologies Limited.	Others	Quoted	45	1	114	1
HDFC Bank Limited	Others	Quoted	53	1	–	–
Hero Motocorp Limited	Others	Quoted	5	0	–	–
Hindalco Industries Limited	Others	Quoted	45	1	–	–
Hindustan Petroleum Corporation Limited.	Others	Quoted	35	0	35	0
Housing Development Finance Corp.Limited.	Others	Quoted	–	–	32	1
ICICI Bank Limited.	Others	Quoted	194	2	266	2
ICICI Prudential Life Insurance Company Limited	Others	Quoted	41	0	–	–
ICICI Securities Limited	Others	Quoted	157	1	157	1
IndusInd Bank Limited	Others	Quoted	–	–	23	0
Infosys Limited.	Others	Quoted	–	–	51	1
Interglobe Aviation Limited	Others	Quoted	7	0	13	0
Ipca Laboratories Limited	Others	Quoted	–	–	48	0
Jk Lakshmi Cement Limited.	Others	Quoted	189	2	189	2
Just Dial Limited.	Others	Quoted	91	1	91	1
Kalyan Jewellers India Limited	Others	Quoted	58	0	–	–
KPIT Technologies Limited	Others	Quoted	–	–	27	0
LTI Mindtree Limited	Others	Quoted	–	–	5	0
Mahindra & Mahindra Limited	Others	Quoted	–	–	21	0
NBCC (India) Limited	Others	Quoted	216	0	–	–
NHPC Limited	Others	Quoted	282	0	–	–
NMDC Limited	Others	Quoted	101	0	–	–
Oil & Natural Gas Corpn Limited	Others	Quoted	–	–	157	0
PI Industries Limited	Others	Quoted	20	1	20	1
PNB Gilts Limited	Others	Quoted	231	0	–	–
Puravankara Limited	Others	Quoted	109	0	–	–
Radico Khaitan Limited	Others	Quoted	–	–	20	0
Ramkrishna Forgings Limited	Others	Quoted	–	–	88	0
Samvardhana Motherson International Limited	Others	Quoted	214	0	–	–
Siemens Limited	Others	Quoted	–	–	7	0
Srf Limited	Others	Quoted	–	–	10	0
State Bank Of India	Others	Quoted	266	2	266	2
Tata Consultancy Services Limited	Others	Quoted	–	–	7	0
Tata Consumer Products Limited	Others	Quoted	–	–	34	0
Tata Motors Limited	Others	Quoted	–	–	59	0
Tata Motors Limited - Dvr	Others	Quoted	–	–	98	0
Tata Power Co.Limited.	Others	Quoted	63	0	–	–
Triveni Engineering and Industries Limited	Others	Quoted	–	–	89	0
Uno Minda Limited	Others	Quoted	226	2	226	1
Vaibhav Global Limited	Others	Quoted	135	1	135	0
Westlife Foodworld Limited	Others	Quoted	–	–	36	0
Zomato Limited	Others	Quoted	136	0	881	1

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Subsidiary/ Others	Quoted/ Unquoted	31 March 2024		31 March 2023	
			Units	Amount	Units	Amount
<b>Investment in Fellow subsidiaries</b>						
Motilal Oswal Finvest Limited (Face value of ₹ 10 each)	Fellow Subsidiary	Unquoted	24,09,638	4,814	–	–
<b>Investment at amortised cost (B)</b>						
<b>Investment in subsidiaries</b>						
<b>Equity</b>						
India Business Excellence Management Company (Face value of USD 1 each)	Subsidiary	Unquoted	40,000	58	40,000	58
<b>Total gross (A+B)</b>				<b>4,898</b>		<b>251</b>
(I) Investment outside India				58		58
(II) Investment in India				4,840		194
<b>C) Total (I+II)</b>				<b>4,898</b>		<b>251</b>
<b>D) Less : Allowance for Impairment loss</b>				–		–
<b>E) Total net (C-D)</b>				<b>4,898</b>		<b>251</b>

## NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Margin Money with holding company	9	41
Security Deposit	0	0
<b>TOTAL</b>	<b>9</b>	<b>41</b>

## NOTE 9 : CURRENT TAX ASSET (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance Tax net of provision for tax (provision for tax till Current year ₹ 5,561 lakhs , Previous year - ₹ 4,239 lakhs)	2,539	2,513
<b>TOTAL</b>	<b>2,539</b>	<b>2,513</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 10 : PROPERTY, PLANT & EQUIPMENTS

### Current Year

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
Leasehold improvements	103	–	–	103	103	–	–	103	0	0
Computers	96	11	27	80	70	16	26	60	20	26
Furniture and fixtures	25	0	–	25	23	0	–	23	2	2
Electrical equipments	0	–	–	0	0	–	–	0	0	0
Office equipments	15	–	1	14	15	0	1	14	0	1
Vehicles	292	80	–	372	127	24	–	151	221	165
<b>Total (A)</b>	<b>531</b>	<b>91</b>	<b>28</b>	<b>594</b>	<b>338</b>	<b>40</b>	<b>27</b>	<b>351</b>	<b>243</b>	<b>194</b>

## NOTE 10 : INTANGIBLE ASSETS

### Current Year

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
Computer software	4	–	–	4	4	–	–	4	0	0
<b>Total (B)</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Total (A+B)</b>	<b>535</b>	<b>91</b>	<b>28</b>	<b>598</b>	<b>342</b>	<b>40</b>	<b>27</b>	<b>355</b>	<b>243</b>	<b>194</b>

## NOTE 10 : PROPERTY, PLANT & EQUIPMENTS

### Previous Year

Particulars	Gross Block				Accumulated Depreciation/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
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
<b>Total (A)</b>	<b>424</b>	<b>107</b>	<b>–</b>	<b>531</b>	<b>317</b>	<b>21</b>	<b>–</b>	<b>338</b>	<b>194</b>	<b>108</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 10 : INTANGIBLE ASSETS

### Previous Year

Particulars	Gross Block			Accumulated Depreciation/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
<b>Total (B)</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Total (A+B)</b>	<b>428</b>	<b>107</b>	<b>–</b>	<b>535</b>	<b>321</b>	<b>21</b>	<b>–</b>	<b>342</b>	<b>194</b>	<b>108</b>

## NOTE 11 : OTHER NON - FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	12,059	11,294
Balances with Revenue Authority	1,947	1,947
Advances and other non financial assets	13	519
<b>TOTAL</b>	<b>14,019</b>	<b>13,760</b>

## NOTE 12 : PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade Payables</b>		
Due to micro and small enterprise	–	–
Due to other than micro and small enterprise ( Refer note 12 (i) )	958	602
<b>Other Payables</b>		
Due to micro and small enterprise	34	60
Due to other than micro and small enterprise ( Refer note 12 (i) )	9	401
<b>TOTAL</b>	<b>1,001</b>	<b>1,063</b>

## NOTE 12 (i) : TRADE PAYABLES AGEING SCHEDULE

For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	Total
MSME	34	–	0	–	34
Others	966	1	0	–	967
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	Total
MSME	60	0	–	–	60
Others	600	403	–	–	1,003
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

Note: Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 13 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At Amortised Cost</b>		
Unsecured- From related parties	355	–
<b>Total (A)</b>	<b>355</b>	<b>–</b>
Borrowings in India	355	–
Borrowings outside India	–	–
<b>Total (B)</b>	<b>355</b>	<b>–</b>
Unsecured	355	–
<b>Total (C)</b>	<b>355</b>	<b>–</b>

## NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Other payables	–	–
Interest accrued but not due on borrowings	1	0
Accrued salaries & benefits	4,174	3,821
Provision for expenses	26	70
<b>TOTAL</b>	<b>4,201</b>	<b>3,891</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 15 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities(A)</b>		
Placement fees amortisation	3,030	2,820
Unrealised gain	140	6
Others	—	—
<b>TOTAL</b>	<b>3,170</b>	<b>2,826</b>
<b>Deferred tax assets(B)</b>		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	8	13
Gratuity provision	67	53
Heritage provision	6	3
Business loss	—	—
Impact of Changes in Accounting tax rate	—	—
<b>TOTAL</b>	<b>81</b>	<b>69</b>
<b>Net deferred tax (assets)/liabilities (A-B)</b>	<b>3,089</b>	<b>2,757</b>

## NOTE 16 : PROVISION

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity obligation ( Refer note 44)	267	212
Heritage obligation ( Refer note 44)	22	10
Compensated Absences	67	58
<b>TOTAL</b>	<b>356</b>	<b>280</b>

## NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Advance received from customers	328	671
Statutory dues payable	665	178
Other payables*	1,946	1,946
<b>TOTAL</b>	<b>2,939</b>	<b>2,795</b>

Note: \*Amount payable to IBEF on account of GST paid under protest.”

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 18 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of Re. 10/- each (Face value of ₹ 10 each)	50,00,000	500	50,00,000	500
	50,00,000	500	50,00,000	500
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of Re. 10/- each (Face value of ₹ 10 each)	30,00,000	300	30,00,000	300
	<b>30,00,000</b>	<b>300</b>	<b>30,00,000</b>	<b>300</b>

### 18.1 Rights, preferences and restrictions attached to shares

#### Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 /- each. 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.

### 18.2 Reconciliation of the number of shares outstanding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Number of shares at the beginning(Face value of ₹ 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	–	–	–	–
<b>Number of shares at the end</b>	<b>30,00,000</b>	<b>300</b>	<b>30,00,000</b>	<b>300</b>

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited*	30,00,000	100.00	30,00,000	100.00

\*It includes beneficial ownership of 10,000 shares

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 18.4 Shares held by Promoters

Name of shareholder	As at 31 March 2024		
	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financial Services Limited*	30,00,000	100.00	0.00
<b>Total</b>	<b>30,00,000</b>	<b>100.00</b>	

Name of shareholder	As at 31 March 2023		
	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financial Services Limited*	30,00,000	100.00	0.00
<b>Total</b>	<b>30,00,000</b>	<b>100.00</b>	

## NOTE 19 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Retained earnings</b>		
Balance at the beginning of the year	11,350	6,996
Add: Transfer from Statement of Profit and Loss	5,110	4,332
Add: Deemed equity contribution	13	–
Add: Actuarial gains/(losses) on post retirement benefit plans	(23)	22
Less: Dividend paid	(18)	–
Add: Impact of scheme of merger	400	–
<b>Balance at the end of year</b>	<b>16,832</b>	<b>11,350</b>
<b>b) Deemed Equity Contribution</b>		
Balance at the beginning of the year	13	13
Less: Transfer from Profit and Loss	(13)	–
<b>Balance at the end of year</b>	<b>–</b>	<b>13</b>
<b>c) Capital redemption reserve</b>		
Balance at the beginning of the year	495	495
Add: Transfer from Profit and Loss	–	–
<b>Balance at the end of year</b>	<b>495</b>	<b>495</b>
<b>d) General Reserve</b>		
Balance at the beginning of the year	97	–
Add: Transfer during the year	–	97
<b>Balance at the end of year</b>	<b>97</b>	<b>97</b>
<b>e) Other reserve- Preference share equity component</b>		
Balance at the beginning of the year	–	97
Less: Transfer during the year	–	(97)
<b>Balance at the end of year</b>	<b>–</b>	<b>–</b>
	<b>17,424</b>	<b>11,955</b>

\* 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

**Note 1)** 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.

**Note 2)** In the financial year 2021-22, the scheme of arrangement was approved by NCLT, whose appointed date was 1st April 2020 and it became effective from 30th March 2022. The Company, its holding company and two of its fellow subsidiary companies were part of the scheme of arrangement. At the time of giving effect to the scheme from the appointed date, the Company had inadvertently accounted ₹ 400 lakhs as a part of payable to the holding company by debiting the retained earnings. This has been rectified appropriately in the current year by moving it out from such payables and considering it as a part of retained earnings.

## 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 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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory fees and referral fees	467	980
Management fees	16,758	14,021
Other operating revenue	—	547
<b>TOTAL</b>	<b>17,225</b>	<b>15,548</b>

## NOTE 21 : DIVIDEND INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Dividend	17	—
<b>TOTAL</b>	<b>17</b>	<b>—</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 22 : NET GAIN ON FAIR VALUE CHANGE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Net gain on financial instruments at fair value:</b>		
Unrealised Gain/(Loss)	792	16
Realised Gain/(Loss)	43	(50)
<b>TOTAL</b>	<b>835</b>	<b>(34)</b>

## NOTE 23 : OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Miscellaneous income	13	101
Interest on loan	4	33
Interest on income tax refund	12	16
Recovery of Expenses	416	609
<b>TOTAL</b>	<b>445</b>	<b>759</b>

## NOTE 24 : FINANCE COST

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest Cost	237	53
<b>TOTAL</b>	<b>237</b>	<b>53</b>

## NOTE 25 : FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Placement fees	1,966	1,746
<b>TOTAL</b>	<b>1,966</b>	<b>1,746</b>

## NOTE 26 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salary, bonus and allowances	7,155	6,334
Contribution to provident & other funds ( Refer note 42 )	187	148
Staff welfare expenses	165	134
Gratuity ( Refer note 42 )	47	48
<b>TOTAL</b>	<b>7,554</b>	<b>6,664</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 27 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Business support charges	340	323
Rates and taxes	3	2
Rent	292	292
Insurance	18	11
Computer repairs and maintenance	3	10
Legal and professional charges	606	528
Remuneration to auditors ( Refer note 34 )	6	11
Marketing and brand promotion expenses	51	70
Printing and stationery	103	16
Power and fuel	23	21
Communication expenses	21	24
Travelling expenses	251	208
Foreign exchange fluctuation	10	7
Corporate Social Responsibility (Refer note 40)	91	75
Miscellaneous expenses	135	96
<b>TOTAL</b>	<b>1,953</b>	<b>1,694</b>

## NOTE 28.1 : TAX EXPENSE

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	1,322	1,186
Tax adjustment in respect of earlier years	-	0
<b>Total current tax expense</b>	<b>1,322</b>	<b>1,186</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	340	577
<b>Net deferred tax expense</b>	<b>340</b>	<b>577</b>
<b>Total</b>	<b>1,662</b>	<b>1,763</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Note 28.2 : Tax recognised through other comprehensive income:</b>		
Remeasurement of defined benefit plan	8	(7)
<b>Total</b>	<b>8</b>	<b>(7)</b>
<b>Note 28.3 : Tax reconciliation (for profit and loss)</b>		
<b>Profit/(loss) before income tax expense</b>	6,772	6,095
Tax at the rate of 25.17%	1,704	1,534
<b>Tax effect of:</b>		
Tax adjustment of previous years	6	201
Expenses not deductible for tax purposes	23	19
Temporary tax difference	–	9
Tax rate diff	(2)	–
unrealised gains	(69)	(0)
<b>Income tax expense</b>	<b>1,662</b>	<b>1,763</b>
<b>Note 28.4 : Effective tax rate</b>		
Effective tax rate	24.55%	28.92%
<b>Note 28.5 : Net deferred tax</b>		
<b>Deferred tax assets on account of:</b>		
Provision for gratuity	67	53
Provision for heritage	6	3
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	8	13
Business loss	–	–
Impact of Changes in Accounting tax rate	–	–
<b>Total deferred tax assets (A)</b>	<b>81</b>	<b>69</b>
<b>Deferred tax liability on account of :</b>		
Amortization of distribution costs	3,030	2,820
Unrealised gain	140	6
Others	–	–
<b>Total deferred tax liabilities (B)</b>	<b>3,170</b>	<b>2,826</b>
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>(3,089)</b>	<b>(2,757)</b>

## NOTE 29 : CAPITAL MANAGEMENT

### A) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital and retained earnings.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## B) The capital composition is as follows:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Net debt (A)*	320	–
Total equity (B)	17,229	11,760
<b>Gearing ratio (A / B)</b>	<b>2%</b>	<b>0%</b>

\*Net debt for the period ended March 2023 is zero

## NOTE 30 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

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

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	36	–	36	535	–	535
Trade receivables	7,882	–	7,882	5,743	–	5,743
Loans	9	30	39	4	–	4
Investments	26	4,872	4,898	193	58	251
Other financial assets	9	–	9	41	–	41
<b>Non-financial assets</b>						
Current tax assets (net)	–	2,539	2,539	–	2,513	2,513
Property, plant and equipment	–	243	243	–	194	194
Other intangible assets	–	0	0	–	0	0
Other non-financial assets	2,248	11,771	14,019	2,603	11,157	13,760
<b>Total assets</b>	<b>10,210</b>	<b>19,455</b>	<b>29,665</b>	<b>9,119</b>	<b>13,922</b>	<b>23,041</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	1,001	–	1,001	1,063	–	1,063
Other financial liabilities	4,201	–	4,201	3,891	–	3,891
Borrowings (Other than debt securities)	355	–	355	–	–	–
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	–	–	–	–	–	–
Deferred tax liabilities (net)	–	3,089	3,089	–	2,757	2,757
Provisions	171	185	356	112	168	280
Other non financial liabilities	993	1,946	2,939	849	1,946	2,795
<b>Total liabilities</b>	<b>6,721</b>	<b>5,220</b>	<b>11,941</b>	<b>5,915</b>	<b>4,871</b>	<b>10,786</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 31 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2024		31 March 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	36	–	535
Trade receivables	–	7,882	–	5,743
Loans	–	39	–	4
Investments	4,840	58	193	58
Other financial assets	–	9	–	41
<b>Total financial assets</b>	<b>4,840</b>	<b>8,024</b>	<b>193</b>	<b>6,381</b>
<b>Financial liabilities</b>				
Trade payables	–	958	–	602
Other payables	–	43	–	461
Borrowings (Other than debt securities)	–	355	–	–
Other financial liabilities	–	4,201	–	3,891
<b>Total financial liabilities</b>	<b>–</b>	<b>5,557</b>	<b>–</b>	<b>4,954</b>

### 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 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:

- Mutual fund - net asset value of the scheme
- Equity shares- Listed share price
- Investment in Fellow Subsidiary - As per valuation report of Registered Valuer

Investment includes investment in equity shares and mutual funds and fellow subsidiary, which are categorised as per below

As on 31 March 2024

Particulars	Level 1	Level 2	Level 3
Investment in Equity Shares	26	–	4,814
Investment in Mutual Funds	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

As on 31 March 2023

Particulars	Level 1	Level 2	Level 3
Investment in Equity Shares	24	–	–
Investment in Mutual Funds	169	–	–

### III. Fair value of financial instrument measured at amortised cost

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 2024 and 31 March 2023:

Particulars	Equity Shares
<b>As at March 31, 2022</b>	–
Additions	–
Disposals	–
Gains/(losses) recognised in statement of profit and loss	–
<b>As at March 31, 2023</b>	–
Additions	4,000
Disposals	–
Gains/(losses) recognised in statement of profit and loss	814
<b>As at March 31, 2024</b>	<b>4,814</b>

### Valuation inputs and relationships to fair value

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Fair value of Equity share	4,814	–
Significant unobservable inputs		
Fair value of Equity share		
- increase by 100 bps	48	–
- decrease by 100 bps	(48)	–

#### Note:

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

### NOTE 32 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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 equity shares, 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.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Upto 3 months	7,878	3,594
3 - 6 months	0	2,114
6 - 12 months	1	19
More than 12 months	3	16
<b>Total</b>	<b>7,882</b>	<b>5,743</b>

## 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 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial liabilities</b>				
Trade payables	1,001	–	–	<b>1,001</b>
Borrowings	355	–	–	<b>355</b>
Other current financial liabilities	4,201	–	–	<b>4,201</b>
<b>Total</b>	<b>5,557</b>	–	–	<b>5,557</b>

##### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial liabilities</b>				
Trade payables	1,063	–	–	<b>1,063</b>
Borrowings	–	–	–	<b>–</b>
Other current financial liabilities	3,891	–	–	<b>3,891</b>
<b>Total</b>	<b>4,954</b>	–	–	<b>4,954</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## C) Market risk

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

### (i) Foreign currency risk

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

The Company is exposed to foreign currency risk as it does have receivables in foreign currency.

#### a) Receivables

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	12	–
	USD (USA Dollar)	0	–
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	12	–
	USD (USA Dollar)	0	–
Unhedged foreign currency exposure	₹ (Indian Rupees)	12	–
	USD (USA Dollar)	0	–

#### Sensitivity to price risk

The following table summarises the impact of sensitivity of changes in foreign currency. The below impact on the Company's profit before tax is based on changes in the foreign exchange rate at balance sheet date:

Sensitivity	31 March 2024	31 March 2023
Impact on profit before tax for 10% increase in NAV/Price	1	–
Impact on profit before tax for 10% decrease in NAV/Price	(1)	–

### (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 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 mutual funds is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Exposure to price risk	4,840	193

#### 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 2024	31 March 2023
Impact on profit before tax for 10% increase in NAV/Price	484	19
Impact on profit before tax for 10% decrease in NAV/Price	(484)	(19)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 33 : 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 2024	31 March 2023
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	–	–

\*Trade payable to MSME comprise of amount not due to the vendor being provisional expenses where actual invoice is not received / not approved by the company and also consist portion of Goods and Service Tax (GST) on invoices which is not reflecting on the GST portal.

## NOTE 34 : AUDITOR'S REMUNERATION

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>As Auditors:</b>		
Statutory audit	5	8
Out of pocket expenses	1	1
Certification charges	–	2
<b>Total</b>	<b>6</b>	<b>11</b>

## NOTE 35 : PROVISIONS MADE COMPRISES OF

### For the year ended 31 March 2024

Particulars	Opening balance as at 01 April 2023	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2024
Gratuity	212	77	22	267
Heritage obligation	10	12	–	22
Compensated absences	58	9	–	67
<b>Total</b>	<b>280</b>	<b>98</b>	<b>22</b>	<b>356</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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	11	–	1	10
Compensated absences	54	4	–	58
<b>Total</b>	<b>260</b>	<b>23</b>	<b>3</b>	<b>280</b>

## NOTE 36 : EARNINGS PER SHARE :

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity shareholders (₹) [A]	5,110	4,332
Nominal value per share (in ₹)	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
<b>Basic earnings per share [A] / [B] (₹)</b>	<b>170.32</b>	<b>144.42</b>

## NOTE 37 : 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 38 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Advisory fees	8	2
Sub - advisory fees	460	426
Research and Marketing fees	–	547
Management Fees	10	10
<b>Total</b>	<b>478</b>	<b>985</b>

### (ii) Expenditure in foreign currency (on payment basis)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Travelling and conveyance expenses	11	3
Membership and subscription fees	44	9
Legal and Professional Fees	–	6
Placement fees	–	594
<b>Total</b>	<b>55</b>	<b>612</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 39 : 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 40 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2023-24.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
(a) Total amount required to be spent during the year	91	74
(b) Total amount of expenditure incurred during the year	91	75
(c) Shortfall at the end of the year	–	–
(d) Total amount of previous years shortfall	–	–
(e) Reason for shortfall	NA	NA

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Donation for education	90	50
Donation for medical aid	0	–
Donation for environment sustainability	1	25

Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to Motilal Oswal Foundation	91	75

## NOTE 41 : 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

#### Subsidiary and step-down subsidiary

- India Business Excellence Management Company

#### Fellow subsidiaries

- MO Alternative IFSC Private Limited
- Motilal Oswal Finvest Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Commodities Broker Private Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Motilal Oswal Home Finance Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Broking and Distribution Limited (Formerly Known as Glide Tech Investment Advisors Private Limited)
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Private Limited

## Key management personnel

- Vishal Tulsyan - Managing Director and Chief Executive Officer
- Motilal Oswal - Director
- Raamdeo Agarawal- Director

## Enterprises in which key management personnel and their relatives exercise significant Influence

- N. Ranga Rao & Sons Private Limited
- Motilal Oswal Foundation (Trust)

## (ii) Transactions with related parties for the year ended 31 March 2024

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 24	31 March 23	31 March 24	31 March 23	31 March 24	31 March 23	31 March 24	31 March 23
Business support service	Motilal Oswal Financial Services Limited	340	323	–	–	–	–	340	323
Reimbursement of Expense	Motilal Oswal Financial Services Limited	45	32	–	–	–	–	45	32
Referral fees Income	Motilal Oswal Wealth Limited	–	3	–	–	–	–	–	3
Placement fees expense	Motilal Oswal Wealth Limited	795	683	–	–	–	–	795	683
	Motilal Oswal Financial Services Limited	697	584	–	–	–	–	697	584
	Motilal Oswal Broking and Distribution Limited	40	51	–	–	–	–	40	51
	TM Investment Technologies Private Limited	46	62	–	–	–	–	46	62
Setup fees expense	Motilal Oswal Wealth Limited	–	10	–	–	–	–	–	10
	Motilal Oswal Financial Services Limited	–	17	–	–	–	–	–	17

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 24	31 March 23	31 March 24	31 March 23	31 March 24	31 March 23	31 March 24	31 March 23
Advisory fees	India Business Excellence Management Company	467	428	-	-	-	-	467	428
Income									
Dividend paid	Motilal Oswal Financial Services Limited	18	-	-	-	-	-	18	-
Interest expense	Motilal Oswal Finvest Limited	96	53	-	-	-	-	96	53
	Motilal Oswal Financial Services Limited	141	-	-	-	-	-	141	-
Rent expense	Motilal Oswal Financial Services Limited	292	292	-	-	-	-	292	292
Dividend income	Motilal Oswal Finvest Limited	17	-	-	-	-	-	17	-
Donation	Motilal Oswal Foundation (Trust)	-	-	91	75	-	-	91	75
Loan (Taken)	Motilal Oswal Finvest Limited	12,244	2,821	-	-	-	-	12,244	2,821
	Motilal Oswal Financial Services Limited	4,000	-	-	-	-	-	4,000	-
Repayment of loan taken	Motilal Oswal Finvest Limited	11,889	2,823	-	-	-	-	11,889	2,823
	Motilal Oswal Financial Services Limited	4,000	-	-	-	-	-	4,000	-
Loan taken (Maximum balance)	Motilal Oswal Finvest Limited	4,763	2,286	-	-	-	-	4,763	2,286
	Motilal Oswal Financial Services Limited	4,000	-	-	-	-	-	4,000	-
Loan given	Motilal Oswal Financial Services Limited	4,200	4,300	-	-	-	-	4,200	4,300
Repayment of loan given	Motilal Oswal Financial Services Limited	4,200	4,300	-	-	-	-	4,200	4,300
Interest income	Motilal Oswal Financial Services Limited	4	33	-	-	-	-	4	33
Investment in Fellow Subsidiary	Motilal Oswal Finvest Limited	4,000	-	-	-	-	-	4,000	-
Recovery of Out of Pocket expenses	N. Ranga Rao & Sons Private Limited	4	-	-	-	-	-	4	-
Advance against bonus	Mr.Vishal Tulsyan	-	-	-	500	-	-	-	500
Employee compensation - Managerial remuneration	Mr.Vishal Tulsyan	-	-	2,359	2,077	-	-	2,359	2,077

## Note: Managerial Remuneration

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short term employee benefit	2,359	2,077
<b>Total</b>	<b>2,359</b>	<b>2,077</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 24	31 March 23	31 March 24	31 March 23	2023-2024	2022-2023
<b>Outstanding balances:</b>							
Interest Payables	Motilal Oswal Finvest Limited	(1)	-	-	-	(1)	-
Loan Taken	Motilal Oswal Finvest Limited	(355)	-	-	-	(355)	-
Rent / MOT Cost	Motilal Oswal Financial Services Limited	(11)	(11)	-	-	(11)	(11)
Advance Received	India Business Excellence Management Co	(176)	(643)	-	-	(176)	(643)
Trade receivable/ (payable)	Motilal Oswal Financial Services Limited	(96)	(50)	-	-	(96)	(50)
	Motilal Oswal Wealth Management Limited	(648)	(197)	-	-	(648)	(197)
	Motilal Oswal Financial Services Limited	20	(101)	-	-	20	(101)
	TM Investment Technologies Private Limited	(8)	5	-	-	(8)	5
	N. Ranga Rao & Sons Private Limited	3	-	-	-	3	-
Prepaid expenses	Motilal Oswal Financial Services Limited	4,460	3,897	-	-	4,460	3,897
	Motilal Oswal Wealth Management Limited	4,834	4,224	-	-	4,834	4,224
	Motilal Oswal Financial Services Limited	498	539	-	-	498	539
	TM Investment Technologies Private Limited	441	478	-	-	441	478
Investment	India Business Excellence Management Co	58	58	-	-	58	58
	Motilal Oswal Finvest Limited	4,814	0	-	-	4,814	0
Advance against bonus	Mr.Vishal Tulsyan	-	-	-	(500)	-	(500)

## 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 2024	Year ended 31 March 2023
Employers' contribution to provident fund	146	114
National Pension Scheme	41	34
<b>Total</b>	<b>187</b>	<b>148</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Lakhs, 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 ₹ 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".

	Gratuity (unfunded)		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>I) Actuarial assumptions</b>				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	6.97%	7.12%	6.88%	6.79%
Rate of escalation in salary (per annum)	7.28%	6.50%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
	PS: 0 to 40 : 40%			
	PS: 0 to 40 : 55.60%			
Employee attrition rate (Past Service)	PS: 0 to 40 : 14.90%	PS: 0 to 37 : 21%	PS: 0 to 40 : 54.43%	PS: 0 to 37 : 54.43%
	PS: 0 to 40 : 2.70%			
Expected average remaining service	5.91	3.62		
<b>II) Changes in present value of obligations (PVO)</b>				
PVO at beginning of period	212	195	11	12
Interest cost	13	14	-	-
Current service cost	33	34	11	(1)
Transfer in liabilities	-	-	-	-
Transfer out liabilities	-	-	-	-
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Benefits paid	(22)	(2)	-	-
Contributions by plan participants	-	-	-	-
Business combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (gain)/less on obligation	31	(29)	-	-
PVO at end of period	267	212	22	11
<b>III) Interest expense</b>				
Interest cost	13	14	-	-
<b>IV) Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning	-	-	-	-
Interest income	-	-	-	-
<b>V) Net Liability</b>				
PVO at beginning of period	212	195	-	-
Fair Value of the Assets at beginning report	-	-	-	-
Net Liability	212	195	-	-
<b>VI) Net Interest</b>				
Interest Expenses	13	14	-	-
Interest Income	-	-	-	-
Net Interest	13	14	-	-
<b>VII) Actual return on plan assets</b>				
Less Interest income included above	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

	Gratuity (unfunded)		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
<b>VIII) Actuarial (Gain)/loss on obligation</b>				
Due to Demographic Assumption	13	–	–	–
Due to Financial Assumption	6	–	–	–
Due to Experience	13	(29)	–	–
Total Actuarial (Gain)/Loss	31	(29)	–	–
<b>IX) Fair Value of Plan Assets</b>				
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	22	2	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	(22)	(2)	–	–
Fair Value of Plan Assets at end	–	–	–	–
<b>X) Past Service Cost Recognised</b>				
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	–	–	–	–
<b>XI) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>				
PVO at end of period	267	212	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(267)	(212)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(267)	(212)	–	–
<b>XII) Expense recognised in the statement of profit and loss</b>				
Current service cost	33	34	11	(1)
Net Interest	13	14	–	–
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	47	48	11	(1)
<b>XIII) Other Comprehensive Income (OCI)</b>				
Actuarial (Gain)/Loss recognized for the period	31	(29)	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	31	(29)	–	–
<b>XIV) Movement in liability recognized in balance sheet</b>				
Opening net liability	212	195	11	12
Adjustment to opening balance	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

	Gratuity (unfunded)		Other Long Term Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Expenses as above	47	48	11	(1)
Transfer in liability			–	–
Transfer out liability			–	–
Contribution paid	(22)	(2)	–	–
Other Comprehensive Income(OCI)	31	(29)	–	–
Closing net liability	267	212	22	11
<b>XV) Schedule III of The Companies Act 2013</b>				
Current liability	90	47	14	7
Non - current liability	177	165	8	4
<b>XVI) Projected Service Cost 31 March 2025</b>	35	33	–	–
<b>XVII) Asset Information</b>				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund	–	–	–	–
Debt Security – Government Bond	–	–	–	–
Equity Securities – Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–

## XVIII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	257	278	273	261

## XIX) Expected Payout

Year	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo
	First	Second	Third	Fourth	Fifth	Six to ten years
Payouts	90	58	41	23	16	38

## XX) Asset Liability Comparisons

Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PO at End of period	–	–	195	212	267
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	–	–	(195)	(212)	(267)
Experience adjustments on plan assets	–	–	–	–	–

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

**33.3**

**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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 43 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

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

The Company is an Investment Manager and provide, investment management and administrative services to the 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 2024				31 March 2023			
	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	Other Income
Total revenue from contracts with customers	16,631	127	467	–	14,021	551	428	643
<b>Geographical markets</b>								
India	16,621	127	–	–	14,011	551	–	643
Outside India	10	–	467	–	10	–	428	–
<b>Total revenue from contracts with customers</b>	<b>16,631</b>	<b>127</b>	<b>467</b>	<b>–</b>	<b>14,021</b>	<b>551</b>	<b>428</b>	<b>643</b>
<b>Timing of revenue recognition</b>								
Services transferred at a point in time	–	–	–	–	–	–	–	–
Services transferred over time	16,631	127	467	–	14,021	551	428	643
<b>Total revenue from contracts with customers</b>	<b>16,631</b>	<b>127</b>	<b>467</b>	<b>–</b>	<b>14,021</b>	<b>551</b>	<b>428</b>	<b>643</b>

### b) Contract balances

Trade receivable are non-interest bearing balances.

### c) Performance obligations

The performance obligation of the Company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement. The usual payment term for the performance obligation of the company is three month.

## NOTE 44 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 45 :

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 46 :

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 2024 and 31 March 2023.

## NOTE 47 :

Previous year figures have been regrouped / reclassified wherever necessary.

## NOTE 48 :

Amount below ₹ 50,000 have been rounded off or shown as "0".

**For Singhi & co**  
*Chartered Accountants*  
Firm Registration No : 302049E

**Sameer Mahajan**  
*Partner*  
Membership No : 123266

Place : Mumbai  
Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**MO Alternate Investment Advisors Private Limited**

**Vishal Tulsyan**  
*Managing Director*  
*Chief Executive Officer*  
DIN No: 00139754

Place : Mumbai  
Date: 23rd April 2024

**Motilal Oswal**  
*Director*  
DIN No: 00024503

---

# Motilal Oswal Investment Advisors Limited

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

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** ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of cash flows and the 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 standalone 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, 2024, and profit including other comprehensive income, its cash flows and the changes in equity for the period ended on March 31, 2024.

### Basis for Opinion

We conducted our audit of the standalone financial statement 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 Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

# Independent Auditors' Report (Contd..)

## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid Remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 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, in electronic mode so far as it appears from our examination of those books.

## Independent Auditors' Report (Contd..)

- (c) The Balance Sheet & Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of change in equity 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 read with rules as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) a) 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 persons or entities, 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, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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; and
- c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.
- (v) The company has declared interim dividend during the year.
- (vi) Audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

### For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No.: - 124609W

Sd /-

**Aneel Lasod**

(Partner)

M. No: -040117

UDIN: 24040117BKBJOA5495

Place: Mumbai

Date: 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE "A" TO AUDITOR'S REPORT:

### Annexure "A" referred to in paragraph 2 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. Property, Plant & Equipment and Intangible assets:

- 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 intangibles 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 does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) during the year.
- d. The Company has not revalued its Property, Plant, Equipment (including rights of use assets) or intangible assets during the year.
- e. 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:

- a) The company does not have any inventory and hence reporting under clause 3(ii) (a) of the order is not applicable.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

#### 3. Investment or Guarantee or Granting any Loan or Advances:

- a) The company does not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The company has made investments only in the nature of investments.  
The investments made during the year are prima facie, not prejudicial to the Company's interest.
- b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- d) No loan granted by the Company 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) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

#### 4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

#### 5. Deposits from Public:

In our opinion and according to the information and explanations given to us, The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

## Independent Auditors' Report (Contd..)

### 6. Cost Records:

The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

### 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, Custom duty, Excise duty, value added tax, cess and any other statutory dues wherever applicable with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Service Tax, Professional Tax, Custom duty, Excise duty, value added tax, cess and any other statutory dues were outstanding as at 31st March, 2024 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, Custom duty, Excise duty, value added tax, cess SEBI turnover fees and any other statutory dues, which have not been deposited on account of any disputes are as below:

Name of the statute	Nature of the dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	58.52	2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	5.55	2014-15	CIT (A)
Income Tax Act, 1961	Income Tax	26.23	2018-19	CIT (A)

### 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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:

- 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.
- The company has made preferential allotment or private placement of equity shares through right issue during the year and not made any preferential allotment or private placement of convertible debentures (Fully or partially) during the year.

# Independent 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 as required by the applicable accounting standards.

## 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 considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our 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:**

- a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. 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.

## 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 and the immediately preceding 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.

## 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. 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.

## Independent Auditors' Report (Contd..)

### 20. **CSR Compliance:**

The Company recognizes its responsibility towards society and strongly intends to contribute towards development of knowledge based economy.

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance forming part of the Annual Report.

The Company's CSR activities are mainly focused on Education. The social contribution made by the Company is covered in ESG section forming part of this Annual Report.

The Company has made contribution through Tattva Education Foundation, a not-for-profit charitable company incorporated under Section 8 of the Companies Act, 2013 to various other not-for-profit organisations.

### 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

UDIN: 24040117BKBJOA5495

Place: Mumbai

Date: 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE "B" TO THE AUDITORS' REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Motilal Oswal Investment Advisors Limited of even date)

### Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Motilal Oswal Investment Advisors Limited** ('the Company') as of 31 March, 2024 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, 2024, 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

UDIN: 24040117BKBJOA5495

Place: Mumbai

Date: 23-04-2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
a) Cash and cash equivalents	4	1,077	908
b) Receivables			
Trade receivables	5	837	129
c) Loans	6	17	44
d) Investments	7	25,206	11,596
e) Other financial assets	8	21	6
		<b>27,158</b>	<b>12,683</b>
<b>2 Non-financial assets</b>			
a) Property plant & equipments	9	32	12
b) Other non-financial assets	10	43	50
		<b>75</b>	<b>62</b>
<b>TOTAL ASSETS</b>		<b>27,233</b>	<b>12,745</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Other financial liabilities	11	351	42
		<b>351</b>	<b>42</b>
<b>2 Non-financial liabilities</b>			
(a) Current tax liabilities (net)	12	661	73
(b) Provision	13	1,179	308
(c) Deferred tax liabilities (net)	14	918	63
(d) Other non-financial liabilities	15	414	–
		<b>3,772</b>	<b>444</b>
<b>3 Equity</b>			
(a) Share capital	16	135	100
(b) Other Equity	17	22,975	12,159
		<b>23,110</b>	<b>12,259</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,233</b>	<b>12,745</b>

The accompanying notes 1 to 42 form an integral part of the financial statements

As per our report of even date

**For Aneel Lasod And Associates**

Chartered Accountants

Firm Registration Number - 124609W

Sd/-

**Aneel Lasod**

Partner

Membership Number: 40117

Place : Mumbai

Date: 23rd April 2024

For and on behalf of the Board of Directors of

**Motilal Oswal Investment Advisors Limited**

CIN: U67190MH2006PLC160583

Sd/-

**Motilal Oswal**

Director

DIN No: 00024503

Place : Mumbai

Date: 23rd April 2024

Sd/-

**Raamdeo Agarawal**

Director

DIN No: 00024533

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Note No.	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>I. Revenue from operations</b>			
a. Interest Income	18	375	49
b. Dividend Income	19	5	–
c. Fees and commission Income	20	10,002	3,046
d. Net gain on fair value changes	21	4,834	242
e. Other Operating Revenue	22	18	22
<b>Total Revenue from operations</b>		<b>15,234</b>	<b>3,359</b>
<b>II. Other Income</b>	23	<b>3</b>	<b>19</b>
<b>III. Total Income (I+II)</b>		<b>15,237</b>	<b>3,378</b>
<b>IV. Expenses</b>			
a. Finance Cost	24	–	18
b. Fees and commission expense	25	442	–
c. Employee benefit Expenses	26	2,860	1,433
d. Depreciation and amortisation	9	5	3
e. Other Expenses	27	619	450
<b>Total Expenses</b>		<b>3,926</b>	<b>1,904</b>
<b>V. Profit Before Taxation (III-IV)</b>		<b>11,311</b>	<b>1,474</b>
<b>VI. Less: Tax Expenses</b>	28		
Current tax		1,686	104
Deferred tax		857	235
Short Provision of Tax for earlier years		4	2
		<b>2,547</b>	<b>341</b>
<b>VII. Profit for the period (V-VI)</b>		<b>8,764</b>	<b>1,133</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Acturial gain/(losses) on post retirement benefit plans		(12)	2
(b) Deferred tax impact on the above		3	–
<b>Total other comprehensive income</b>		<b>(9)</b>	<b>2</b>
<b>IX. Total comprehensive income (VII+VIII)</b>		<b>8,756</b>	<b>1,135</b>
<b>Earnings per equity share (₹) (Face value per share ₹ 10/-)</b>	29		
Basic		798.03	113.34
Diluted		798.03	113.34

The accompanying notes 1 to 42 form an integral part of the financial statements

As per our report of even date

**For Aneel Lasod And Associates**

Chartered Accountants

Firm Registration Number - 124609W

Sd/-

**Aneel Lasod**

Partner

Membership Number: 40117

Place : Mumbai

Date: 23rd April 2024

For and on behalf of the Board of Directors of

**Motilal Oswal Investment Advisors Limited**

CIN: U67190MH2006PLC160583

Sd/-

**Motilal Oswal**

Director

DIN No: 00024503

Place : Mumbai

Date: 23rd April 2024

Sd/-

**Raamdeo Agarawal**

Director

DIN No: 00024533

# Cash Flow Statement

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION</b>	<b>11,311</b>	<b>1,474</b>
<b>Adjustment for:</b>		
Depreciation	5	3
Actuarial gain	18	15
Net gain on fair value changes	(4,834)	(242)
Dividend received	(5)	–
<b>OPERATING PROFIT</b>	<b>6,495</b>	<b>1,250</b>
<b>Adjustment for working capital changes:</b>		
(Increase)/decrease in receivables	(708)	606
(Increase)/decrease in loans	28	(44)
(Increase)/decrease in other financial assets	(15)	(1)
(Increase)/decrease in other non-financial assets	7	(2)
Increase/(decrease) in other financial liabilities	309	(21)
Increase/(decrease) in provisions	1,441	(353)
Increase/(decrease) in other non-financial liabilities	414	(389)
<b>CASH FLOW FROM OPERATIONS</b>	<b>7,971</b>	<b>1,046</b>
Direct Taxes Paid / (refund received) (Net)	(1,102)	(2)
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>6,869</b>	<b>1,044</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant & equipment	(26)	(2)
Proceeds of Sale of Investments	7,059	–
Purchase of Investments	(15,835)	(522)
Dividend received	5	–
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(8,797)</b>	<b>(524)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares (including premium)	5,000	–
Dividend Paid	(2,903)	–
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2,097</b>	<b>–</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS DURING THE YEAR (A+B+C)</b>	<b>169</b>	<b>520</b>

## Cash Flow Statement (Contd.)

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

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<u>Cash and Bank Balances comprise of:</u>		
Cash as at beginning of period	2	0
Scheduled Banks - In Current Accounts	906	388
<b>Cash &amp; Cash Equivalents as at beginning of the year</b>	<b>908</b>	<b>388</b>
<u>Cash and Bank Balances comprise of:</u>		
Cash as at end of period	2	2
Scheduled Banks - In Current Accounts	1,075	906
<b>Cash &amp; Cash Equivalents as at end of the year</b>	<b>1,077</b>	<b>908</b>

#### 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 42 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 Registration Number - 124609W

Sd/-

**Aneel Lasod**

Partner

Membership Number: 40117

For and on behalf of the Board of Directors of

**Motilal Oswal Investment Advisors Limited**

CIN: U67190MH2006PLC160583

Sd/-

**Motilal Oswal**

Director

DIN No: 00024503

Sd/-

**Raamdeo Agarawal**

Director

DIN No: 00024533

Place : Mumbai

Date: 23rd April 2024

Place : Mumbai

Date: 23rd April 2024

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### (A) Equity Share Capital

Particulars	Equity share capital		Total
	Number of shares	Amount	
<b>Issued, subscribed and paid up</b>			
<b>As at 01 April 2022</b>	10,00,000	100	100
Add/Less: Changes due to prior period errors	—	—	—
<b>Restated as at 01 April 2022</b>	10,00,000	100	100
Add: issue of capital	—	—	—
<b>As at 31 March 2023</b>	10,00,000	100	100
Add/Less: Changes due to prior period errors	—	—	—
<b>Restated as at 01 April 2023</b>	10,00,000	100	100
Add: issue of capital	3,49,162	35	35
<b>As at 31 March 2024</b>	<b>13,49,162</b>	<b>135</b>	<b>135</b>

### (B) Other Equity

Particulars	Reserves and surplus				Items of other comprehensive income	Total other equity
	General Reserve	Capital Redemption Reserve	Retained Earning	Securities Premium	Remeasurements of net defined benefit plans	
<b>Balance as at 01 April 2022</b>	523	1,790	8,705	—	5	11,023
Add/Less: Changes due to prior period errors	—	—	—	—	—	—
<b>Restated balance as at 01 April 2022</b>	523	1,790	8,705	—	5	11,023
Addition during the year	—	—	1,133	—	—	1,133
Total other comprehensive income for the year	—	—	—	—	2	2
<b>Balance as at 31 March 2023</b>	523	1,790	9,838	—	7	12,159
Add/Less: Changes due to prior period errors	—	—	—	—	—	—
<b>Restated balance as at 01 April 2023</b>	523	1,790	9,838	—	7	12,159
Addition during the year	—	—	8,764	4,965	—	13,729
Interim Dividend	—	—	(2,903)	—	—	(2,903)
Total other comprehensive income for the year	—	—	—	—	(9)	(9)
<b>Balance as at 31 March 2024</b>	<b>523</b>	<b>1,790</b>	<b>15,698</b>	<b>4,965</b>	<b>(2)</b>	<b>22,975</b>

The accompanying notes 1 to 42 form an integral part of the financial statements

As per our report of even date

**For Aneel Lasod And Associates**  
Chartered Accountants  
Firm Registration Number - 124609W

Sd/-  
**Aneel Lasod**  
Partner  
Membership Number: 40117

Place : Mumbai  
Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Investment Advisors Limited**  
CIN: U67190MH2006PLC160583

Sd/-  
**Motilal Oswal**  
Director  
DIN No: 00024503

Sd/-  
**Raamdeo Agarawal**  
Director  
DIN No: 00024533

Place : Mumbai  
Date: 23rd April 2024

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND 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, 2024 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, 2024 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 (₹), which is MOIAL's functional and presentation currency.

#### (iv) Use of estimates and judgments

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

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

## Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

- (b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.
- (c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.
- (d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- (e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.
- (f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.
- (g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### (v) Measurement of fair values:

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

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

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

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

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 MATERIAL ACCOUNTING POLICIES

### 3.1. Financial Instrument

#### (i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

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

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

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

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

#### (ii) Classification and subsequent measurement

##### (a) Financial Assets

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

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

Classification and subsequent measurement of financial assets depend on:

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

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

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

**Fair value through Other Comprehensive Income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

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

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

## (b) Equity Instruments and Financial Liability

### (i) Equity Instruments:

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

### (ii) Financial Liability:

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

### (iii) Derecognition

#### (a) Financial Assets

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

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

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

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

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

#### (b) Financial Liabilities

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (iv) Offsetting

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

## (v) Write-offs

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

## 3.2 Revenue Recognition

### (i) Revenue from contract with customers:

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

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

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

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

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

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

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

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

### (ii) Interest Income

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

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

### (iii) Dividend Income

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (iv) Other Income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

## 3.3 Income Tax

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

### Current Taxes

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

### Deferred Taxes

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

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

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

## 3.4 Leases

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

### Measurement and recognition of leases as a lessee

The Company has adopted 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 3.5 Cash and Cash Equivalents

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

## 3.6 Property, Plant and Equipment

### (i) Recognition & measurement

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

### (ii) Subsequent cost

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

### (iv) Gain or Loss on disposal

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

## 3.7 Intangible Assets

### (i) Recognition and measurement

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

### (ii) Subsequent cost

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

### (iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

## 3.8 Employee Benefits

### (i) Short-term employee benefit

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (ii) Post-employment benefit

### Defined contribution plan:

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

### Defined benefits plan:

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

## (iii) Other long-term employee benefit

### (a) Heritage Club Benefit

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

### (b) Compensated Absences

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

## (iv) Share-based payments

### Employee Stock Option Scheme (ESOS)

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

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

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

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

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

## 3.9 Earnings per share

### (a) Basic earnings per share

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

# Summary of Material Accounting Policies and Other Explanatory Information (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.

### 3.10 Provisions and Contingent Liabilities:

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

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

### 3.11 Impairment of Non-Financial Assets

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

### 3.12 Foreign Currency

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

### 3.13 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	2	2
<b>Balance with Bank</b>		
Scheduled Banks- In Current Accounts	1,075	906
<b>TOTAL</b>	<b>1,077</b>	<b>908</b>

## NOTE 5 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade Receivables</b>		
Unsecured, Considered Good	837	129
<b>TOTAL</b>	<b>837</b>	<b>129</b>

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 2024

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	837	–	–	–	–	837
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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	129	–	–	–	–	129
(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 March 2024	As at 31 March 2023
Unsecured, considered good	17	44
<b>TOTAL</b>	<b>17</b>	<b>44</b>

## NOTE 7 : INVESTMENTS

Particulars	Face value / NAV	31 March 2024		31 March 2023	
		Units	Amount	Units	Amount
<b>I. Investments carried at FVTPL</b>					
<b>Investments in Mutual Funds (Equity) - Fully paid up - Unquoted</b>					
Motilal Oswal Large and Midcap Fund	10	1,42,50,000	3,914	1,42,50,000	2,549
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	222	9,99,950	117
Motilal Oswal Small Cap Fund	10	4,99,97,500	5,231	–	–
<b>Investments in Equity Instruments - Fully paid up - Quoted</b>					
Radiant Cash Management Services	1	2,35,637	179	2,35,637	227
<b>Investments in Fellow Subsidiaries - Fully paid up - Unquoted</b>					
Motilal Oswal Home Finance Limited	1	25,78,44,836	11,397	26,03,44,836	8,500
<b>III. Investment in Private Equity Funds - Unquoted</b>					
India Realty Excellence Fund V - Class A	100	45,03,919	3,414	–	–
India Realty Excellence Fund V - Class X	100	30,00,000	849	–	–
<b>Total</b>			<b>25,206</b>		<b>11,596</b>
Aggregate Amount Of Quoted Investments And Market Value thereof			179		227
Aggregate Amount Of Unquoted Investments			25,027		11,369
<b>(I) Investment Outside India</b>			–		–
<b>(II) Investment In India</b>			25,206		11,596
<b>Total</b>			<b>25,206</b>		<b>11,596</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits	21	6
<b>TOTAL</b>	<b>21</b>	<b>6</b>

## NOTE 9 : PROPERTY, PLANT & EQUIPMENTS

### Current Year

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	As at 01 April 2023	Additions	As at 31 March 2024	As at 01 April 2023	Additions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Renovation of Leased Office Premises	214	–	214	212	–	212	2	2
Furniture	48	–	48	46	–	46	2	2
Electrical Equipment	4	–	4	4	0	4	0	1
Air Conditioner	0	–	0	0	0	0	0	0
Office Equipments	9	–	9	9	–	9	0	0
Projector	1	–	1	1	–	1	0	0
Computer	55	5	61	49	3	52	9	6
Car	14	21	35	13	2	16	19	1
<b>Total</b>	<b>345</b>	<b>26</b>	<b>372</b>	<b>334</b>	<b>5</b>	<b>340</b>	<b>32</b>	<b>12</b>

### Previous Year

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	As at 01 April 2022	Additions	As at 31 March 2023	As at 01 April 2022	Additions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Renovation of Leased Office Premises	214	–	214	212	0	212	2	2
Furniture	48	–	48	46	–	46	2	2
Electrical Equipment	4	–	4	4	–	4	1	1
Air Conditioner	0	–	0	0	0	0	0	0
Office Equipments	9	–	9	8	0	9	0	0
Projector	1	–	1	1	–	1	0	0
Computer	53	2	55	46	3	49	6	7
Car	14	–	14	13	–	13	1	1
<b>Total</b>	<b>343</b>	<b>2</b>	<b>345</b>	<b>330</b>	<b>3</b>	<b>334</b>	<b>12</b>	<b>13</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 10 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Advances for supply of services	2	2
Prepaid Expenses	20	–
Tax credit receivable	7	27
Advance against expenses	14	21
<b>TOTAL</b>	<b>43</b>	<b>50</b>

## NOTE 11: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Salary, bonus & other benefits	4	3
Other Payables	343	21
Provision for expenses	4	18
<b>TOTAL</b>	<b>351</b>	<b>42</b>

## NOTE 12 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Taxes payables	661	73
<b>TOTAL</b>	<b>661</b>	<b>73</b>

## NOTE 13 : PROVISION

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
For Gratuity and benefits (refer note 31)	47	69
Other long term benefits (refer note 31)	5	4
Compensated Absences (refer note 31)	26	23
Ex-Gratia	1,701	212
<b>TOTAL</b>	<b>1,779</b>	<b>308</b>

## NOTE 14 : DEFERRED TAX ASSETS / (LIABILITIES) (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Written Down Value of Fixed Assets	18	21
Long Term Capital Loss	29	29
Gratuity provision	13	19
Unrealised Gains	(978)	(132)
<b>TOTAL</b>	<b>(918)</b>	<b>(63)</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 15 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Statutory Liabilities		414		–
<b>TOTAL</b>		<b>414</b>		<b>–</b>

## NOTE 16 : SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
<b>AUTHORISED</b>				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	20,00,000	200	10,00,000	100
Preference Shares of ₹ 10/- each (previous year ₹ 10 each)	90,00,000	900	90,00,000	900
	<b>1,10,00,000</b>	<b>1,100</b>	<b>1,00,00,000</b>	<b>1,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	13,49,162	135	10,00,000	100
	<b>13,49,162</b>	<b>135</b>	<b>10,00,000</b>	<b>100</b>

### 16.1 Rights, preferences and restrictions attached to shares

#### Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 /- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 16.2 Reconciliation of number of Equity shares outstanding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Number of shares at beginning	10,00,000	100	10,00,000	100
Addition During the Year	3,49,162	35	–	–
<b>At the end of the year</b>	<b>13,49,162</b>	<b>135</b>	<b>10,00,000</b>	<b>100</b>

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited ( Holding company)	13,49,162	100.00	10,00,000	100.00

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 16.4 Shares held by holding company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited ( Holding company)	13,49,162	100.00	10,00,000	100.00

## 16.5 Shares held by promoters in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited ( Holding company)	13,49,162	100.00	10,00,000	100.00

16.6 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 17 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Retained earnings</b>		
Balance at the beginning of the year	9,838	8,705
Add: Transfer from Statement of Profit and Loss	8,764	1,133
Less: Proposed Dividend	(2,903)	–
<b>Balance at the end of year</b>	<b>15,699</b>	<b>9,838</b>
<b>b) General Reserve</b>		
Balance at the beginning of the year	523	523
<b>Balance at the end of year</b>	<b>523</b>	<b>523</b>
<b>c) Securities Premium</b>		
Balance at the beginning of the year	–	–
Add : Premium Received on issue of Equity Shares	4,965	–
<b>Balance at the end of year</b>	<b>4,965</b>	<b>–</b>
<b>d) Capital Redemption Reserve</b>		
Balance at the beginning of the year	1,790	1,790
<b>Balance at the end of year</b>	<b>1,790</b>	<b>1,790</b>
<b>e) Other Comprehensive Income Reserve</b>		
Balance at the beginning of the year	7	5
Add: Transfer from Statement of Profit and Loss	(9)	2
<b>Balance at the end of year</b>	<b>(2)</b>	<b>7</b>
	<b>22,975</b>	<b>12,159</b>

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

## Securities Premium

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

## NOTE 18 : INTEREST INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest on Loan	375	49
<b>TOTAL</b>	<b>375</b>	<b>49</b>

## NOTE 19 : DIVIDEND INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
From Investments	5	–
<b>TOTAL</b>	<b>5</b>	<b>–</b>

## NOTE 20 : FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory Fees	9,592	2,905
Brokerage income	410	141
<b>TOTAL</b>	<b>10,002</b>	<b>3,046</b>

## NOTE 21 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Net gain/(loss) on financial instruments at FVTPL</b>		
Realised gain/(loss)	278	–
Unrealised gain/(loss)	4,556	242
<b>TOTAL</b>	<b>4,834</b>	<b>242</b>

## NOTE 22 : OTHER OPERATING REVENUE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Out of pocket recovery	18	22
<b>TOTAL</b>	<b>18</b>	<b>22</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 23 : OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest on Income tax refund	3	17
Other Non Operating Revenue	—	2
<b>TOTAL</b>	<b>3</b>	<b>19</b>

## NOTE 24 : FINANCE COST

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>On financial liabilities measured at amortised cost:</b>		
Interest Cost	—	13
Other borrowing cost	—	5
<b>TOTAL</b>	<b>—</b>	<b>18</b>

## NOTE 25 : FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Brokerage Paid	442	—
<b>TOTAL</b>	<b>442</b>	<b>—</b>

## NOTE 26 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Employee Benefit</b>		
Salary, Bonus and Allowances	2,729	1,278
Employee Stock option Scheme*	28	53
Contribution to provident & other Funds	37	37
Gratuity (refer note 37)	18	15
Staff Welfare Expenses	48	50
<b>TOTAL</b>	<b>2,860</b>	<b>1,433</b>

\*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 38.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 27 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Rent	210	210
Insurance	8	6
Remuneration to Auditors (refer note 34)	2	2
Membership & Subscription	14	10
Data processing charges	9	8
Power & Fuel	17	15
Communication Expenses	41	51
Travelling Expenses & Conveyance	55	64
Entertainment Expenses	18	21
Legal & Professional Charges	141	12
Printing & Stationery	36	7
Foreign Exchange Fluctuation	0	0
Repairs & Maintenance	1	–
Business Support Charges	19	18
Donation	10	–
Miscellaneous Expenses	38	26
<b>TOTAL</b>	<b>619</b>	<b>450</b>

## NOTE 28 : TAX EXPENSES, DEFERRED TAX ASSETS AND LIABILITIES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Note 28.1 : Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	1,686	104
Tax adjustment in respect of earlier years	4	2
<b>Total current tax expense</b>	<b>1,690</b>	<b>106</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	857	235
<b>Net deferred tax expense</b>	<b>857</b>	<b>235</b>
<b>Total</b>	<b>2,547</b>	<b>341</b>
<b>Note 28.2 : Tax reconciliation (for profit and loss)</b>		
<b>Profit/(loss) before income tax expense</b>	11,311	1,474
Tax at the rate of 25.17%	2,847	371
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Tax adjustment of previous years	4	2
Expenses not deductible for tax purposes	2	0
Tax at different rate	(305)	(32)
Exempt Income	(1)	–
<b>Income tax expense</b>	<b>2,547</b>	<b>341</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Note 28.3 : Items of deferred tax</b>		
<b>Deferred tax on account of:</b>		
Written Down Value of Fixed Assets	18	21
Gratuity provision	13	19
Long Term Capital Loss of previous years	29	29
Unrealised gain on financial instrument	(978)	(132)
<b>Total deferred tax assets/(liability)</b>	<b>(918)</b>	<b>(63)</b>

## NOTE 29 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Profit after tax attributable to equity shareholders [A]	8,764	1,133
Number of weighted average equity shares issued [B]	10,98,261	10,00,000
Basic Earnings per share (EPS) –[A/B] (₹)	798.03	113.34
Weighted Number of equity shares outstanding for Diluted EPS [C]	10,98,261	10,00,000
Diluted Earnings per share (DEPS) [A/C] (₹)	798.03	113.34

## NOTE 30 : ACTIVITY IN FOREIGN CURRENCY

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Expenditure in foreign currency</b>		
Overseas travel expenses	3	2
Data Subscription Charges	20	18
Client Entertainment Expenses	0	–
<b>Total</b>	<b>23</b>	<b>20</b>

## NOTE 31 : PROVISIONS MADE COMPRISES OF:

### For the year ended 31 March 2024

Particulars	Opening balance	Provided during the year ended 31 March, 2024	Paid /reversed during the year ended 31 March, 2024	Closing balance as of 31 March, 2024
Gratuity	69	30	52	47
Compensated Absences	23	3	–	26
Other Long term benefits	4	1	–	5
Ex Gratia	212	1,701	212	1,701

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## For the year ended 31 March 2023

Particulars	Opening balance	Provided during the year ended 31 March, 2023	Paid /reversed during the year ended 31 March, 2023	Closing balance as of 31 March, 2023
Gratuity	56	21	8	69
Compensated Absences	–	23	–	23
Other Long term benefits	6	(2)	–	4
Ex Gratia	586	198	572	212

## NOTE 32 : CONTINGENT LIABILITIES

Demand of ₹ 6,08,174/- w.r.t. GST matters for which appeal has been filed and order is pending (Previous year: ₹ Nil). This is disputed by the Company and hence not provided for in the books of accounts.

## NOTE 33 : CAPITAL COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 52,500/- (Previous Year: ₹ Nil)
- b) Capital commitments:

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Uncalled liability on shares and other investments partly paid:		
1) India Realty Excellence Fund V - Class A	1,171	–
2) India Realty Excellence Fund V - Class X	780	–
	<u>1,951</u>	<u>–</u>

## NOTE 34 : AUDITOR'S REMUNERATION

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Audit Fees	2	2
Certification Work	0	0
<b>Total</b>	<u>2</u>	<u>2</u>

## 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 37 : 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	As at 31 March 2024	As at 31 March 2023
Employer's contribution to provident fund	29	27
<b>Total</b>	<b>29</b>	<b>27</b>

#### (B) Defined benefit plan

	Gratuity		Other Long Term Benefits	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>I Assumptions as at</b>				
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	6.93%	7.14%	6.88%	6.79%
Rate of increase in compensation	7.28%	6.50%		
Expected rate of return on plan assets (per annum)				
Employee Attrition Rate (Past Service)		PS: 0 to 37 : 17%	PS: 0 to 40 YRS: 54.43%	PS: 0 to 37 YRS: 54.43%
D1 to D3	PS: 0 to 40 : 25.7%			
E2	PS: 0 to 40 : 0%			
M1to M3	PS: 0 to 40 : 33.33%			
V1 to V6	PS: 0 to 40 : 7%			
Expected average remaining service	5.56	4.50		
<b>II Changes in present value of obligations (PVO)</b>				
PVO at beginning of period	69	56	4	6
Interest cost	5	2	—	—
Current Service Cost	14	14	1	(2)
Past Service Cost- (non vested benefits)	—	—	—	—
Past Service Cost -(vested benefits)	—	—	—	—
Transfer in liability	—	—	—	—
Transfer out liability	—	—	—	—
Benefits Paid	(52)	—	—	—
Contributions by plan participants	—	—	—	—
Business Combinations	—	—	—	—
Curtailments	—	—	—	—
Settlements	—	—	—	—
Actuarial (Gain)/Loss on obligation	11	(2)	—	—
PVO at end of period	47	69	5	4
<b>III) Interest expense</b>				
Interest cost	5	2	—	—
<b>IV) Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning	—	—	—	—
Interest income	—	—	—	—

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

	Gratuity		Other Long Term Benefits	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>V) Net Liability</b>				
PVO at beginning of period	69	56	–	–
Fair Value of the Assets at beginning report	–	–	–	–
Net Liability	69	56	–	–
<b>VI) Net Interest</b>				
Interest Expenses	5	2	–	–
Interest Income	–	–	–	–
Net Interest	5	2	–	–
<b>VII) Actual return on plan assets</b>				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
<b>VIII) Actuarial (Gain)/loss on obligation</b>				
Due to Demographic Assumption	(3)	0	–	–
Due to Financial Assumption	2	(5)	–	–
Due to Experience	12	3	–	–
Total Actuarial (Gain)/Loss	11	(2)	–	–
<b>IX) Fair Value of Plan Assets</b>				
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	52	–	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	(52)	–	–	–
Fair Value of Plan Assets at end	–	–	–	–
<b>X) Past Service Cost Recognised</b>				
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	–	–	–	–
<b>XI) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>				
PVO at end of period	47	69	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(47)	(69)	–	–
Net Asset/(Liability) recognized in the balance sheet	(47)	(69)	–	–
<b>XII) Expense recognised in the statement of profit and loss</b>				
Current service cost	14	14	1	(2)
Net Interest	5	2	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Curtailment Effect	–	–	–	–
Settlement Effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (Gain)/Loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	18	16	1	(2)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

	Gratuity		Other Long Term Benefits			
	31 March 2024	31 March 2023	31 March 2024	31 March 2023		
<b>XIII) Other Comprehensive Income (OCI)</b>						
Actuarial (Gain)/Loss recognized for the period	11	(2)	—	—		
Asset limit effect	—	—	—	—		
Return on Plan Assets excluding net interest	—	—	—	—		
Unrecognized Actuarial (Gain)/Loss from previous period	—	—	—	—		
Total Actuarial (Gain)/Loss recognized in (OCI)	11	(2)	—	—		
<b>XIV) Movement in liability recognized in balance sheet</b>						
Opening net liability	69	56	4	6		
Adjustment to opening balance	—	—	—	—		
Expenses as above	18	16	1	(2)		
Transfer in liability	—	—	—	—		
Transfer out liability	—	—	—	—		
Benefits paid by the Company	—	—	—	—		
Contribution paid	(52)	—	—	—		
Other Comprehensive Income(OCI)	11	(2)	—	—		
Closing net liability	47	69	5	4		
<b>XV) Schedule III of The Companies Act 2013</b>						
Current liability	7	12	3	(6)		
Non - current liability	41	58	2	2		
<b>XVI) Projected Service Cost 31 Mar 2025</b>	17	—	—	—		
<b>XVII) Asset Information</b>						
Cash and Cash Equivalents	—	—	—	—		
Gratuity Fund ( )	—	—	—	—		
Debt Security - Government Bond	—	—	—	—		
Equity Securities - Corporate debt securities	—	—	—	—		
Other Insurance contracts	—	—	—	—		
Property	—	—	—	—		
Total Itemized Assets	—	—	—	—		
<b>XVIII) Sensitivity Analysis</b>						
	DR: Discount Rate		ER : Salary Escalation Rate			
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%		
PVO	45	50	49	46		
<b>XIX) Expected Payout</b>						
<b>Year</b>	Expected	Expected	Expected	Expected	Expected	Expected Outgo
	Outgo First	Outgo Second	Outgo Third	Fourth	Fifth	Six to ten years
Payouts	7	6	6	7	5	18
<b>XX) Asset Liability Comparisons</b>						
<b>Year</b>	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024	
PO at End of period	83	72	56	69	47	
Plan Assets	—	—	—	—	—	
Surplus / (Deficit)	(83)	(72)	(56)	(69)	(47)	
Experience adjustments on plan assets	—	—	—	—	—	

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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
- 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
- Motilal Oswal Broking and Distribution Limited (formerly known as 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 Agarawal – Director

#### Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation
- OSAG Enterprises LLP
- Like Minded Wealth Creation Trust

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## (ii) Transactions with related parties: 31 March 2024

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries/ other related parties*		Total	
		2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Brokerage Expense	Motilal Oswal Financial Services Limited	442	–	–	–	442	–
Interest Expense	Motilal Oswal Finvest Limited	–	–	–	13	–	13
ESOP Expense	Motilal Oswal Financial Services Limited	28	–	–	–	28	–
Interest (Income)	Motilal Oswal Financial Services Limited	(374)	(49)	–	–	(374)	(49)
Rent Expense	Motilal Oswal Financial Services Limited	210	210	–	–	210	210
Business Support Charges	Motilal Oswal Financial Services Limited	19	18	–	–	19	18
CSR Donation	Motilal Oswal Foundation	–	–	10	–	10	–
Reimbursement of Expenses	Motilal Oswal Financial Services Limited	22	31	–	–	22	31
Loans (Taken)	Motilal Oswal Financial Services Limited	–	(150)	–	–	–	(150)
	Motilal Oswal Finvest Limited	–	–	–	(669)	–	(669)
Loans Given Repaid	Motilal Oswal Financial Services Limited	(26,600)	–	–	–	(26,600)	–
Loans Given / (Taken)	Motilal Oswal Financial Services Limited	26,600	950	–	–	26,600	950

## (iii) Outstanding Balances:

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries/ other related parties*		Total	
		2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Other (payables) / receivables	Motilal Oswal Financial Services Limited	(296)	(3)	–	–	(296)	(3)
	Motilal Oswal Financial Services Limited	(9)	(8)	–	–	(9)	(8)
Other (payables) / receivables	Motilal Oswal Financial Services Limited	17	44	–	–	17	44
Other (payables) / receivables	Motilal Oswal Financial Services Limited	(11)	2	–	–	(11)	2
Investments	Motilal Oswal Home Finance Limited	–	–	11,397	8,500	11,397	8,500

Notes: Income/Liability figures are shown in brackets.

\*Other related parties includes Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/ significant influence.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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

## A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

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

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

### Age of receivables that are past due:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	34	43
3 - 6 months	—	—
6 - 12 months	—	—
More than 12 months	—	—
<b>Total</b>	<b>34</b>	<b>43</b>

## 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 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other financial liabilities	351	—	—	351
<b>Total</b>	<b>351</b>	<b>—</b>	<b>—</b>	<b>351</b>

#### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other financial liabilities	42	—	—	42
<b>Total</b>	<b>42</b>	<b>—</b>	<b>—</b>	<b>42</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## C. Market Risk

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

### (i) Foreign currency risk

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

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

### (ii) Cash flow and fair value interest rate risk

Interest rate risk 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 investments 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 fair value of investments at balance sheet date:

Sensitivity	31 March 2024	31 March 2023
Impact on profit before tax for 10% Increase in NAV/price	2,521	1,160
Impact on profit before tax for 10% Decrease in NAV/price	(2,521)	(1,160)

## 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 March 2024		31 March 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	1,077	–	908
Receivables				
(i) Trade receivables	–	837	–	129
Loans	–	17	–	44
Investments	25,206	–	11,596	–
Other financial assets	–	21	–	6
<b>Total financial assets</b>	<b>25,206</b>	<b>1,952</b>	<b>11,596</b>	<b>1,087</b>
<b>Financial liabilities</b>				
Other financial liabilities	–	351	–	42
<b>Total financial liabilities</b>	<b>–</b>	<b>351</b>	<b>–</b>	<b>42</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024			As at 31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>Financial investments at FVTPL</b>						
- Equity	179	11,397	–	227	8,500	–
- Mutual funds	9,367	–	–	2,869	–	–
- Alternative investment funds	–	–	4,263	–	–	–
<b>Total</b>	<b>9,546</b>	<b>11,397</b>	<b>4,263</b>	<b>3,096</b>	<b>8,500</b>	<b>–</b>

## 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 2024 and 31 March 2023:

Particulars	Alternative investment funds
<b>As at 01 April 2022</b>	–
Additions	–
Disposals	–
Gains/(losses) recognised in statement of profit and loss	–
<b>As at 31 March 2023</b>	–
Additions	4,588
Disposals	(254)
Gains/(losses) recognised in statement of profit and loss	(72)
<b>As at 31 March 2024</b>	<b>4,263</b>

## NOTE 41 : 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 42 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,077	–	1,077	908	–	908
<b>Receivables</b>						
(i) Trade receivables	837	–	837	129	–	129
Loans	17	–	17	44	–	44
Investments	–	25,206	25,206	–	11,596	11,596
Other financial assets	–	21	21	–	6	6
<b>Non-financial assets</b>						
Property, plant and equipment	–	32	32	–	12	12
Other non-financial assets	–	43	43	–	50	50
<b>Total assets</b>	<b>1,931</b>	<b>25,302</b>	<b>27,234</b>	<b>1,081</b>	<b>11,663</b>	<b>12,745</b>
<b>Financial liabilities</b>						
Other financial liabilities	351	–	351	42	–	42
<b>Non-financial Liabilities</b>						
Current tax liabilities (Net)	661	–	661	73	–	73
Provisions	1,779	–	1,779	308	–	308
Deferred tax liabilities (Net)	–	918	918	–	63	63
Other non-financial liabilities	414	–	414	–	–	–
<b>Total liabilities</b>	<b>3,205</b>	<b>918</b>	<b>4,123</b>	<b>423</b>	<b>63</b>	<b>486</b>

**For Aneel Lasod And Associates**  
Chartered Accountants  
Firm Registration Number - 124609W

Sd/-  
**Aneel Lasod**  
Partner  
Membership Number: 40117

Place : Mumbai  
Date: 23rd April 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Investment Advisors Limited**  
CIN: U67190MH2006PLC160583

Sd/-  
**Motilal Oswal**  
Director  
DIN No: 00024503

Sd/-  
**Raamdeo Agarawal**  
Director  
DIN No: 00024533

Place : Mumbai  
Date: 23rd April 2024

---

**Motilal Oswal Broking and Distribution Ltd.**  
**(Formerly Glide Tech Investment Advisory Private Ltd.)**

**FINANCIAL STATEMENT**  
**2023-24**

# Independent Auditors' Report

To,

The Members

Motilal Oswal Broking and Distribution Limited

(Formerly Glide Tech Investment Advisory Private Limited and Motilal Oswal Broking and Distribution Private Limited)

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Broking and Distribution Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of cash flows and the 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 standalone 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, 2024, and profit including other comprehensive income, its cash flows and the changes in equity for the period ended on March 31, 2024.

### Basis for Opinion

We conducted our audit of the standalone financial statement 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 Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 24. These matters were addressed in the context of our audit of the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, 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 standalone 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.

# Independent Auditors' Report (Contd..)

## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid Remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 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, in electronic mode so far as it appears from our examination of those books.

## Independent Auditors' Report (Contd..)

- (c) The standalone balance Sheet, the standalone statement of Profit and Loss including other comprehensive income, the standalone cash flow statement and the standalone statement of change in equity 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 read with rules as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) a) 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 persons or entities, 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, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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; and
  - c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.
- (v) The company does not declared any interim and final dividend during the year.
- (vi) Audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**For Aneel Lasod and Associates**

*Chartered Accountants*

Firm Registration No.:- 124609W

**Aneel Lasod**

*(Partner)*

M.No:-040117

UDIN: 24040117BKBJOC6879

Place: Mumbai

Date: 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE A

### Annexure "A" referred to in paragraph 2 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. Property, Plant & Equipment and Intangible assets:

- 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 intangibles 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 does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) during the year.
- d. The Company has not revalued its Property, Plant, Equipment (including rights of use assets) or intangible assets during the year.
- e. 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:

- a) The company does not have any inventory and hence reporting under clause 3(ii) (a) of the order is not applicable.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

#### 3. Investment or Guarantee or Granting any Loan or Advances:

- a) The company does not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The company has made investments only in the nature of investments. The investments made during the year are prima facie, not prejudicial to the Company's interest.
- b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- d) No loan granted by the Company 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) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(e) is not applicable.

#### 4. Compliance of section 185 and 186 of the Companies Act, 2013:

According to the information and explanations given to us; in respect of loans, investments, guarantees and security are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable. In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

## Independent Auditors' Report (Contd..)

### 5. Deposits from Public:

In our opinion and according to the information and explanations given to us, The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

### 6. Cost Records:

The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

### 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.

There were 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, 2024 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of 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 made preferential allotment or private placement of equity shares through right issue and not made any preferential allotment or private placement of convertible debentures (Fully or partially) during the year.

# Independent 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 as required by the applicable accounting standards.

## 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 considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our 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:

- a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. 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.

## 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 and the immediately preceding 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.

## 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

## Independent Auditors' Report (Contd..)

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.

### 20. CSR Compliance:

Section 135(1) relating to corporate social responsibility were not applicable to the company. 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

UDIN: 24040117BKBJOC6879

Place: Mumbai

Date: 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE B

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Glide Tech Investment Advisory Private Limited of even date)

### Report on the Internal Financial Controls with reference to standalone financial statements 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 Broking and Distribution Limited** ('the Company') as of 31 March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

# Independent Auditors' Report (Contd..)

## 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, 2024, 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

UDIN: 24040117BKBJOC6879

Place: Mumbai

Date: 23-04-2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>A. Non-current assets</b>			
a) Property, plant and equipment	4(a)	5,340	11,564
b) Other intangible assets	4(b)	34,182	80,232
c) Loan	5	96	125
d) Financial assets			
i) Investments	6	16,54,271	1,731
e) Deferred tax assets (net)	7	–	10,871
<b>Total non - current assets (A)</b>		<b>16,93,889</b>	<b>1,04,523</b>
<b>B. Current assets</b>			
a) Financial assets			
(i) Cash and cash equivalents	8	68,646	7,38,078
(ii) Receivables	9	76,562	2,53,529
b) Other current assets	10	12,048	3,364
<b>Total Current assets (B)</b>		<b>1,57,256</b>	<b>9,94,971</b>
<b>TOTAL ASSETS (A+B)</b>		<b>18,51,145</b>	<b>10,99,494</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Equity:</b>			
Equity share capital	11	14,00,000	7,00,000
Other equity	12	3,59,788	(1,22,571)
<b>Total equity (A)</b>		<b>17,59,788</b>	<b>5,77,429</b>
<b>B. Liabilities</b>			
<b>1. Non-current liabilities</b>			
i) Long-term provisions	13	13,965	2,811
ii) Deferred tax Liability (net)	7	3,223	–
<b>2. Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	14	–	4,70,205
ii) Other payables	15	13,119	8,206
iii) Short-term provisions	16	48,829	32,600
b) Other current liabilities	17	12,221	8,243
<b>Total current liabilities (B)</b>		<b>91,357</b>	<b>5,22,065</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>18,51,145</b>	<b>10,99,494</b>

The accompanying notes 1 to 37 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: 24040117BKBJOC6879

**Aneel Lasod**  
Partner  
M. No: 040117

Place : Mumbai  
Dated : 23 April 2024

For and on behalf of the Board of Directors

**Motilal Oswal Broking and Distribution Ltd. (Formerly known as Glide Tech Investment Advisory Private Limited)**

**Pratik Oswal**  
Managing Director  
DIN : 06704419

Place : Mumbai  
Dated : 23 April 2024

**Raamdeo Agarawal**  
Director  
DIN : 00024533

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations			
(i) Fees and commission income	18	7,57,632	8,91,462
(ii) Net gain on fair value change	19	50,773	142
<b>1) Total revenue from operations</b>		<b>8,08,405</b>	<b>8,91,604</b>
<b>2) Other income</b>	20	<b>89,512</b>	<b>1,05,497</b>
<b>3) Total Income (1 + 2)</b>		<b>8,97,917</b>	<b>9,97,101</b>
<b>EXPENSES</b>			
(i) Employee benefit expense	21	2,05,273	4,10,806
(ii) Finance cost	22	594	56,546
(iii) Other expenses	23	25,763	2,52,118
(iv) Depreciation	4	52,274	10,169
<b>4) Total expenses</b>		<b>2,83,904</b>	<b>7,29,639</b>
<b>5) Profit/(loss) before tax (3-4)</b>		<b>6,14,013</b>	<b>2,67,462</b>
<b>Tax expense/(credit):</b>	24		
(i) Current tax		1,13,448	–
(ii) Deferred tax expense/(credit)		15,129	68,257
<b>6) Total tax expense</b>		<b>1,28,577</b>	<b>68,257</b>
<b>7) Profit/(Loss) after tax (5-6)</b>		<b>4,85,436</b>	<b>1,99,205</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(4,112)	10,000
(b) Deferred tax impact on the above		1,035	(2,517)
<b>8) Other comprehensive income</b>		<b>(3,077)</b>	<b>7,483</b>
<b>Total comprehensive income for the period (7-8)</b>		<b>4,82,359</b>	<b>2,06,688</b>
<b>Earnings/(Loss) per equity share</b>	30		
Basic and diluted		4.28	2.85

The accompanying notes 1 to 37 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: 24040117BKBJOC6879

**Aneel Lasod**  
Partner  
M. No: 040117

Place : Mumbai  
Dated : 23 April 2024

For and on behalf of the Board of Directors

**Motilal Oswal Broking and Distribution Ltd. (Formerly known as Glide Tech Investment Advisory Private Limited)**

**Pratik Oswal**  
Managing Director  
DIN : 06704419

Place : Mumbai  
Dated : 23 April 2024

**Raamdeo Agarawal**  
Director  
DIN : 00024533

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Restated as at 01 April 2022	70,00,000	7,00,000
Add/Less: Changes due to prior period errors	–	–
Restated as at 01 April 2022	70,00,000	7,00,000
Changes during the year	–	–
As at 31 March 2023	70,00,000	7,00,000
Add/Less: Changes due to prior period errors	–	–
Restated as at 01 April 2023	70,00,000	7,00,000
Changes during the year	70,00,000	7,00,000
As at 31 March 2024	1,40,00,000	14,00,000

### (B) OTHER EQUITY

Particulars	Reserves and Surplus			Reserves and Surplus	
	31 March 2024			31 March 2023	
	Surplus/ (deficit) in the Statement of Profit and Loss	General reserve	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	(1,24,024)		1,453	(3,30,712)	1,023
Add/Less: Changes due to prior period errors	–		–	–	–
Restated balance	(1,24,024)		1,453	(3,30,712)	1,023
Profit during the year	4,82,359		–	2,06,688	–
Transfer during the year	–	1,453	(1,453)	–	430
Balance at the end of the reporting period	3,58,335	1,453	–	(1,24,024)	1,453

#### For Aneel Lasod And Associates

Chartered Accountants  
Firm Reg. No. - 124609W  
UDIN: 24040117BKBJOC6879

**Aneel Lasod**  
Partner  
M. No: 040117

Place : Mumbai  
Dated : 23 April 2024

#### For and on behalf of the Board of Directors

**Motilal Oswal Broking and Distribution Ltd. (Formerly known as Glide Tech Investment Advisory Private Limited)**

**Pratik Oswal**  
Managing Director  
DIN : 06704419

Place : Mumbai  
Dated : 23 April 2024

**Raamdeo Agarawal**  
Director  
DIN : 00024533

# Cash Flow Statement

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,14,013	2,67,462
Adjustment for :		
Interest on loans	594	56,546
Depreciation	52,274	10,169
Gratuity	7,686	5,436
Realised / Unrealised Gain	(50,773)	(142)
<b>Operating profit/(loss) before working capital changes</b>	<b>6,23,794</b>	<b>3,39,471</b>
Adjustment for working capital changes :		
1) Increase/(decrease) in Receivables	1,76,967	2,63,923
2) Increase/(decrease) in Other current assets	(8,684)	1,328
3) Increase/(decrease) in Other Payables	8,776	(16,852)
4) Increase/(decrease) in Provisions	16,216	(65,163)
5) Increase/(decrease) in Other current liabilities	3,978	(6,315)
<b>Net changes in working capital</b>	<b>1,97,253</b>	<b>1,76,921</b>
<b>Cash generated from operating activities</b>	<b>8,21,047</b>	<b>5,16,392</b>
Income taxes paid (net of refunds )	(1,20,806)	–
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>7,00,241</b>	<b>5,16,392</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net purchase/sale of investment	(15,98,874)	6
Purchase of Fixed Assets	–	(6,418)
<b>Net cash used in investing activities</b>	<b>(15,98,874)</b>	<b>(6,412)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of equity shares	7,00,000	–
Short-term borrowings	15,000	7,33,204
Repayment of short-term borrowings	(4,85,205)	(4,66,262)
Interest Payment	(594)	(53,412)
<b>Net cash used in financing activities</b>	<b>2,29,201</b>	<b>2,13,530</b>
<b>Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}</b>	<b>(6,69,432)</b>	<b>7,23,510</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>7,38,078</b>	<b>14,568</b>
<b>Cash and cash equivalents at the end of the year (Refer Note no. 8)</b>	<b>68,646</b>	<b>7,38,078</b>
* Composition of cash and cash equivalent		
Balance with scheduled bank - In Current Account	68,646	7,38,078
	<b>68,646</b>	<b>7,38,078</b>

The accompanying notes 1 to 37 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: 24040117BKBJOC6879

**Aneel Lasod**  
Partner  
M. No: 040117  
Place : Mumbai  
Dated : 23 April 2024

For and on behalf of the Board of Directors  
**Motilal Oswal Broking and Distribution Ltd. (Formerly known as Glide Tech Investment Advisory Private Limited)**

**Pratik Oswal**  
Managing Director  
DIN : 06704419  
Place : Mumbai  
Dated : 23 April 2024

**Raamdeo Agarawal**  
Director  
DIN : 00024533

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 1 : CORPORATE INFORMATIONS

Motilal Oswal Broking and Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.) (“MOBDL” 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 23 April 2024.

### NOTE 2 : MATERIAL 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 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 offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

## Deferred Tax

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

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

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

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

## 2.3. Cash and cash equivalents

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

## 2.4. Financial instruments

### Initial recognition and measurement

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

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

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

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

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

# Summary of Material Accounting Policies and Other Explanatory Information (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. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 31.

## Financial assets

### (i) Classification and subsequent measurement

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

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

#### 1. Financial assets carried at amortised cost

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

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

#### 2. Equity instruments

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

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

#### 3. Investments in mutual funds

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

### (ii) Impairment

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

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

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

# Summary of Material Accounting Policies and Other Explanatory Information (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

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

#### (ii) Subsequent measurement

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

#### (iii) Derecognition

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

## 2.5. Offsetting financial instruments

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

## 2.6. Property, plant and equipment

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

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

### Depreciation methods, estimated useful lives and residual value

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Computers	3 years

## Derecognition

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

## 2.7. Provisions and contingencies:

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

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

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

## 2.8. Employee benefits

### (i) Short-term obligations

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

### (ii) Post-employment obligations

#### Defined contribution plan:

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

#### Defined benefits plan:

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

## 2.9. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 4(A) : PROPERTY, PLANT AND EQUIPMENT

### Current year

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	
Computer	34,716	–	–	34,716	23,546	6,184	–	29,730	4,986	11,170	
Furniture	421	–	–	421	27	40	–	67	354	394	
<b>Total</b>	<b>35,137</b>	<b>–</b>	<b>–</b>	<b>35,137</b>	<b>23,573</b>	<b>6,224</b>	<b>–</b>	<b>29,796</b>	<b>5,340</b>	<b>11,564</b>	

## NOTE 4(B) : INTANGIBLE ASSETS

### Current year

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	
Computer software	1,00,617	–	–	1,00,617	20,385	46,050	–	66,435	34,182	80,232	
<b>Total</b>	<b>1,00,617</b>	<b>–</b>	<b>–</b>	<b>1,00,617</b>	<b>20,385</b>	<b>46,050</b>	<b>–</b>	<b>66,435</b>	<b>34,182</b>	<b>80,232</b>	

## NOTE 4(A) : PROPERTY, PLANT AND EQUIPMENT

### Previous year

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 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	–	
<b>Total</b>	<b>29,450</b>	<b>5,687</b>	<b>–</b>	<b>35,137</b>	<b>13,834</b>	<b>9,739</b>	<b>–</b>	<b>23,573</b>	<b>11,565</b>	<b>15,616</b>	

## NOTE 4(B) : INTANGIBLE ASSETS

### Previous year

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 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	
<b>Total</b>	<b>99,886</b>	<b>731</b>	<b>–</b>	<b>1,00,617</b>	<b>19,955</b>	<b>430</b>	<b>–</b>	<b>20,385</b>	<b>80,232</b>	<b>79,931</b>	

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 5 : LOANS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(A) Loans - At amortised cost</b>		
Loans to others	96	125
<b>TOTAL</b>	<b>96</b>	<b>125</b>

## NOTE 6 : INVESTMENTS

Particulars	Subsidiary/ Others	As at 31 March 2024		As at 31 March 2023	
		Units	Amount	Units	Amount
<b>Investment - at Fair value through profit and loss</b>					
<b>Investments in Mutual Funds</b>					
Motilal Oswal Mf 5 Year G Sec Etf	Others	100	55	100	51
Motilal Oswal Most Shares M50 Etf	Others	561	1,277	561	975
Motilal Oswal Mf Mid 100 Etf	Others	672	344	672	214
Motilal Oswal N200M30 Etf	Others	1,000	625	1,000	369
"Motilal Oswal Mf S&P Bse Lvo Etf"	Others	500	176	500	122
PGIM India Liquid Fund - Direct Plan - Growth	Others	1,62,154	5,10,497	-	-
Investment In Mirae Asset Liquid Fund - Direct Plan - Growth	Others	44,752	11,41,297	-	-
<b>Total gross</b>			<b>16,54,271</b>		<b>1,731</b>
(I) Investment outside India			-		-
(II) Investment in India			16,54,271		1,731
<b>C) Total (I+II)</b>			<b>16,54,271</b>		<b>1,731</b>
<b>D) Less : Allowance for Impairment loss</b>			-		-
<b>E) Total net (C-D)</b>			<b>16,54,271</b>		<b>1,731</b>

## NOTE 7 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax asset arising on account of:</b>		
Preliminary expenses	(898)	3,743
Business loss	-	19,590
<b>Total deferred tax assets (A)</b>	<b>(898)</b>	<b>23,333</b>
<b>Deferred tax liability arising on account of:</b>		
Gratuity provision	2,200	1,368
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	125	11,094
Unrealised Gain	-	-
<b>Total deferred tax liability (B)</b>	<b>2,325</b>	<b>12,462</b>
<b>DEFERRED TAX ASSETS/ (LIABILITY) (NET)) (A-B)</b>	<b>(3,223)</b>	<b>10,871</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 8 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance with banks</b>		
In current accounts	68,646	7,38,078
<b>TOTAL</b>	<b>68,646</b>	<b>7,38,078</b>

## NOTE 9 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
a) Considered good - unsecured	76,562	2,53,529
<b>TOTAL</b>	<b>76,562</b>	<b>2,53,529</b>

## NOTE 9 (I) : RECEIVABLE AGEING SCHEDULE

For the year ended 31 March 2024

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	76,562	-	-	-	-	76,562
(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 9 (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	2,53,529	-	-	-	-	2,53,529
(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	-	-	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 10 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	4,690	3,364
Advance tax and tax deducted at source (net of provisions)	7,358	–
<b>TOTAL</b>	<b>12,048</b>	<b>3,364</b>

## NOTE 11 : SHARE CAPITAL

Particulars	31 March 2024		31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	2,00,00,000	20,00,000	1,00,00,000	10,00,000
<b>Issued, Subscribed and Paid up</b>				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,40,00,000	14,00,000	70,00,000	7,00,000
	<b>1,40,00,000</b>	<b>14,00,000</b>	<b>70,00,000</b>	<b>7,00,000</b>

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

Particulars	31 March 2024		31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>At beginning of the year</b>	<b>70,00,000</b>	<b>7,00,000</b>	<b>70,00,000</b>	<b>7,00,000</b>
Issued during the year	70,00,000	7,00,000	–	–
<b>At the end of the year</b>	<b>1,40,00,000</b>	<b>14,00,000</b>	<b>70,00,000</b>	<b>7,00,000</b>

### 11.2 Rights, preferences and restriction attached to each class of shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, there is no preferential amount as at 31 March 24. 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.

### 11.3 Shareholder having more than 5% equity holding in the company

Name of shareholder	31 March 2024		31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Ltd.	1,39,99,994	99.99%	69,99,994	99.99%

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 11.4 Shares held by holding company

Name of shareholder	31 March 2024		31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial services Limited	1,39,99,994	99.99%	69,99,994	99.99%

## 11.5 Shares held by promoters at the end of year

### Shareholding pattern as on March 31, 2024

	No. of shares held	% of shares held	% Change during the year***
Motilal Oswal Financial services Limited and its nominees	1,40,00,000	100.00	100.00
<b>Total A</b>	<b>1,40,00,000</b>	<b>100</b>	

### Shareholding pattern as on March 31, 2023

	No. of shares held	% of shares held
Motilal Oswal Financial services Limited and its nominees	70,00,000	100.00
<b>Total A</b>	<b>70,00,000</b>	<b>100</b>

## NOTE 12 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,453	1,023
Less: Transfer to General Reserve	(1,453)	–
Add: Transfer from Statement of Profit and Loss	–	430
<b>BALANCE AT THE END OF YEAR</b>	<b>–</b>	<b>1,453</b>
<b>b) Statement of Profit and Loss</b>		
Balance at the beginning of the year	(1,24,024)	(3,30,712)
Add: Transfer from Statement of Profit and Loss	4,82,359	2,06,688
<b>BALANCE AT THE END OF YEAR</b>	<b>3,58,335</b>	<b>(1,24,024)</b>
<b>c) General Reserve</b>		
Balance at the beginning of the year	–	–
Add: Transfer of ESOP	1,453	–
<b>BALANCE AT THE END OF YEAR</b>	<b>1,453</b>	<b>–</b>
<b>TOTAL</b>	<b>3,59,788</b>	<b>(1,22,571)</b>

## Nature and Purpose of Reserves

### Retained earnings

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 13 : LONG-TERM PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity payable	13,965	2,811
<b>TOTAL</b>	<b>13,965</b>	<b>2,811</b>

## NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Borrowings at amortised cost</b>		
Loans from related parties	–	4,70,205
<b>TOTAL</b>	<b>–</b>	<b>4,70,205</b>

## NOTE 15 : OTHER PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued and due on borrowings	0	3,864
Creditors for expenses	9,372	(88)
Salaries and others	3,747	4,430
<b>TOTAL</b>	<b>13,119</b>	<b>8,206</b>

## NOTE 16 : SHORT-TERM PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
ExGratia payable	46,645	30,639
Gratuity	21	8
Compensated absences	2,096	1,886
Heritage club benefit	67	67
<b>TOTAL</b>	<b>48,829</b>	<b>32,600</b>

## NOTE 17 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Net withholding taxes	12,221	8,243
<b>TOTAL</b>	<b>12,221</b>	<b>8,243</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 18 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Placement fee - Private equity funds	7,57,632	8,91,462
<b>TOTAL</b>	<b>7,57,632</b>	<b>8,91,462</b>

## NOTE 19 : NET GAIN /(LOSS) ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net gain on financial instruments at fair value:</b>		
Realised gain	24,935	(26)
Unrealised gain	25,838	168
<b>TOTAL</b>	<b>50,773</b>	<b>142</b>

## NOTE 20 : OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on Income Tax Refund	5,117	–
Interest income on loan to staff	9	–
Other Non-Operating Income	84,386	1,05,497
<b>TOTAL</b>	<b>89,512</b>	<b>1,05,497</b>

## NOTE 21 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowances	1,94,965	3,98,194
Staff welfare expenses	202	1,495
Contribution to provident & other funds	2,420	5,251
Gratuity (Refer note 31)	7,686	5,436
Expenses on employee stock option scheme	–	430
<b>TOTAL</b>	<b>2,05,273</b>	<b>4,10,806</b>

## NOTE 22 : FINANCE COST

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowing measured at amortised cost	594	56,546
<b>TOTAL</b>	<b>594</b>	<b>56,546</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 23 : OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Insurance	1,830	3,605
Computer repairs and maintenance	1,172	27,742
Legal and professional charges	2,252	16,571
Business support Charges	8,820	8,400
Membership and subscription	139	-
Remuneration to auditors (Refer Note 28)	1,000	700
Miscellaneous expenses	4,489	14,943
Rent	8,400	8,400
Printing and stationery Charges	108	2,899
Power and fuel	670	617
Marketing & brand promotion expenses	(16,818)	1,59,566
Travelling & Conveyance Expenses	745	3,156
Data processing charges	2,651	3,394
SEBI registration fees	9,535	-
Advertisement expenses	-	539
Training Expenses	770	1,586
<b>TOTAL</b>	<b>25,763</b>	<b>2,52,118</b>

## 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	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	1,13,448	-
<b>Total current tax expense</b>	<b>1,13,448</b>	<b>-</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	14,095	70,774
<b>Net deferred tax expense</b>	<b>14,095</b>	<b>70,774</b>
<b>TOTAL</b>	<b>1,27,542</b>	<b>70,774</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 24.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(loss) before income tax expense	6,14,013	2,67,462
Tax at the rate of 25.17% (for 31 March 2023 - NIL)	1,54,547	–
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Tax adjustment of previous years	–	–
Net gain/(loss) on mutual fund investment measured at FVTPL	–	–
Expenses not deductible for tax purposes	(1,604)	(150)
Business profit/(loss)	(22,620)	67,315
Gratuity	831	(490)
Change in tax rate	(1,997)	–
Temporary tax difference	9,354	–
PPE	(10,969)	4,099
<b>Income tax expense</b>	<b>1,27,542</b>	<b>70,774</b>

## NOTE 24.3 :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax assets on account of:</b>		
Preliminary Expenses	(898)	3,743
Business loss	–	19,590
Gratuity provision	–	–
<b>Total deferred tax assets (A)</b>	<b>(898)</b>	<b>23,333</b>
<b>Deferred tax liability on account of :</b>		
Gratuity provision	2,200	1,368
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	125	11,094
<b>Total deferred tax liabilities (B)</b>	<b>2,325</b>	<b>12,462</b>
<b>NET DEFERRED TAX (LIABILITY)/ ASSETS (A-B)</b>	<b>(3,223)</b>	<b>10,871</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 24.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2024	Recognised through profit and loss	As at 31 March 2023	Recognised through profit and loss
<b>Deferred tax assets on account of:</b>				
Preliminary Expenses	(898)	(4,641)	3,743	–
Business loss	–	(19,590)	19,590	(67,315)
<b>Total deferred tax assets</b>	<b>(898)</b>	<b>(24,232)</b>	<b>23,333</b>	<b>(67,315)</b>
<b>Deferred tax liabilities on account of:</b>				
Gratuity provision	2,200	832	1,368	(490)
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	125	(10,969)	11,094	4,489
Unrealised Gain	–	–	–	(540)
<b>Total deferred tax liabilities</b>	<b>2,325</b>	<b>(10,137)</b>	<b>12,462</b>	<b>3,459</b>
<b>Total deferred tax Assets/liability (net)</b>	<b>(3,223)</b>	<b>(14,095)</b>	<b>10,871</b>	<b>(70,774)</b>

## 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
<b>31 March 2024</b>							
<b>Financial assets</b>							
Cash and cash equivalents	–	68,646	68,646				–
Receivables	–	76,562	76,562				–
Investments	16,54,271	–	16,54,271	16,54,271			16,54,271
Other financial assets	–	12,048	12,048				–
<b>Total Financial Assets</b>	<b>16,54,271</b>	<b>1,57,256</b>	<b>18,11,527</b>	<b>16,54,271</b>			<b>16,54,271</b>
<b>Financial Liabilities</b>							
Borrowings	–	–	–				–
Other payables	–	13,119	13,119				–
Provisions	–	62,795	62,795				–
Other financial liabilities	–	12,221	12,221				–
<b>TOTAL</b>	<b>–</b>	<b>88,135</b>	<b>88,135</b>	<b>–</b>			<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

The carrying value and the fair value of financial instruments by categories as of 31st March 2023 are as follows,

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31 March 2023</b>							
<b>Financial assets</b>							
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				–
<b>Total Financial Assets</b>	<b>1,731</b>	<b>9,94,971</b>	<b>9,96,702</b>	<b>1,731</b>			<b>1,731</b>
<b>Financial Liabilities</b>							
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				–
<b>TOTAL</b>	<b>–</b>	<b>5,22,065</b>	<b>5,22,065</b>	<b>–</b>			<b>–</b>

## I. Fair value hierarchy

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

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

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

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

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

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

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

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

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

## III. Fair value of financial instrument measured at amortised cost

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

### Note:

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024	As at 31 March 20223
Upto 3 months	76,562	2,53,529
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
<b>Total</b>	<b>76,562</b>	<b>2,53,529</b>
Provision for expected credit loss	–	–

### B Liquidity risk

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

#### Liquidity risk management

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

#### (i) Maturities of non-derivative financial liabilities

##### As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	–	–	–	–
Other payables	13,119	–	–	13,119
Long-term provisions	13,965	–	–	13,965
Short-term provisions	48,829	–	–	48,829
Other current liabilities	12,221	–	–	12,221
<b>Total</b>	<b>88,134</b>	–	–	<b>88,134</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
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
<b>Total</b>	<b>5,19,254</b>	<b>2,811</b>	<b>–</b>	<b>5,22,065</b>

## C Market Risk

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

### (i) Foreign currency risk

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

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

### (ii) Cash flow and fair value interest rate risk

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

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

### (iii) Price risk

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

The Investments held by the Company are ancillary to the Investment management business objective.

### Sensitivity to price risk

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

Sensitivity	31 March 2024	31 March 2023
Impact on profit before tax for 10% increase in NAV/price	1,65,427	173
Impact on profit before tax for 10% decrease in NAV/Price	(1,65,427)	(173)

## 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 2024	31 March 2023
The principal amount remaining unpaid at the end of the year	–	–
The interest amount remaining unpaid at the end of the year	–	–
<b>Balance of Micro and Small enterprise at the end of the year</b>	<b>–</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 28 : AUDITORS' FEES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	1,000	700
Out of pocket expenses	—	—
<b>TOTAL</b>	<b>1,000</b>	<b>700</b>

## NOTE 29 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 01 April 2023	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2024
Ex-gratia	30,639	53,746	37,739	46,645
Gratuity	2,819	—	(11,168)	13,987
Compensated absences	1,887	—	(210)	2,096
Heritage club benefits	66	—	—	66
<b>TOTAL</b>	<b>35,411</b>	<b>53,746</b>	<b>26,362</b>	<b>62,795</b>

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
<b>TOTAL</b>	<b>1,05,138</b>	<b>30,639</b>	<b>1,00,366</b>	<b>35,411</b>

## NOTE 30: EARNINGS PER EQUITY SHARE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Profit attributable to equity shareholders (in Rupees)	4,85,436	1,99,205
Weighted average number of equity shares outstanding during the year	1,13,41,530	70,00,000
Nominal value per share (in Rupees)	10	10
<b>Earnings per share (Basic and diluted) (in Rupees)</b>	<b>4.28</b>	<b>2.85</b>

## 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	Year ended 31 March 2024	Year ended 31 March 2023
Employers' contribution to provident fund	2,420	5,251
	<b>2,420</b>	<b>5,251</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 ₹ 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)	Gratuity (unfunded)
	Year ended 31 March 2024	Year ended 31 March 2023
<b>I) Actuarial assumptions</b>		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	6.98%	6.79%
Rate of escalation in salary (per annum)	7.28%	6.50%
Expected rate of return on plan assets (per annum)		
Employee attrition rate (past service)	PS: 0 to 40 : 0%	PS: 0 to 37 : 64%
Expected average remaining service	22.83	0.56
<b>I) Changes in present value of obligations (PVO)</b>		
PVO at beginning of period	2,819	7,384
Interest cost	170	541
Current service cost	7,516	4,895
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)/loss on obligation	4,112	(10,001)
PVO at end of period	13,987	2,819
<b>II) Interest expense</b>		
Interest cost	170	541
<b>III) Fair value of plan assets</b>		
Fair value of plan assets at the beginning	—	—
Interest income	—	—
<b>IV) Net liability</b>		
PVO at beginning of period	2,819	7,384
Fair value of the assets at beginning report	—	—
Net Liability	2,819	7,384
<b>V) Net Interest</b>		
Interest expenses	170	541
Interest income	—	—
Net interest	170	541

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	Year ended 31 March 2024	Year ended 31 March 2023
<b>VI) Actual return on plan assets</b>		
Less Interest income included above	—	—
Return on plan assets excluding interest income	—	—
<b>VII) Actuarial (gain)/loss on obligation</b>		
Due to demographic assumption	4,804	(6,024)
Due to financial assumption	1,178	111
Due to experience	(1,870)	(4,088)
Total actuarial (gain)/loss	4,112	(10,001)
<b>VIII) Fair value of plan assets</b>		
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	—	—
<b>IX) Past service cost recognised</b>		
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	—	—
<b>X) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
PVO at end of period	13,987	2,819
Fair value of plan assets at end of period		
Funded Status	(13,987)	(2,819)
Net asset/(liability) recognized in the balance sheet	(13,987)	(2,819)
<b>XI) Expense recognised in the statement of profit and loss</b>		
Current service cost	7,516	4,895
Net interest	170	541
Past service cost - (non vested benefits)	—	—
Past service cost - (vested benefits)	—	—
Transfer in liabilities	—	—
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	7,686	5,436

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	Gratuity (unfunded)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>XII) Other comprehensive income (OCI)</b>		
Actuarial (gain)/loss recognized for the period	4,112	(10,001)
Asset limit effect	–	–
Return on plan assets excluding net interest	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–
Total actuarial (gain)/loss recognized in (OCI)	4,112	(10,001)
<b>XIII) Movement in liability recognized in balance sheet</b>		
Opening net liability	2,819	7,384
Adjustment to opening balance	–	–
Transfer in liabilities	2,428	–
Transfer out liabilities	(3,058)	–
Expenses as above	7,686	5,436
Contribution paid	–	–
Other comprehensive income(OCI)	4,112	(10,001)
Closing net liability	13,987	2,819
<b>XIV) Schedule III of The Companies Act 2013</b>		
Current liability	21	8
Non - current liability	13,965	2,811
<b>XV) Projected service cost 31 March 2020</b>	3,382	7,516

## XVI) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
	PVO	11524	17070	16184

## XVII) Expected payout

Year	Expected Outgo					
	First	Second	Third	Fourth	Fifth	Six to Ten
Payouts	21	25	28	33	38	1415

## XVIII) Asset liability comparisons

Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PVO at end of period	921	4,825	7,384	2,819	13,987
Plan assets	–	–	–	–	–
Surplus / (deficit)	(921)	(4,825)	(7,384)	(2,819)	(13,987)
Experience adjustments on plan assets	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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

#### (ii) Fellow subsidiaries:

- Motilal Oswal Finvest Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Alternate Investment Advisors 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
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Finsec IFSC Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Trustee Company Limited

#### (iii) 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

#### (iv) 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)

#### (v) Enterprises in which key managerial personnel have control

- Motilal Oswal Foundation

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ 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 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Managerial remuneration	Mr. Pratik Oswal	–	–	18,550	52,480
Loan taken	Motilal Oswal Finvest Limited	15,000	7,33,205		
Loan repaid	Motilal Oswal Finvest Limited	4,85,205	4,50,000		
	Motilal Oswal Wealth Limited	–	16,262		
Interest expense	Motilal Oswal Finvest Limited	594	55,406		
	Motilal Oswal Wealth Limited	–	1,140		
Rent expense	Motilal Oswal Financial Services Limited	8,400	8,400		
Training fees income	Motilal Oswal Financial Services Limited	62,000	69,992		
Business support charges	Motilal Oswal Financial Services Limited	8,820	8,400		
Recovery of Expenses	Motilal Oswal Asset Management Company Limited	8,850	20,400		
Referral Fees	MO Alternate Investment Advisors Private Limited	–	1,12,500		

## c. Outstanding balances of / with related parties :

There are no outstanding balances with related parties at the end of the year.

Nature of transactions	Name of the Related party	As at 31 March 2024	As at 31 March 2023
Rent payable	Motilal Oswal Financial Services Limited	9,830	318
Interest payable	Motilal Oswal Finvest Limited	–	3,864
	Motilal Oswal Wealth Limited	–	0
Recovery of Expense	Motilal Oswal Asset Management Company Limited	–	1,912
Receivable	Motilal Oswal Financial Services Limited	9,386	8,496
Loan	Motilal Oswal Finvest Limited	–	4,70,205
Receivable	MO Alternate Investment Advisors Private Limited	(20,250)	–
Referral Fees	MO Alternate Investment Advisors Private Limited	–	1,21,500

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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 2024

## NOTE 36 :

Amount below ₹ 50 have been rounded off or shown as "0".

## NOTE 37 :

Previous year figures have been regrouped /rearranged where necessary to confirm to year's classification.

---

### For Aneel Lasod And Associates

Chartered Accountants  
Firm Reg. No. - 124609W  
UDIN: 24040117BKBJOC6879

#### Aneel Lasod

Partner  
M. No: 040117

Place : Mumbai  
Dated : 23 April 2024

For and on behalf of the Board of Directors  
**Motilal Oswal Broking and Distribution Ltd. (Formerly known as Glide Tech Investment Advisory Private Limited)**

#### Pratik Oswal

Managing Director  
DIN : 06704419

Place : Mumbai  
Dated : 23 April 2024

#### Raamdeo Agarawal

Director  
DIN : 00024533

---

# **TM Investment Technologies Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

To,

The Members TM Investment Technologies Pvt. Ltd,

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone financial statements of **TM Investment Technologies Pvt. Ltd** which comprises the Balance Sheet as at March 31, 2024, 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, 2024, and profit, and its cash flows for the year ended on March 31, 2024.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate.

### Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

## Independent Auditors' Report (Contd..)

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 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".

## Independent Auditors' Report (Contd..)

- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (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 Company has not declared and paid any dividend 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 with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 are applicable for the financial year ended March 31, 2024.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Review of software audit trail was done at group level by an Independent Consultant, appointed by the Management. Further during the course of our audit we did not come across any instances of audit trail feature being tampered with.

**For PGS & Associates**

*Chartered Accountants*

Firm Registration No.: 0122384W

UDIN: 24111592BKBILU5920

Sd/-

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE A

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

1.
  - (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 during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company. Accordingly, Paragraph 3(i) is not applicable.
  - (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 granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (b) (c),(d) (e) & (f) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
  - A) No loans granted to related parties which are outstanding as on date
  - B) No loans granted to non-related parties during the year
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, 2024 which have not been deposited on account of any dispute.
8. The Company has not surrendered or disclosed any transaction as income during the year in the tax assessment under the Income Tax Act, 1961. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company does not have any loans or borrowings or in payment of interest from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (ix) of the Order is not applicable.
10. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans or any preferential allotment or private placement during the year. Accordingly, paragraph 3(x) of the Order is not applicable. However, The Company has made provision of Employee stock Option Plan, and which is in compliance with The Companies Act, 2013.
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

## Independent Auditors' Report (Contd..)

have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.

14. According to the information and explanations given to us, and the records of the Company examined by us, The Company is not required to conduct internal audit due to size and nature of its business.
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 any 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, The Company has not transferred any unspent amount to a Fund specified in schedule VII of the Companies Act.
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: : 24111592BKBILU5920

Sd/-

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# 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 TM Investment Technologies Pvt. Ltd, ('the Company') as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

# Independent Auditors' Report (Contd..)

## 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 2024, 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: 24111592BKBILU5920

Sd/-

### Premal H Gandhi

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# Balance Sheet

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

## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and Cash Equivalents	1	2,99,866	4,95,959
(b) Receivables	2	92,985	1,25,749
(c) Investment	3	14,62,718	–
(d) Other Financials Assets	4	–	1,279
<b>Sub - total Financial assets</b>		<b>18,55,569</b>	<b>6,22,987</b>
<b>2. Non-Financial assets</b>			
(a) Deferred tax asset	5	11,322	15,580
(b) Property, plant and equipment	6	2,26,880	3,64,986
(c) Other non - financial assets	7	34,075	85,735
<b>Sub - total Non- Financial assets</b>		<b>2,72,277</b>	<b>4,66,301</b>
<b>TOTAL ASSETS</b>		<b>21,27,846</b>	<b>10,89,288</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Financial liabilities</b>			
(a) Other financials Liabilities	8	24,031	15,851
(b) Provisions	9	52,199	3,760
(c) Borrowings(Other than debt securities)	10	40,000	–
<b>Sub - total Financial liabilities</b>		<b>1,16,230</b>	<b>19,611</b>
<b>2. Non - financial liabilities</b>			
(a) Other non - financial liabilities	11	7,63,388	1,83,482
(b) Current Tax liabilities	12	31,221	–
<b>Sub - total non Financial liabilities</b>		<b>7,94,609</b>	<b>1,83,482</b>
<b>3. Equity:</b>			
(a) Equity share capital	13	9,32,000	9,32,000
(b) Other Equity	14	2,85,007	(45,805)
<b>Sub - total Equity</b>		<b>12,17,007</b>	<b>8,86,195</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21,27,846</b>	<b>10,89,288</b>

As per our report of even date

**For PGS & Associates**

Chartered Accountants

Firm Number :122384W

Sd/-

**Premal Gandhi**

Partner

M.No.: 111592

Place : Mumbai

Date : 23 April 2024

For and on behalf of the Board of Directors

**TM Investment Technologies Private Limited**

**CIN No. U65990MH2020PTC342552**

Sd/-

**Vaibhav Agrawal**

Director

DIN - 06663890

Place : Mumbai

Date : 23 April 2024

Sd/-

**Raamdeo Agrawal**

Director

DIN -00024533

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2024

Particulars	Note No.	For the year ended 31 March 2024	For the Year ended 31 March 2023
<b>REVENUE</b>			
Revenue from Operations	15	12,50,281	5,39,775
Net gain on changes in Fair Value	16	62,718	–
Other Income	17	1,158	–
<b>Total Revenue</b>		<b>13,14,157</b>	<b>5,39,775</b>
<b>EXPENSES</b>			
Finance Cost	18	205	8,477
Fees and commission expense	19	1,00,882	35,657
Employee Benefits	20	5,56,917	3,41,612
Depreciation	6	1,41,533	1,39,104
Other Expense	21	69,867	61,803
<b>Total Expenses</b>		<b>8,69,404</b>	<b>5,86,653</b>
<b>Profit/(Loss) Before Tax</b>		<b>4,44,751</b>	<b>(46,878)</b>
<b>Tax Expense:</b>			
Current Tax		1,07,278	–
Deferred Tax		4,867	(10,229)
For previous year(s) (Income tax)		(397)	–
<b>Profit/(Loss) for the year</b>		<b>3,33,003</b>	<b>(36,649)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Actuarial Gain/(loss) on post retirement benefit plans		(2,800)	929
Income Tax there on		–	–
<b>Total</b>		<b>(2,800)</b>	<b>929</b>
<b>Total Comprehensive Income</b>		<b>3,30,203</b>	<b>(35,720)</b>
<b>Earnings Per Share (₹)</b>			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.04	(0.00)

As per our report of even date

**For PGS & Associates**

Chartered Accountants

Firm Number :122384W

Sd/-

**Premal Gandhi**

Partner

M.No.: 111592

Place : Mumbai

Date : 23 April 2024

For and on behalf of the Board of Directors

**TM Investment Technologies Private Limited**

CIN No. U65990MH2020PTC342552

Sd/-

**Vaibhav Agrawal**

Director

DIN - 06663890

Place : Mumbai

Date : 23 April 2024

Sd/-

**Raamdeo Agrawal**

Director

DIN -00024533

# Statement of Cash Flows

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Particulars	For the year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	4,44,751	(46,878)
Adjustment for		
Depreciation	1,41,533	1,39,104
Net Gain on fair value change	(62,718)	
ESOP Expenses	–	–
Acturial Gain	(2,800)	929
<b>Operating Profit/(Loss)</b>	<b>5,20,766</b>	<b>93,155</b>
Adjustment for working capital changes		
(Increase)/Decrease in Other financial assets	1,279	(1,279)
(Increase)/Decrease in Receivables	32,764	5,20,618
(Increase)/Decrease in Other Non-Financials Assets	51,660	(8,204)
Increase/(Decrease) in Borrowings	40,000	(3,51,000)
Increase/(Decrease) in Provision	48,439	1,803
Increase/(Decrease) in Other non financial Liabilities	5,79,905	1,49,403
Increase/(Decrease) In Other financials Liabilities	8,180	1,684
<b>Cash generated/(used) from operations</b>	<b>12,82,993</b>	<b>4,06,180</b>
Direct Taxes Paid (Net)	(75,658)	–
<b>Net cash generated/(used) from operating activities (A)</b>	<b>12,07,335</b>	<b>4,06,180</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchased software/Computer	(3,427)	(13,068)
Purchase of Investment	(14,00,000)	–
<b>Net cash generated/(used) from investing activities (B)</b>	<b>(14,03,427)</b>	<b>(13,068)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		
Proceeds from issue of equity share	–	32,000
<b>Net cash generated/(used) from financing activities (C)</b>	<b>–</b>	<b>32,000</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A +B +C)</b>	<b>(1,96,092)</b>	<b>4,25,110</b>
<b>Cash &amp; Cash Equivalents as at beginning of year</b>	<b>–</b>	<b>–</b>
Balances With bank	4,95,959	70,849
<b>Cash &amp; Cash Equivalents as at beginning of year</b>	<b>2,99,866</b>	<b>4,95,959</b>
Balances With bank	–	–

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

Sd/-  
**Premal Gandhi**  
Partner  
M.No.: 111592

Place : Mumbai  
Date : 23 April 2024

For and on behalf of the Board of Directors  
**TM Investment Technologies Private Limited**  
CIN No. U65990MH2020PTC342552

Sd/-  
**Vaibhav Agrawal**  
Director  
DIN - 06663890

Place : Mumbai  
Date : 23 April 2024

Sd/-  
**Raamdeo Agrawal**  
Director  
DIN -00024533

# Statement of Changes in Equity

## for the year ended 31 March 2024

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

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

#### (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 01 April 2022</b>	<b>90,00,000</b>	<b>9,00,000</b>
Changes in Equity Share Capital	3,20,000	32,000
Restated balance at the beginning of the previous reporting year	93,20,000	9,32,000
Changes during the year	93,20,000	9,32,000
<b>As at 31 March 2023</b>	<b>93,20,000</b>	<b>9,32,000</b>
Changes in Equity Share Capital	–	–
Restated balance at the beginning of the previous reporting year	93,20,000	9,32,000
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>93,20,000</b>	<b>9,32,000</b>

#### (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	
<b>Balance as at 01 April 2022</b>	<b>(16,796)</b>	–	–	<b>(16,796)</b>
Changes in accounting policy or prior year errors	–	–	–	–
<b>Restated balance at the beginning of the previous reporting year</b>	<b>(16,796)</b>	–	–	<b>(16,796)</b>
Due to exercise of options	–	–	–	–
Additions during the year	(36,040)	–	929	(35,111)
<b>Balance as at 31 March 2023</b>	<b>(52,836)</b>	–	929	<b>(51,907)</b>
Changes in accounting policy or prior year errors	–	–	–	–
<b>Restated balance at the beginning of the current reporting year</b>	<b>(52,836)</b>	–	929	<b>(51,907)</b>
Additions during the year	3,33,003	–	(2,800)	3,30,203
<b>Balance as at 31 March 2024</b>	<b>2,80,167</b>	–	(1,871)	<b>2,78,296</b>

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Number : 122384W

Sd/-  
**Premal Gandhi**  
Partner  
M.No.: 111592

Place : Mumbai  
Date : 23 April 2024

For and on behalf of the Board of Directors  
**TM Investment Technologies Private Limited**  
CIN No. U65990MH2020PTC342552

Sd/-  
**Vaibhav Agrawal**  
Director  
DIN - 06663890

Place : Mumbai  
Date : 23 April 2024

Sd/-  
**Raamdeo Agrawal**  
Director  
DIN -00024533

# Summary of Material Accounting Policies and Other Explanatory Information

## 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. MATERIAL 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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. 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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

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

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

## Equity instruments

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

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

## (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

## (iii) Derecognition

A financial asset is derecognized only when :

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

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

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

### (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.

## D. 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 1 : CASH & CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks		
Scheduled banks- In current accounts	2,99,866	4,95,959
<b>Total</b>	<b>2,99,866</b>	<b>4,95,959</b>

## NOTE 2 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Considered good - secured	–	–
Considered good - unsecured	92,985	1,25,749
Trade Receivables which have significant increase in credit risk		
Trade Receivables - Credit impaired		
<b>Total</b>	<b>92,985</b>	<b>1,25,749</b>

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 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
i) Undisputed Trade receivables – considered good	92,985	–	–	–	–	92,985
(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 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
i) Undisputed Trade receivables – considered good	1,25,749	–	–	–	–	1,25,749
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 3: INVESTMENTS

Particulars	Subsidiary / Others	Shares / Units		Quoted / Unquoted	Amount as at	
		31 March 2024 Number	31 March 2023 Number		31 March 2024 Number	31 March 2023 Number
<b>1) Investment in Mutual Fund</b>	others					
Motilal Oswal Flexi Cap Fund		6,40,390		Quoted	3,38,037	
Motilal Oswal Small Cap Fund		29,99,850		Quoted	3,13,874	
Mirae Asset Liquid Fund		31,793		Quoted	8,10,807	
<b>Total</b>					<b>14,62,718</b>	

## NOTE 4 : OTHER FINANCIALS ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Loan To Staff	–	1,279
<b>Total</b>	<b>–</b>	<b>1,279</b>

## NOTE 5 : DEFERRED TAX

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	11,322	15,580
<b>Total</b>	<b>11,322</b>	<b>15,580</b>

## NOTE 6 : PROPERTY PLANTS AND EQUIPMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Property plants and equipments	2,26,880	3,64,986
<b>Total</b>	<b>2,26,880</b>	<b>3,64,986</b>

## F.Y. 2023-24

Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE	6,75,505	1,436	–	6,76,941	3,24,278	1,35,295	–	4,59,573	3,51,226	2,17,367
TAOE0009	MOBILE	323	–	–	323	97	62	–	159	227	165
TAPE0001	COMPUTER-1	19,102	1,991	–	21,093	5,568	6,176	–	11,745	13,533	9,348
<b>Total</b>		<b>6,94,930</b>	<b>3,427</b>	<b>–</b>	<b>6,98,357</b>	<b>3,29,943</b>	<b>1,41,533</b>	<b>–</b>	<b>4,71,477</b>	<b>3,64,986</b>	<b>2,26,880</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## F.Y. 2022-23

Asset Class Code	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
INCS0001	COMPUTER SOFTWARE	6,74,163	1,342	-	6,75,505	1,89,312	1,34,966	-	3,24,278	4,84,850	3,51,226
TAOE0009	MOBILE	323.73	-	-	324	36	62	-	97	288	227
TAPE0001	COMPUTER-1	7,376.05	11,726	-	19,102	1,492	4,076	-	5,568	5,884	13,533
<b>Total</b>		<b>6,81,862</b>	<b>13,068</b>	<b>-</b>	<b>6,94,930</b>	<b>1,90,840</b>	<b>1,39,104</b>	<b>-</b>	<b>3,29,944</b>	<b>4,91,022</b>	<b>3,64,986</b>

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 2024 and 31 March 2023.

## NOTE 7: OTHER NON - FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	4,303	3,186
For supply of services	3,860	3,804
Taxes Receivable	25,912	78,745
<b>Total</b>	<b>34,075</b>	<b>85,735</b>

## NOTE 7 (I) : TRADE PAYABLE AGEING SCHEDULE

For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## NOTE 8 : OTHER FINANCIALS LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Payable for Expenses	17,606	12,635
Accrued salaries and benefits	6,425	3,216
<b>Total</b>	<b>24,031</b>	<b>15,851</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 9 : PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
Ex-gratia Payable	40,000	–
Provision for Gratuity	12,199	3,760
<b>Total</b>	<b>52,199</b>	<b>3,760</b>

## NOTE 10 : BORROWINGS(OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2024	As at 31 March 2023
From related parties(unsecured)	40,000	–
<b>Total</b>	<b>40,000</b>	<b>–</b>

## NOTE 11 : NON - FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Advance Received From Customers	7,63,388	1,83,482
<b>Total</b>	<b>7,63,388</b>	<b>1,83,482</b>

## NOTE 12 : NON - CURRENT TAX LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liabilities( Net of Advance Tax)	31,221	–
<b>Total</b>	<b>31,221</b>	<b>–</b>

## NOTE 13 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised</b>		
120,00,000 Equity Shares of ₹ 10/- each	12,00,000	12,00,000
	<b>12,00,000</b>	<b>12,00,000</b>
93,20,000 Equity Shares of ₹ 10/- each.	9,32,000	9,32,000
	<b>9,32,000</b>	<b>9,32,000</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 13.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31 March 2024	As at 31 March 2023
Number of shares at beginning of the year (In numbers)	93,20,000	90,00,000
Add: Shares issued during this year	—	3,20,000
<b>Number of shares at the end of the year</b>	<b>93,20,000</b>	<b>93,20,000</b>

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

Particulars	As at 31 March 2024	As at 31 March 2023
Motilal Oswal Financial Services Ltd. (Holding Company)	57,44,700	57,44,700
Mr. Vaibhav Agrawal	35,75,295	35,75,295

## 13.3 Details of Shareholding by Promoters as at 31st March 2024

Particulars	As at 31 March 2024	As at 31 March 2023
Motilal Oswal Financial Services Ltd. (Holding Company)	57,44,700	57,44,700
Mr. Vaibhav Agrawal	35,75,295	35,75,295

## NOTE 14 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Share Option Outstanding account</b>		
Opening balance	6,711	6,711
Option granted during the year	—	—
<b>Closing balance</b>	<b>6,711</b>	<b>6,711</b>
<b>Retained earnings</b>		
Opening balance	(51,907)	(16,796)
Add: Additions during the year	3,33,003	(36,040)
Add: Actuarial Gain/(Loss)	(2,800)	929
	<b>2,78,296</b>	<b>(51,907)</b>
<b>Total</b>	<b>2,85,007</b>	<b>(45,196)</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 15 : REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Software Income	8,99,829	2,50,288
Technical Support	2,98,913	2,89,487
Fees and Commission	9,007	–
Referral Fees Income	42,532	–
<b>TOTAL</b>	<b>12,50,281</b>	<b>5,39,775</b>

## NOTE 16 : NET GAIN ON CHANGES IN FAIR VALUE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Realised Gain	–	–
Unrealised Gain	62,718	–
<b>TOTAL</b>	<b>62,718</b>	<b>–</b>

## NOTE 17 : OTHER INCOME

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest on Income tax Refund	1,158	–
<b>TOTAL</b>	<b>1,158</b>	<b>–</b>

## NOTES 18 : FINANCE COST

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest	205	8,477
<b>TOTAL</b>	<b>205</b>	<b>8,477</b>

## NOTE 19 : FEES AND COMMISSION EXPENSE

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Advisory and other fees	1,00,882	35,657
<b>TOTAL</b>	<b>1,00,882</b>	<b>35,657</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 20 : EMPLOYEE BENEFITS

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries and Incentives	5,26,450	3,27,630
Gratuity	5,155	2,732
Contribution to provident and other funds	23,376	10,380
Staff welfare expenses	1,936	870
<b>TOTAL</b>	<b>5,56,917</b>	<b>3,41,612</b>

## NOTE 21 : OTHER EXPENSES

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Remuneration to Auditors	500	750
Legal & Professional Fees	9,062	12,233
Marketing and Brand Promotion	26,319	17,966
House keeping Charges	–	901
Insurance	7,300	2,500
Rent Expenses	1,800	1,800
Membership and Subscription Fees	42	139
Printing and Stationary	314	45
Computer maintenance and software charges	14,357	10,103
Communication and data charges	151	(26)
Travelling Expenses	1,442	6,338
Bank Charges	774	578
Business Support Charges	1,800	1,800
Miscellaneous Expenses	6,006	6,676
<b>TOTAL</b>	<b>69,867</b>	<b>61,803</b>

## NOTE 22 : AUDITORS' REMUNERATION:

### Auditor's Remuneration (inclusive Taxes):

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
As Auditors:		
Audit fees	500	750
<b>TOTAL</b>	<b>500</b>	<b>750</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 23 : BASIC & DILUTED EARNINGS PER SHARE:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	3,30,203	(35,720)
Weighted Average Number of equity shares issued [B]	93,20,000	93,20,000
<b>Basic &amp; Diluted Earnings per share (EPS)[A/B] (₹)</b>	<b>0.04</b>	<b>(0.00)</b>

## NOTE 24 : 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 March 2024	For the Year ended 31 March 2023
Difference between tax depreciation and book depreciation	(9,374)	4,881
Provision for post retirement benefits and other employee benefits	(3,070)	(946)
Provision for Business Loss	–	(19,514)
Difference between Preliminary expenses	1,122	–
Deferred Tax (Liability)/Assets	(11,322)	(15,580)

## NOTE 25 : GRATUITY PLAN

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Assumptions as at	31/Mar/24	31/Mar/23
Interest / Discount Rate	6.92%	7.12%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
Rate of increase in compensation	7.28%	6.50%
Disability		Nil
Employee Attrition Rate (Past Service)		PS: 0 to 37 : 21%
D4 & V4	PS: 0 to 40 : 0%	
E1 & E2	PS: 0 to 40 : 25%	
M1 to M3	PS: 0 to 40 : 15%	
Expected average remaining service	3.74	3.72

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Changes in the present value of the obligations

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Present value of obligation at beginning of the period	3,760	1,957
Interest cost	285	120
Current service cost	4,870	2,611
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Transfer in Liability	484	–
Benefits paid	–	–
Actuarial (gain)/loss on obligation	2,800	(929)
Present value of obligation at end of the period	12,199	3,760

## Changes in fair value of the plan assets

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
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 March 2024	For the Year ended 31 March 2023
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 March 2024	For the Year ended 31 March 2023
Due to Demographic Assumption	1,800	(595)
Due to Financial Assumption	1,341	103
Due to Experience (Gain)/Loss on obligation	(341)	(437)
Actuarial (Gain)/Loss on plan asset	2,800	(929)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Actuarial Gain/(Loss) Recognized

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Actuarial Gain/(Loss) for the period (obligation)	5,155	2,732
Actuarial Gain/(Loss) for the period (plan assets)	2,800	929
Total Gain/(Loss) for the period	2,800	929
Actuarial Gain/(Loss) recognized for the period	2,800	929
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

## Past service cost recognized

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
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 March 2024	For the Year ended 31 March 2023
Present value of obligation at end of period	12,199	3,760
Fair value of plan assets at end of period	–	–
Funded status	12,199	3,760
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
<b>Net Liability/ (Asset) recognised in the Balance Sheet</b>	<b>12,199</b>	<b>3,760</b>

## Amounts to be recognized in Profit and Loss Account – Expense

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Current service cost	4,870	2,611
Interest cost	285	120
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	–	–
<b>Expenses Recognised in the statement of Profit &amp; Loss Account</b>	<b>5,155</b>	<b>2,732</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Movement in net liability recognized in the Balance Sheet

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening net liability	3,760	1,957
Transfer in Liability	484	-
Expenses as above	5,155	2,732
Other Comprehensive Income(OCI)	2,800	(929)
Closing net Liability	12,199	3,760

## Other Comprehensive Income (OCI)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Actuarial (Gain)/Loss recognized for the period	2,800	(929)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>	<b>2,800</b>	<b>(929)</b>

## NOTE 26 : TAX EXPENSE

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## B. Component of income tax expense

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>I. Tax expense recognised in the statement of profit and loss</b>		
<b>Current tax expense</b>		
Current tax for the year	1,07,278	-
Tax adjustment in respect of earlier years	(397)	-
<b>Total current tax expense</b>	<b>1,06,881</b>	<b>-</b>
<b>Deferred tax (credit)</b>		
Origination and reversal of temporary differences	4,867	(10,229)
<b>Net deferred tax (credit)</b>	<b>4,867</b>	<b>(10,229)</b>
<b>Total</b>	<b>1,11,748</b>	<b>(10,229)</b>
<b>II. Tax on other comprehensive income</b>		
<b>Deferred tax charge / (credit)</b>		
(Gain)/loss on equity instruments through other comprehensive income	-	-
(Gain)/loss on remeasurement of net defined benefit plans	-	-

## C. Reconciliation of effective tax rate

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Profit/(loss) before income tax expense</b>	<b>4,44,751</b>	<b>(46,878)</b>
Tax at the rate of 25.17%	1,11,935	(11,798)
<b>Differences due to:</b>		
Temporary tax difference	(187)	1,569
Exempt income	-	-
Tax adjustment of previous years	-	-
Tax at different rate	-	-
Expenses disallowed under income tax	-	-
<b>Income tax expense</b>	<b>1,11,748</b>	<b>(10,229)</b>

## D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 19	As at 1 April 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2019
<b>Deferred tax assets / (liabilities)</b>				
Difference between tax depreciation and book depreciation	(0)	84	-	84
Provision for post retirement benefits and other employee benefits	-	2	(0)	2
Provision for doubtful debts and advances	-	(14)	-	(14)
Fair value gain/(loss) on investments	1	(0)	(30)	(29)
MAT credit receivable	-	9	-	9
	<b>1</b>	<b>82</b>	<b>(30)</b>	<b>52</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Movement during the year ended 31 March 20	As at 1 April 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2020
<b>Deferred tax assets / (liabilities)</b>				
Difference between tax depreciation and book depreciation	84	(84)	–	0
Provision for post retirement benefits and other employee benefits	2	(0)	(0)	2
Provision for doubtful debts and advances	(14)	25		10
Fair value gain/(loss) on investments	(29)	147	277	395
MAT credit receivable	9	–	–	9
	<b>52</b>	<b>87</b>	<b>277</b>	<b>416</b>
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
<b>Deferred tax (assets) / liabilities</b>				
Difference between tax depreciation and book depreciation	10,518	(5,637)	–	4,881
Provision for post retirement benefits and other employee benefits	(493)	(454)	–	(946)
Provision for doubtful debts and advances	–	–	–	–
Provision for Business Loss	(13,453)	(6,061)	–	(19,514)
Difference between Preliminary expenses	(1,923)	1,923	–	–
Fair value gain/(loss) on investments	–	–	–	–
MAT credit receivable	–	–	–	–
	<b>(5,351)</b>	<b>(10,229)</b>	<b>–</b>	<b>(15,580)</b>
Movement during the year ended 31 March 24	As at 1 April 2023	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2024
<b>Deferred tax (assets) / liabilities</b>				
Difference between tax depreciation and book depreciation	4,881	(13,646)	–	(9,374)
Provision for post retirement benefits and other employee benefits	(946)	(2,124)	–	(3,070)
Provision for doubtful debts and advances	–	–	–	–
Provision for Business Loss	(19,514)	19,514	–	–
Difference between Preliminary expenses	–	1,122	–	1,122
Fair value gain/(loss) on investments	–	–	–	–
MAT credit receivable	–	–	–	–
	<b>(15,580)</b>	<b>4,867</b>	<b>–</b>	<b>(11,322)</b>

**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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 27 : 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.

## NOTE 28 : 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 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	2,99,866	–	4,95,959
Receivables	–	92,985	–	1,25,749
Loans	14,62,718	–	–	–
Other financial assets	–	–	–	1,279
<b>Total financial assets</b>	<b>14,62,719</b>	<b>3,92,851</b>	<b>–</b>	<b>6,22,987</b>
<b>Financial liabilities</b>				
Other financial liabilities	–	24,031	–	15,851
Provisions	–	52,199	–	3,760
Borrowings(Other than debt securities)	–	40,000	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>1,16,230</b>	<b>–</b>	<b>19,611</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 29 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

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

Particulars	As at 31 March 24			As at 31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	2,99,866	–	2,99,866	4,95,959	–	4,95,959
Investment	–	14,62,718	14,62,718	–	–	–
Trade receivables	92,985	–	92,985	1,25,749	–	1,25,749
Other Non-Financials Assets	34,075	–	34,075	–	85,735	85,735
Other Financials Assets	–	–	–	–	1,279	1,279
<b>Non-financial assets</b>						
Property, plant and equipment	–	2,26,880	2,26,880	–	3,64,986	3,64,986
Other non-financial assets	–	–	–	–	–	–
Deferred Tax Assets (net)	11,322	–	11,322	15,580	–	15,580
<b>Total assets</b>	<b>4,38,247</b>	<b>16,89,599</b>	<b>21,27,845</b>	<b>6,37,288</b>	<b>4,52,001</b>	<b>10,89,290</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Other financial liabilities	17,606	–	17,606	12,635	–	12,635
<b>Non-financial Liabilities</b>						
Current tax liabilities (Net)	31,221	–	31,221	–	–	–
Provisions	52,199	–	52,199	3,760	–	3,760
Borrowings(Other than debt securities)	40,000	–	40,000	–	–	–
Other non - financial liabilities	7,63,388	–	7,63,388	1,83,482	–	1,83,482
Accrued salary and benefits	6,425	–	6,425	3,216	–	3,216
<b>Total liabilities</b>	<b>9,10,838</b>	<b>–</b>	<b>9,10,838</b>	<b>2,03,094</b>	<b>–</b>	<b>2,03,094</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## 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:

### I. NAMES OF RELATED PARTIES:

#### A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited - Holding Company

Transactions with related parties: 31-03-2024

Particulars	Name of the related Party	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Rent	Motilal Oswal Financial Services Limited	1,800	1,800
Business Support Service	Motilal Oswal Financial Services Limited	1,800	1,800
Technical Support	Motilal Oswal Financial Services Limited	2,98,913	2,89,487
Referral Fees Income	Motilal Oswal Financial Services Limited	42,532	–
Loan Repay	Motilal Oswal Financial Services Limited	–	3,51,000
Loan Receipt	Motilal Oswal Finvest Limited	40,000	–
Interest on Loan	Motilal Oswal Finvest Limited	205	8,477
Fees and Commission	MO Alternate investment Advisors Private Limited	9,007	–
Trade Receivable	Motilal Oswal Financial Services Limited	84,879	–
Trade Receivable	MO Alternate investment Advisors Private Limited	8,106	–
Managerial Remuneration	Upahar Sood	–	60,010

#### B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited.
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternate Investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors 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
- 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
- Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- MO Alternative IFSC Private Limited

#### Key Management Personnel

- Mr. Vaibhav Agrawal
- Mr. Ramdeo Agrawal

## NOTE 31 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro, small and medium enterprises

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 32 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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.

### 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 24	31 March 23
Total revenue from contracts with customers	12,50,281	5,39,775
<b>Geographical markets</b>		
In India	12,50,281	5,39,775
Outside India	—	—
Total revenue from contracts with customers	<b>12,50,281</b>	<b>5,39,775</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	—	—
Services transferred over time	12,50,281	5,39,775
<b>Total revenue from contracts with customers</b>	<b>12,50,281</b>	<b>5,39,775</b>

### b) Contract balances

Trade receivable are non-interest bearing balances.

### c) Performance obligations

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

## NOTE 33 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

## NOTE 34 : EXPENSES INCURRED IN FOREIGN CURRENCY:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Software Charges	4,243	3,804
Online Digital Marketing Expenses	14,722	16,456
	<b>18,965</b>	<b>20,260</b>

**NOTE 35 :** 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.

**NOTE 36 :** 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 PGS & Associates

Chartered Accountants

Firm Number :122384W

Sd/-

**Premal Gandhi**

Partner

M.No.: 111592

Place : Mumbai

Date : 23 April 2024

For and on behalf of the Board of Directors

**TM Investment Technologies Private Limited**

**CIN No. U65990MH2020PTC342552**

Sd/-

**Vaibhav Agrawal**

Director

DIN - 06663890

Place : Mumbai

Date : 23 April 2024

Sd/-

**Raamdeo Agrawal**

Director

DIN -00024533

---

# **MO Alternative IFSC Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Practitioner's Fit for Consolidation Report

To the Board of Directors of  
MO Alternative IFSC Private Limited

## Opinion

We have verified the accompanying financial statements of **MO Alternative IFSC Private Limited**, which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policies and other explanatory information.

These accompanying financial statements of the Company has been converged from audited financial statements of the Company and were provided and 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, 2024, 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 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.

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 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.

# Independent Practitioner's Fit for Consolidation 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 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 audited 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 Aneel Lasod and Associates

*Chartered Accountants*

Firm Registration No.: 124609W

## Aneel Lasod

*(Partner)*

M. No: 040117

UDIN: 24040117BKBJSN6851

**Place:** Mumbai

**Date:** 20-04-2024

# Balance Sheet

(All amounts are in ₹ Hundreds, unless otherwise stated)

## BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	10,50,030	1,25,102
(b) Receivables			
(I) Trade receivables	5	37,341	7,63,613
(c) Loans	6	-	66
(d) Other financial assets	7	9,047	8,919
		<b>10,96,418</b>	<b>8,97,700</b>
<b>2 Non-financial assets</b>			
(a) Current tax asset (net)	8	48,258	1,20,122
(b) Property, plant and equipment	9	42,858	46,556
(d) Other non - financial assets	10	13,27,504	4,78,358
<b>Sub - total financial assets (A)</b>		<b>14,18,620</b>	<b>6,45,036</b>
<b>Total Assets (A+B)</b>		<b>25,15,038</b>	<b>15,42,736</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Payables	11		
(I) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		4,50,750	5,35,806
(b) Other financial liabilities	12	64,517	52,880
<b>Sub - total financial liabilities (A)</b>		<b>5,15,267</b>	<b>5,88,686</b>
<b>2 Non-financial liabilities</b>			
(a) Provision	13	-	4,774
(b) Other non-financial liabilities	14	9,157	141
<b>Sub - total non - financial liabilities (B)</b>		<b>9,157</b>	<b>4,915</b>
<b>3 Equity</b>			
(a) Share capital	15	5,000	5,000
(b) Other Equity	16	19,85,614	9,44,135
<b>Sub - total equity (C)</b>		<b>19,90,614</b>	<b>9,49,135</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>25,15,038</b>	<b>15,42,736</b>

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 Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No : 124609W

**Aneel Lasod**

Partner

Membership No : 040117

Place : Mumbai

Date : 20 April 2024

For and on behalf of the Board of Directors of

**MO Alternative IFSC Private Limited**

**Vishal Tulsyan**

Director

DIN No: 00139754

Place : Gandhinagar

Date : 20 April 2024

**Navin Agarwal**

Director

DIN : 00024561

# Statement of Profit And Loss

(All amounts are in ₹ Hundreds, unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Note No.	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Revenue from operations</b>			
(i) Fees and commission Income	17	12,28,859	12,89,307
(ii) Other Income	18	26,452	20,457
<b>Total (A)</b>		<b>12,55,311</b>	<b>13,09,764</b>
<b>Expenses</b>			
(i) Finance cost	19	7,582	5,270
(ii) Fees and commission expense	20	1,00,910	43,025
(iii) Employee benefits expense	21	17,811	20,586
(iv) Depreciation and amortisation expense	9	6,534	4,916
(v) Other expenses	22	1,02,377	5,66,340
<b>Total (B)</b>		<b>2,35,214</b>	<b>6,40,137</b>
<b>Profit before tax (C) = (A) - (B)</b>		<b>10,20,097</b>	<b>6,69,627</b>
<b>Tax expense:</b>	23		
Current tax		–	16,332
Deferred tax		–	(67,646)
<b>Total Tax Expense (D)</b>		<b>–</b>	<b>(51,314)</b>
<b>Profit after tax (E) = (C) - (D)</b>		<b>10,20,097</b>	<b>7,20,941</b>
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss		911	(124)
(ii) Income tax related to items that will not be reclassified to profit or loss		–	–
<b>Other comprehensive income/(loss) (F)</b>		<b>911</b>	<b>(124)</b>
<b>Total comprehensive income for the period (G) = (E) + (F)</b>		<b>10,21,008</b>	<b>7,20,817</b>
<b>Earnings Per Share (₹)</b>			
Equity share of par value ₹ 10/- each			
Basic & Diluted (Refer note 31)		2,040.19	1,441.88

The accompanying notes 1 to 44 form an integral part of financial statements.

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

### For Aneel Lasod And Associates

Chartered Accountants

Firm Registration No : 124609W

### Aneel Lasod

Partner

Membership No : 040117

Place : Mumbai

Date : 20 April 2024

For and on behalf of the Board of Directors of  
**MO Alternative IFSC Private Limited**

### Vishal Tulsyan

Director

DIN No: 00139754

Place : Gandhinagar

Date : 20 April 2024

### Navin Agarwal

Director

DIN : 00024561

# Cash Flow Statement

(All amounts are in ₹ Hundreds, unless otherwise stated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,20,097	6,69,627
<b>Adjustment for:</b>		
Adjustment for Foreign Currency Translation	20,096	38,059
Depreciation	6,534	4,916
Gratuity	638	147
Finance cost	7,582	5,270
<b>OPERATING PROFIT</b>	<b>10,54,947</b>	<b>7,18,019</b>
<b>Adjustment for working capital changes</b>		
(Increase)/decrease in trade receivables	7,26,272	(5,17,949)
(Increase)/decrease in loans	66	(66)
(Increase)/decrease in other financial assets	(128)	(944)
(Increase)/decrease in other non financial asset	(8,49,146)	(97,909)
Increase / (Decrease) in Payables	(85,057)	1,38,125
Increase/ (Decrease) in other financial liabilities	11,637	2,133
Increase / (Decrease) in Provisions	(5,411)	4,503
Increase / (Decrease) in other non financial liabilities	9,016	111
<b>CASH GENERATED FROM OPERATIONS</b>	<b>8,62,196</b>	<b>2,46,023</b>
Direct taxes paid (Net)	71,864	(1,36,454)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>9,34,060</b>	<b>1,09,569</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,100)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,100)</b>	<b>–</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability including interest	(7,032)	(6,199)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(7,032)</b>	<b>(6,199)</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents during the year (a+b+c)</b>	<b>9,24,928</b>	<b>1,03,370</b>
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>1,25,102</b>	<b>21,732</b>
<b>Cash &amp; cash equivalents as at end of the year</b>	<b>10,50,030</b>	<b>1,25,102</b>
<b>Components of Cash &amp; cash equivalents (also refer note 4)</b>		
Balance with bank	10,50,030	1,25,102
in current account		
	<b>10,50,030</b>	<b>1,25,102</b>

# Cash Flow Statement (Contd.)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

### (A) Changes in liabilities arising from financing activities

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	–	–
Proceeds from borrowings (other than debt securities)	–	–
Proceeds from issuance of debt securities	–	–
Repayment of borrowings	–	–
Repayment of debt securities	–	–
<b>Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities</b>	–	–

### (B) Cashflow from operating activities includes:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest received	–	–
Interest paid	–	–

### 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 certificate of even date.

**For Aneel Lasod And Associates**  
Chartered Accountants  
Firm Registration No : 124609W

**Aneel Lasod**  
Partner  
Membership No : 040117

Place : Mumbai  
Date : 20 April 2024

For and on behalf of the Board of Directors of  
**MO Alternative IFSC Private Limited**

**Vishal Tulsyan**  
Director  
DIN No: 00139754

**Navin Agarwal**  
Director  
DIN : 00024561

Place : Gandhinagar  
Date : 20 April 2024

# Statement of Changes in Equity

(All amounts are in ₹ Hundreds, unless otherwise stated)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

### (A) Equity Share Capital

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 1 April 2022</b>	–	–
Addition during the year	50,000	5,000
<b>As at 31 March 2023</b>	50,000	5,000
Add/Less: Changes due to prior period errors	–	–
<b>Restated as at 01 April 2023</b>	50,000	5,000
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>50,000</b>	<b>5,000</b>

### (B) Other Equity

Particulars	Reserves and surplus		Total
	Retained Earnings	Foreign Currency Translation Reserve	
<b>Balance as at 01 April 2022</b>	1,88,305	1,106	1,89,411
Add/Less: Changes due to prior period errors	–	–	–
<b>Restated balance as at 01 April 2022</b>	<b>1,88,305</b>	<b>1,106</b>	<b>1,89,411</b>
Profit during the year	7,20,941	–	7,20,941
Transfer during the year	–	33,907	33,907
Actuarial gains/(losses) on post retirement benefit plans	(124)	–	(124)
<b>Balance as at 31 March 2023</b>	<b>9,09,122</b>	<b>35,013</b>	<b>9,44,135</b>
Add/Less: Changes due to prior period errors	–	–	–
<b>Restated balance as at 01 April 2023</b>	<b>9,09,122</b>	<b>35,013</b>	<b>9,44,135</b>
Profit during the year	10,20,097	–	10,20,097
Transfer during the year	–	20,471	20,471
Actuarial gains/(losses) on post retirement benefit plans	911	–	911
<b>Balance as at 31 March 2024</b>	<b>19,30,130</b>	<b>55,484</b>	<b>19,85,614</b>

The accompanying notes 1 to 44 form an integral part of financial statements.

#### For Aneel Lasod And Associates

Chartered Accountants

Firm Registration No : 124609W

#### Aneel Lasod

Partner

Membership No : 040117

Place : Mumbai

Date : 20 April 2024

For and on behalf of the Board of Directors of  
MO Alternative IFSC Private Limited

#### Vishal Tulsyan

Director

DIN No: 00139754

Place : Gandhinagar

Date : 20 April 2024

#### Navin Agarwal

Director

DIN : 00024561

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 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.

### NOTE 2 : MATERIAL 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 is following 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. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 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

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.

# Summary of Material Accounting Policies and Other Explanatory Information (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, 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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 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 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.

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 2.10. 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## 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.

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) **Provision and contingent liability** - On an 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.

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	-	-
<b>Balance with Bank</b>		
In Current Accounts	10,50,030	1,25,102
<b>TOTAL</b>	<b>10,50,030</b>	<b>1,25,102</b>

## NOTE 5 : TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good Trade Receivables	37,341	7,63,613
<b>TOTAL</b>	<b>37,341</b>	<b>7,63,613</b>

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 5 (i) : RECEIVABLE AGEING SCHEDULE

For the year ended 31 March 2024

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	37,341	–	–	–	–	37,341
(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 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	7,63,613	–	–	–	–	7,63,613
(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 March 2024	As at 31 March 2023
Loan to Employees	–	66
<b>Total Net</b>	<b>–</b>	<b>66</b>

## NOTE 7 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Security Deposit	9,047	8,919
<b>TOTAL</b>	<b>9,047</b>	<b>8,919</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 8 : CURRENT TAX ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted at source (net of provisions)	48,258	1,20,122
<b>TOTAL</b>	<b>48,258</b>	<b>1,20,122</b>

## NOTE 9 : PROPERTY, PLANT AND EQUIPMENT

### Current Year

Particulars	Gross Block				Balance as at 31 March 2024	Accumulated Depreciation				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Foreign Exchange		Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
Computers	–	828	–	–	828	–	245	–	245	583	–
Furniture and fixtures	51,472	1,272	–	736	53,480	4,916	6,289	–	11,205	42,275	46,556
<b>Total</b>	<b>51,472</b>	<b>2,100</b>	<b>–</b>	<b>736</b>	<b>54,308</b>	<b>4,916</b>	<b>6,534</b>	<b>–</b>	<b>11,450</b>	<b>42,858</b>	<b>46,556</b>

### Previous Year

Particulars	Gross Block				Balance as at 31 March 2023	Accumulated Depreciation				Net Block
	Balance as at 01 April 2022	Additions	Disposals	Foreign Exchange		Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023
Computers	–	51,472	–	–	51,472	–	4,916	–	4,916	46,556
<b>Total</b>	<b>–</b>	<b>51,472</b>	<b>–</b>	<b>–</b>	<b>51,472</b>	<b>–</b>	<b>4,916</b>	<b>–</b>	<b>4,916</b>	<b>46,556</b>

## NOTE 10 : OTHER NON FINANCIAL ASSET

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	13,27,403	4,77,093
Advances and other non-financial assets	101	200
Capital advances	–	1,065
<b>TOTAL</b>	<b>13,27,504</b>	<b>4,78,358</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 11 : PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Due to creditors other than micro and small enterprise	4,50,750	5,35,806
<b>TOTAL</b>	<b>4,50,750</b>	<b>5,35,806</b>

The company does not have any transaction with micro enterprise and small enterprise during the year ended March 2024 and March 2023

### For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	–	–	–	–	–
Others	4,50,750	–	–	–	4,50,750
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

### 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	88,052	4,47,754	–	–	5,35,806
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

## NOTE 12 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Other payables	–	1,464
Provision for expenses	12,901	669
Lease Liability	51,616	50,747
<b>TOTAL</b>	<b>64,517</b>	<b>52,880</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 13 : PROVISION

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Gratuity	—	274
Ex - gratia	—	4,500
<b>TOTAL</b>	<b>—</b>	<b>4,774</b>

## NOTE 14 : OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Withholding and other taxes payables	9,157	141
<b>TOTAL</b>	<b>9,157</b>	<b>141</b>

## NOTE 15 : SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
<b>Authorised</b>				
Equity Shares of ₹ 10 each fully paid up	1,00,00,000	10,00,000	1,00,00,000	10,00,000
	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of ₹ 10 each fully paid up	50,000	5,000	50,000	5,000
	<b>50,000</b>	<b>5,000</b>	<b>50,000</b>	<b>5,000</b>

\* 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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Number of shares at the beginning(Face value of ₹ 10 each)	50,000	5,000	50,000	5,000
Changes due to prior period error	—	—	—	—
<b>Restated at the beginning of the year</b>	50,000	5,000	50,000	5,000
Shares issued during the year	—	—	—	—
<b>Number of shares at the end of the year</b>	<b>50,000</b>	<b>5,000</b>	<b>50,000</b>	<b>5,000</b>

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited*	50,000	100.00	50,000	100.00

\*It includes beneficial ownership of 6 shares.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## Shares held by the Holding and promoters at the end of the year

### Shareholding pattern as on 31 March 2024

Name of shareholder	As at 31 March 2024		
	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financial Services Limited*	50,000	100	–
<b>Total</b>	<b>50,000</b>	<b>100</b>	<b>–</b>

### Shareholding pattern as on 31 March 2023

Name of shareholder	As at 31 March 2023		
	No. of shares held	% of shares held	% Change during the year
Mr. Sunil Rupchand Mahtani	–	–	(100.00)
Mr. Rajive Sreedharan	–	–	(100.00)
Motilal Oswal Financial Services Limited*	50,000	100	100.00
<b>Total A</b>	<b>50,000</b>	<b>100</b>	

## NOTE 16 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Retained earnings</b>		
Balance at the beginning of the year	9,09,122	1,88,305
Add: Transfer from Statement of Profit and Loss	10,20,097	7,20,941
Add: Actuarial gains/(losses) on post retirement benefit plans	911	(124)
<b>Total</b>	<b>19,30,130</b>	<b>9,09,122</b>
<b>b) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	35,013	1,106
Add: Addition during the year	20,471	33,907
<b>Total</b>	<b>55,484</b>	<b>35,013</b>
<b>Balance at the end of year</b>	<b>19,85,614</b>	<b>9,44,135</b>

### 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 ₹ financials.

## NOTE 17 : FEES & COMMISSION INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Management fees	12,28,859	12,89,307
<b>TOTAL</b>	<b>12,28,859</b>	<b>12,89,307</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 18 : OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Foreign Exchange Gain	–	7,618
Recovery of Expenses	25,998	12,839
Interest on Income Tax refund	454	–
<b>TOTAL</b>	<b>26,452</b>	<b>20,457</b>

## NOTE 19 : FINANCE COST

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest cost on lease liabilities	6,631	5,270
Interest on borrowings	951	–
<b>TOTAL</b>	<b>7,582</b>	<b>5,270</b>

## NOTE 20 : FEES & COMMISSION EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Placement Fees	1,00,910	43,025
<b>TOTAL</b>	<b>1,00,910</b>	<b>43,025</b>

## NOTE 21 : EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salary and allowances	15,683	20,006
Contribution to provident fund and other benefits	1,297	430
Staff welfare expenses	188	–
Gratuity	643	151
<b>TOTAL</b>	<b>17,811</b>	<b>20,586</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 22 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Communication expenses	565	373
Computer repairs and maintenance	259	–
Foreign Exchange Loss	111	–
Legal and professional charges	96,249	23,651
Marketing and brand promotion expenses	1,080	–
Power and fuel	174	106
Printing and Stationery	525	–
Remuneration to auditors ( Refer Note 29)	616	489
Research and Marketing Expense	–	5,37,825
Repairs and maintenance	1,581	1,100
Travelling and conveyance expenses	698	510
Miscellaneous expenses	519	2,286
<b>TOTAL</b>	<b>1,02,377</b>	<b>5,66,340</b>

## NOTE 23.1 : TAX EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	–	16,332
Tax adjustment in respect of earlier years	–	–
<b>Total current tax expense</b>	<b>–</b>	<b>16,332</b>
<b>Deferred taxes</b>		
Placement Fees	–	(1,01,538)
Business Loss	–	33,892
<b>Net deferred tax expense</b>	<b>–</b>	<b>(67,646)</b>
<b>Total</b>	<b>–</b>	<b>(51,314)</b>

Notes:

- 1) Deferred tax expense of FY 2021-22 is reversed in FY 2022-23 and difference of ₹ (4,31,399) is due to exchange rate fluctuation
- 2) The company has opted Income tax deduction for period of 10 years starting from FY 2023-24 under Section 80LA of Income Tax Act.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Note 23.2 : Tax reconciliation (for profit and loss)</b>		
Profit/(loss) before income tax expense	10,20,097	6,69,627
Tax at the rate of 25.17%	–	1,68,532
<b>Tax effect of:</b>		
Reversal of Deferred tax	–	(96,738)
Impact of lease	–	1,013
Gratuity Expense	–	37
Upfront Placement fees	–	(1,34,986)
Placement fees amortisation	–	10,828
<b>Income tax expense</b>	<b>–</b>	<b>(51,314)</b>
<b>Note 23.3 : Effective tax rate</b>		
Effective tax rate*	0.00%	-7.66%

\*Effective tax rate for FY 2022-23 is negative because of reversal of deferred tax expenses.

## Note 23.4 : Deferred tax related to the following:

Particulars	As at 31 March 2024	Recognised through profit and loss	As at 31 March 2023	Recognised through profit and loss	As at 01 April 2022
Deferred tax liabilities on account of:					
Amortization of placement fees	–	–	–	(95,612)	95,612
<b>Total deferred tax liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(95,612)</b>	<b>95,612</b>
Deferred tax assets on account of:					
Business Loss	–	–	–	(31,914)	31,914
<b>Total deferred tax assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(31,914)</b>	<b>31,914</b>
<b>Total deferred tax Assets/liability (net)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(63,698)</b>	<b>63,698</b>

**Note 23.5 :** As the company is claiming deduction as stated in note 23.1 above, no tax liability will arise for the period of 10 years and hence no deferred tax asset/(liability) has been created for the year.

## NOTE 24 : 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 2024	31 March 2023
Gross debt	–	–
Less: Cash and cash equivalents	10,50,030	1,25,102
Net debt (A)	–	–
Total equity (B)	19,90,614	9,49,135
<b>Gearing ratio (A/B)</b>	<b>0%</b>	<b>0%</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 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	31 March 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	10,50,030	–	10,50,030	1,25,102	–	1,25,102
Trade receivables	37,341	–	37,341	7,63,613	–	7,63,613
Loans	–	–	–	66	–	66
Other financial asset	–	9,047	9,047	–	8,919	8,919
<b>Non-financial assets</b>						
Current Tax Assets	–	48,258	48,258	–	1,20,122	1,20,122
Property, plant and equipment	5,958	36,900	42,858	5,732	40,824	46,556
Other non-financial assets	1,59,092	11,68,412	13,27,504	92,123	3,86,235	4,78,358
<b>Total assets</b>	<b>12,52,421</b>	<b>12,62,617</b>	<b>25,15,038</b>	<b>9,86,636</b>	<b>5,56,100</b>	<b>15,42,736</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Payables	4,50,750	–	4,50,750	5,35,806	–	5,35,806
Other financial liabilities	14,804	49,713	64,517	3,479	49,401	52,880
<b>Non-financial Liabilities</b>						
Deferred Tax Liabilities	–	–	–	–	–	–
Provision	–	–	–	4,500	274	4,774
Other Non Financial Liabilities	9,157	–	9,157	141	–	141
<b>Total liabilities</b>	<b>4,74,711</b>	<b>49,713</b>	<b>5,24,424</b>	<b>5,43,926</b>	<b>49,675</b>	<b>5,93,601</b>

## NOTE 26 : FAIR VALUE MEASUREMENTS

### Financial instruments by category:

Particulars	31 March 2024		31 March 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	10,50,030	–	1,25,102
Receivables	–	37,341	–	7,63,613
Loans	–	–	–	66
Other financial assets	–	9,047	–	8,919
<b>Total financial assets</b>	<b>–</b>	<b>10,96,418</b>	<b>–</b>	<b>8,97,700</b>
<b>Financial liabilities</b>				
payables	–	4,50,750	–	5,35,806
Other payables	–	64,517	–	52,880
<b>Total financial liabilities</b>	<b>–</b>	<b>5,15,267</b>	<b>–</b>	<b>5,88,686</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, 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:** 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 carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

## III. 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 27 : 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## Age of receivables that are past due:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	37,341	2,63,021
3 - 6 months	–	5,00,592
6 - 12 months	–	–
More than 12 months	–	–
<b>Total</b>	<b>37,341</b>	<b>7,63,613</b>
Provision for expected credit loss	–	–

## B) Liquidity risk

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

### Liquidity risk management

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

#### (i) Maturities of non – derivative financial liabilities

##### As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial liabilities</b>				
Trade payables	4,50,750	–	–	4,50,750
<b>Total</b>	<b>4,50,750</b>	<b>–</b>	<b>–</b>	<b>4,50,750</b>

##### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial liabilities</b>				
Trade payables	88,052	4,47,754	–	5,35,806
<b>Total</b>	<b>88,052</b>	<b>4,47,754</b>	<b>–</b>	<b>5,35,806</b>

## 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 2024	For the year ended 31 March 2023
Impact on PBT for 5% increase in foreign exchange rate	22,537	26,790
Impact on PBT for 5% decrease in foreign exchange rate	(22,537)	(26,790)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, 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 28 : 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 2024	31 March 2023
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 29 : AUDITOR'S REMUNERATION (EXCLUDING TAXES)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>As Auditors:</b>		
Statutory audit	496	293
Certification charges	–	196
Out of pocket expenses	120	–
<b>Total</b>	<b>616</b>	<b>489</b>

## NOTE 30 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2024

Particulars	Opening balance as at 01 April 2023	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2024
Gratuity	274	–	274	–
Ex-gratia	4,500	–	4,500	–
<b>Total</b>	<b>4,774</b>	<b>–</b>	<b>4,774</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

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	–	274	–	274
Ex-gratia	–	4,500	–	4,500
<b>Total</b>	<b>–</b>	<b>4,774</b>	<b>–</b>	<b>4,774</b>

## NOTE 31 : BASIC AND DILUTED EARNING PER SHARE:

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net Profit attributable to equity shareholders [A] (₹)	10,20,097	7,20,941
Weighted Average of equity shares issued [B] (face value of ₹ 10 each)	50,000	50,000
<b>Basic and Diluted Earnings per share [A/B] (₹)</b>	<b>2,040.19</b>	<b>1,441.88</b>

## NOTE 32 : 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 33 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Recovery of Expenses	25,998	12,839
Interest on Income Tax refund	454	–
<b>Total</b>	<b>26,452</b>	<b>12,839</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost on borrowings	951	–
Communication expenses	565	373
Legal and professional charges	61,009	14,118
Power and fuel	174	106
Remuneration to auditors	616	489
Repairs and maintenance	1581	1,100
Travelling and conveyance expenses	698	510
Miscellaneous expenses	519	2,286
Marketing and brand promotion expenses	1,080	–
Computer repairs and maintenance	259	–
Printing and Stationery	525	–
Rent expense	7,026	6,199
Salary and allowances	15,876	20,009
Contribution to provident fund and other benefits	1,297	430
Gratuity	638	147
<b>Total</b>	<b>92,814</b>	<b>45,767</b>

## (iii) Unhedged foreign currency exposure:

### a) Loans

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	–	66
	USD (USA Dollar)	–	1
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	–	66
	USD (USA Dollar)	–	1
Unhedged foreign currency exposure	₹ (Indian Rupees)	–	66
	USD (USA Dollar)	–	1

### b) Deposits

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	9,047	8,919
	USD (USA Dollar)	109	109
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	NA	NA
	USD (USA Dollar)	NA	NA
Unhedged foreign currency exposure	₹ (Indian Rupees)	9,047	8,919
	USD (USA Dollar)	109	109

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## c) Payables

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	60,073	19,789
	USD (USA Dollar)	721	241
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	60,073	19,789
	USD (USA Dollar)	721	241
Unhedged foreign currency exposure	₹ (Indian Rupees)	60,073	19,789
	USD (USA Dollar)	721	241

## d) Lease Liability

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	51,616	50,747
	USD (USA Dollar)	48,003	47,834
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	619	618
	USD (USA Dollar)	21,901	15,175
Unhedged foreign currency exposure	₹ (Indian Rupees)	51,616	50,747
	USD (USA Dollar)	48,003	47,834

## e) Provision for expenses and Other Payables

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	12,901	2,133
	USD (USA Dollar)	155	26
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	12,901	2,133
	USD (USA Dollar)	155	26
Unhedged foreign currency exposure	₹ (Indian Rupees)	12,901	2,133
	USD (USA Dollar)	155	26

## f) Provisions

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	₹ (Indian Rupees)	–	4,774
	USD (USA Dollar)	–	58
Foreign currency receivable in next 5 years including interest	₹ (Indian Rupees)	–	4,774
	USD (USA Dollar)	–	58
Unhedged foreign currency exposure	₹ (Indian Rupees)	–	4,774
	USD (USA Dollar)	–	58

Source for conversion rate as on 31 March : Oanda.com

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 34 : 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 2024	Year ended 31 March 2023
Balance at the beginning of the year	46,556	–
Adjustment on transition to Ind AS	–	–
Movement during the year	1,272	51,472
Depreciation on ROU assets	(6,289)	(4,916)
Foreign exchange fluctuation gain/(loss)	736	–
<b>Balance at the end of the year</b>	<b>42,274</b>	<b>46,556</b>

The changes in carrying value of right of use assets for the year ended 31 March 2024 has been disclosed in note 9.

### B. Lease liabilities

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	50,747	–
Adjustment on transition to Ind AS	–	–
Movement during the year	1,272	51,472
Interest cost accrued during the period	6,631	5,270
Payment of lease liabilities	(7,032)	(6,199)
Foreign exchange fluctuation gain/(loss)	(2)	204
<b>Balance at the end of the year</b>	<b>51,616</b>	<b>50,747</b>

### C. Amount recognised in statement of profit & loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on ROU assets	6,289	4,916
Interest cost accrued during the period	6,631	5,270
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 2024	Year ended 31 March 2023
Cash payment of lease liabilities	7,032	6,199
Rental expenses recorded for short-term lease payments not included in the measurement of the lease liability	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## E. Maturity analysis - Undiscounted Cashflows of Contractual maturities of lease liabilities

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Upto 1 year	7,441	6,943
one to 5 years	38,656	33,736
more than 5 years	29,810	39,713
<b>Balance at the end of the year</b>	<b>75,907</b>	<b>80,392</b>

## F. Maturity analysis of lease liabilities

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within 12 months	1,770	1,346
After 12 months	49,846	49,401
<b>Balance at the end of the year</b>	<b>51,616</b>	<b>50,747</b>

## NOTE 35 : 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

#### Fellow subsidiaries

- MO Alternate Investment Advisors Private Limited
- Motilal Oswal Finvest 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
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Broking and Distribution Limited (Formerly known as Glide Tech Investment Advisors Private Limited)
- Motilal Oswal Finsec IFSC Limited
- India Business Excellence Management Company
- TM Investment Technologies Private Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## 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 2024 and March 2023

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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Interest Expense	Motilal Oswal Finvest Limited	951	–	–	–	951	–
Loan Taken	Motilal Oswal Finvest Limited	26,000	–	–	–	26,000	–
Repayment of Loan Taken	Motilal Oswal Finvest Limited	26,000	–	–	–	26,000	–
Loan Taken (Max outstanding)	Motilal Oswal Finvest Limited	26,000	–	–	–	26,000	–
Placement Fees Expense	Rajive Sreedharan	–	–	–	26,952	–	26,952
	Sunil Mahtani	–	–	–	863	–	863

## (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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Other payable	Motilal Oswal Financial Services Limited	–	13,142	–	–	–	13,142
	Motilal Oswal Finsec IFSC Limited	785	109	–	–	785	109

## NOTE 36 : 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 2024	Year ended 31 March 2023
Employers' contribution to provident fund	1,297	430
<b>Total</b>	<b>1,297</b>	<b>430</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, 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 ₹ 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".

	Gratuity (unfunded)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>I Actuarial assumptions</b>		
Mortality	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate
Discount rate (per annum)	6.85%	7.29%
Rate of escalation in salary (per annum)	7.28%	6.50%
Expected rate of return on plan assets (per annum)	–	–
Employee attrition rate (Past Service)	PS: 0 to 40 : 100%	PS: 0 to 40 : 0%
Expected average remaining service		27.2
<b>II Changes in present value of obligations (PVO)</b>		
PVO at beginning of period	274	–
Interest cost	20	–
Current service cost	623	151
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		124
PVO at end of period	(917)	274
<b>III) Interest expense</b>		
Interest cost	20	–
<b>IV) Fair value of plan assets</b>		
Fair Value of Plan Assets at the beginning	–	–
Interest income	–	–
<b>V) Net Liability</b>		
PVO at beginning of period	274	–
Fair Value of the Assets at beginning report	–	–
Net Liability	274	–
<b>VI) Net Interest</b>		
Interest Expenses	20	–
Interest Income	–	–
Net Interest	20	–
<b>VII) Actual return on plan assets</b>		
Less: Interest income included above	–	–
Return on plan assets excluding interest income	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

	Gratuity (unfunded)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>VIII) Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption	–	–
Due to Financial Assumption	–	87
Due to Experience	(917)	37
Total Actuarial (Gain)/Loss	(917)	124
<b>IX) Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–
Return on Plan Assets excl. interest income	–	–
Interest Income	–	–
Contributions by Employer	–	–
Contributions by Employee	–	–
Benefits Paid	–	–
Fair Value of Plan Assets at end	–	–
<b>X) Past Service Cost Recognised</b>		
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	–	–
<b>XI) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
PVO at end of period	–	274
Fair Value of Plan Assets at end of period	–	–
Funded Status	–	(274)
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	–	(274)
<b>XII) Expense recognised in the statement of profit and loss</b>		
Current service cost	623	151
Net Interest	20	–
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	643	151
<b>XIII) Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	(917)	124
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(917)	124

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

	Gratuity (unfunded)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>XIV) Movement in liability recognized in balance sheet</b>		
Opening net liability	274	–
Adjustment to opening balance	–	–
Expenses as above	643	151
Transfer in liability		
Transfer out liability		
Contribution paid	–	–
Other Comprehensive Income(OCI)	(917)	124
Closing net liability	–	274
<b>XV) Projected Service Cost 31 March 2024</b>	0	623
<b>XVI) Asset Information</b>		
Cash and Cash Equivalents	–	–
Gratuity Fund	–	–
Debt Security - Government Bond	–	–
Equity Securities - Corporate debt securities	–	–
Other Insurance contracts	–	–
Property	–	–
Total Itemized Assets	–	–

	DR: Discount Rate		ER : Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	–	–	–	–

Year	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo	Expected Outgo
	First	Second	Third	Fourth	Fifth	Six to ten years
Payouts	–	–	–	–	–	–

Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PO at End of period	–	–	–	–	274	–
Plan Assets	–	–	–	–	–	–
Surplus / (Deficit)	–	–	–	–	(274)	–
Experience adjustments on plan assets	–	–	–	–	–	–

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Weighted average remaining duration of defined benefit obligation	0	27.2

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundreds, unless otherwise stated)

## NOTE 37 : 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 24	31 March 23
<b>Total revenue from contracts with customers</b>	<b>12,28,859</b>	<b>12,89,307</b>
<b>Geographical markets</b>		
India	12,28,859	12,89,307
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>12,28,859</b>	<b>12,89,307</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	12,28,859	12,89,307
<b>Total revenue from contracts with customers</b>	<b>12,28,859</b>	<b>12,89,307</b>

### b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2024 is ₹ 37,341 Hundred and as on 31 March 2023 is ₹ 7,63,613 Hundred.

### 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 38 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Profit and Loss.

## NOTE 39 :

- (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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## NOTE 40 : 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 2024.

**NOTE 41 :** The company does not have any contingent liability during the period ended March 2024 and March 2023.

**NOTE 42 :** 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 43 : ADDITIONAL REGULATORY INFORMATION

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company has not been declared as wilful defaulter by any lender who has the powers to declare a company as wilful defaulter at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.
3. The Company has complied with the number of layers prescribed under clause 87 of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
4. The Company does not have any approved scheme of Arrangement during the year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall;
  - (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall;
  - (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
7. The Company does not have any transaction recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
8. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**NOTE 44 :** Previous year figures have been regrouped/ reclassified wherever necessary.

**For Aneel Lasod And Associates**  
Chartered Accountants  
Firm Registrartion No : 124609W

**Aneel Lasod**  
Partner  
Membership No : 040117

Place : Mumbai  
Date : 20 April 2024

For and on behalf of the Board of Directors of  
**MO Alternative IFSC Private Limited**

**Vishal Tulsyan**  
Director  
DIN No: 00139754

**Navin Agarwal**  
Director  
DIN : 00024561

Place : Gandhinagar  
Date : 20 April 2024

---

# **Motilal Oswal Securities International Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

To,

The Members Motilal Oswal Securities International Private Limited,

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Securities International Private Limited** which comprises the Balance Sheet as at March 31, 2024, 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, 2024, and profit, and its cash flows for the year ended on March 31, 2024.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate.

### Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

## Independent Auditors' Report (Contd..)

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 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**".

## Independent Auditors' Report (Contd..)

- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (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 Company has not declared and paid any dividend 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 with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 are applicable for the financial year ended March 31, 2024.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Review of software audit trail was done at group level by an Independent Consultant, appointed by the Management. Further during the course of our audit we did not come across any instances of audit trail feature being tampered with.

**For PGS & Associates**

*Chartered Accountants*

Firm Registration No.: 0122384W

UDIN: 24111592BKBILT1989

Sd/-

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE A

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

1. (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 during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company. Accordingly, Paragraph 3(i) is not applicable.  
(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 granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (b) (c),(d) (e) & (f) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
  - A) No loans granted to related parties which are outstanding as on date
  - B) No loans granted to non-related parties during the year
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, 2024 which have not been deposited on account of any dispute.
8. The Company has not surrendered or disclosed any transaction as income during the year in the tax assessment under the Income Tax Act, 1961. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company does not have any loans or borrowings or in payment of interest from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (ix) of the Order is not applicable.
10. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans or any preferential allotment or private placement during the year. Accordingly, paragraph 3(x) of the Order is not applicable. However, The Company has made provision of Employee stock Option Plan, and which is in compliance with The Companies Act, 2013.
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.

## Independent Auditors' Report (Contd..)

13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.
14. According to the information and explanations given to us, and the records of the Company examined by us, The Company is not required to conduct internal audit due to size and nature of its business.
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 any 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, The Company has not transferred any unspent amount to a Fund specified in schedule VII of the Companies Act.
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: 24111592BKBILT1989

Sd/-

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# 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 Securities International Private Limited ('the Company') as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

# Independent Auditors' Report (Contd..)

## 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 2024, 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: 24111592BKBILT1989

Sd/-

**Premal H Gandhi**

*Partner*

Membership No. 111592

Place: Mumbai

Date: 23rd April 2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and Cash Equivalents	1	5,62,061	5,26,105
(b) Trade receivables	2	24,814	50,925
(c) Other financial assets	3	—	—
<b>Sub - total Financial assets</b>		<b>5,86,875</b>	<b>5,77,030</b>
<b>2. Non-Financial assets</b>			
(a) Current tax assets	4	17,647	18,117
(b) Other Non-Financials Assets	5	4,868	4,690
(c) Deferred Tax Assets (net)	6	3,620	4,439
(d) Property plants and equipments	7	24	24
<b>Sub - total Non- Financial assets</b>		<b>26,159</b>	<b>27,271</b>
<b>TOTAL ASSETS</b>		<b>6,13,034</b>	<b>6,04,300</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>1. Financial liabilities</b>			
(a) Other financials Liabilities	8	17,031	18,126
(b) Provisions	9	46,115	59,932
<b>Sub - total Financial liabilities</b>		<b>63,146</b>	<b>78,058</b>
<b>2. Other non-financial liabilities</b>			
(a) Other non-financial liabilities	10	—	342
<b>Sub - total Other non-inancial liabilities</b>		<b>—</b>	<b>342</b>
<b>3. Equity:</b>			
(a) Equity share capital	11	4,56,920	4,56,920
(b) Other Equity	12	92,968	68,981
<b>Sub - total Equity</b>		<b>5,49,888</b>	<b>5,25,901</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,13,034</b>	<b>6,04,300</b>

As per our attached Report of even date.

**For PGS & Associates**  
Chartered Accountants  
Firm Number : 122384W  
Sd/-  
**Premal Gandhi**  
Partner  
M.No.: 111592

Place: Mumbai  
Dated: 23 April 2024

For and on behalf of the Board of  
**Motilal Oswal Securities International Private Limited**  
CIN No. U65929MH2011PTC219141  
Sd/-  
**Harsh Joshi**  
Director  
DIN: 02951058

Place: Mumbai  
Dated: 23 April 2024

Sd/-  
**Nikunj Sheth**  
Director  
DIN: 08118427

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Notes	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Revenue from Operations	13	2,66,040	2,67,911
Other Income	14	1,073	813
<b>Total Revenue</b>		<b>2,67,113</b>	<b>2,68,724</b>
<b>Expenses:</b>			
Employee Benefits	15	1,43,441	1,51,324
Other Expense	16	87,897	81,643
<b>Total Expenses</b>		<b>2,31,338</b>	<b>2,32,967</b>
<b>Profit/(Loss) Before Tax</b>		<b>35,775</b>	<b>35,757</b>
<b>Tax Expense:</b>			
Current Tax		8,944	8,687
Deferred Tax		2,773	313
Short/Excess Provision of Tax for earlier years		(5,737)	3,413
<b>Profit/(Loss) for the year</b>		<b>29,795</b>	<b>23,344</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/ (losses) on post retirement benefit plans		(7,762)	(4,836)
Income Tax there on		1,954	1,217
<b>Total</b>		<b>(5,808)</b>	<b>(3,619)</b>
<b>Total Comprehensive Income</b>		<b>23,987</b>	<b>19,725</b>
<b>Earnings Per Share (₹)</b>			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.01	0.01

Notes referred above form part is an integral part of financial statements.

As per our attached Report of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Number : 122384W  
Sd/-  
**Premal Gandhi**  
Partner  
M.No.: 111592

Place: Mumbai  
Dated: 23 April 2024

For and on behalf of the Board of  
**Motilal Oswal Securities International Private Limited**  
CIN No. U65929MH2011PTC219141  
Sd/-  
**Harsh Joshi**  
Director  
DIN: 02951058

Place: Mumbai  
Dated: 23 April 2024

# Statement of Cash Flows

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit before taxation</b>	<b>35,775</b>	<b>35,758</b>
Adjustment for:		
1) Depreciation	—	—
2) Ind AS (Actuarial gain and tax thereon)	(5,808)	(3,618)
3) Effect Of Exchange Rate Changes	—	—
<b>OPERATING PROFIT / (LOSS)</b>	<b>29,967</b>	<b>32,140</b>
(Increase)/Decrease In Trade receivables	26,111	57,332
(Increase)/Decrease In Current tax Assets	470	2,500
(Increase)/Decrease In Other financial assets	—	—
Increase/ (Decrease) Provisions	(13,818)	(29,486)
Increase/ (Decrease) In Other Non-Financials Assets	(178)	(1,443)
Increase/ (Decrease) In Current tax liabilities	(342)	342
Increase/ (Decrease) In Other financials Liabilities	(1,093)	8,184
<b>Cash generated/(used) from operations</b>	<b>41,117</b>	<b>69,569</b>
Direct Taxes Paid	(5,160)	(13,318)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>35,957</b>	<b>56,250</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets	—	—
<b>Net cash generated/(used) from investing activities (B)</b>	<b>—</b>	<b>—</b>
<b>C. Cash flow from financing activities</b>		
<b>Net increase/(decrease) in cash and cash equivalents during the year (A +B +C)</b>	<b>35,957</b>	<b>56,250</b>
<b>Cash &amp; Cash Equivalents as at beginning of year</b>	<b>5,26,104</b>	<b>4,69,854</b>
Balances With bank	—	—
<b>Cash &amp; Cash Equivalents as at end of year</b>	<b>5,62,061</b>	<b>5,26,105</b>
Balances With bank	—	—

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

Sd/-

**Premal Gandhi**

Partner

M.No.: 111592

Place: Mumbai

Dated: 23 April 2024

For and on behalf of the Board of

**Motilal Oswal Securities International Private Limited**

CIN No. U65929MH2011PTC219141

Sd/-

**Harsh Joshi**

Director

DIN: 02951058

Place: Mumbai

Dated: 23 April 2024

Sd/-

**Nikunj Sheth**

Director

DIN: 08118427

# Statement of Changes in Equity

## for the year ended 31 March 2024

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

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

#### (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 1 April 2022</b>	<b>45,69,200</b>	<b>4,56,920</b>
Changes in Equity Share Capital due to prior year errors	–	–
Restated balance at the beginning of the previous reporting year		
<b>As at 31 March 2023</b>	<b>45,69,200</b>	<b>4,56,920</b>
Changes in Equity Share Capital due to prior year errors	–	–
Restated balance at the beginning of the previous reporting year	45,69,200	4,56,920
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>45,69,200</b>	<b>4,56,920</b>

#### (B) OTHER EQUITY

Particulars	Reserves and Surplus	Other comprehensive income		Total (Amount in ₹)
	Retained earnings	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
<b>Balance as at 01 April 2022</b>	<b>49,256</b>	–	–	<b>49,256</b>
Changes in accounting policy or prior year errors	–	–	–	–
<b>Restated balance at the beginning of the previous reporting year</b>	<b>49,256</b>	–	–	<b>49,256</b>
Due to exercise of options	–	–	–	–
Additions during the year	23,344	–	(3,619)	19,725
<b>Balance as at 31 March 2023</b>	<b>72,600</b>	–	<b>(3,619)</b>	<b>68,981</b>
Changes in accounting policy or prior year errors	–	–	–	–
<b>Restated balance at the beginning of the current reporting year</b>	<b>72,600</b>	–	<b>(3,619)</b>	<b>68,981</b>
Additions during the year	29,795	–	(5,808)	23,987
<b>Balance as at 31 March 2024</b>	<b>1,02,395</b>	–	<b>(9,427)</b>	<b>92,968</b>

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Number : 122384W  
Sd/-  
**Premal Gandhi**  
Partner  
M.No.: 111592

Place: Mumbai  
Dated: 23 April 2024

For and on behalf of the Board of  
**Motilal Oswal Securities International Private Limited**  
CIN No. U65929MH2011PTC219141  
Sd/- Sd/-  
**Harsh Joshi** **Nikunj Sheth**  
Director Director  
DIN: 02951058 DIN: 08118427

Place: Mumbai  
Dated: 23 April 2024

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 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. MATERIAL 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 tax

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

##### Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

The classification requirements for debt and equity instruments are described below:

## Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

### Classification and subsequent measurement of debt instruments depend on:

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

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

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

**Fair value through other comprehensive income** : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

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

## Equity instruments

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

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

### (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

### (iii) Derecognition

A financial asset is derecognized only when :

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

# Summary of Material Accounting Policies and Other Explanatory Information (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 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.

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

### 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.
- (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.

## D. 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 1 : CASH & CASH EQUIVALENTS

	As at 31 March 2024	As at 31 March 2023
Balance with bank		
Scheduled banks- In current accounts	5,62,061	5,26,105
<b>TOTAL</b>	<b>5,62,061</b>	<b>5,26,105</b>

## NOTE 2 : TRADE RECEIVABLES

	As at 31 March 2024	As at 31 March 2023
Considered good - secured*	–	–
Considered good - unsecured	24,814	50,925
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - Credit impaired	–	–
<b>TOTAL</b>	<b>24,814</b>	<b>50,925</b>

**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 2024

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	24,814	–	–	–	–	24,814
(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 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	50,925	–	–	–	–	50,925
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 3 : OTHER FINANCIAL ASSETS

	As at 31 March 2024	As at 31 March 2023
Rent Deposit	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>

## NOTE 4 : CURRENT TAX ASSETS (NET)

	As at 31 March 2024	As at 31 March 2023
Advance Tax (net of provisions)	17,647	18,117
<b>TOTAL</b>	<b>17,647</b>	<b>18,117</b>

## NOTE 5 : OTHER NON-FINANCIALS ASSETS

	As at 31 March 2024	As at 31 March 2023
Prepaid Expense	3,126	2,536
Advance Against Expenses	1,742	2,154
<b>TOTAL</b>	<b>4,868</b>	<b>4,690</b>

## NOTE 6 : DEFERRED TAX (LIABILITIES)/ASSETS

	As at 31 March 2024	As at 31 March 2023
Provision for Gratuity	2,546	3,003
WDV of licence	1,075	1,433
WDV of fixed asset	(1)	3
<b>TOTAL</b>	<b>3,620</b>	<b>4,439</b>

## NOTE 7 : PROPERTY PLANTS AND EQUIPMENTS

	As at 31 March 2024	As at 31 March 2023
Property plants and equipments	24	24
<b>TOTAL</b>	<b>24</b>	<b>24</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 7:

### F.Y. 2023-24

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
<b>Total</b>		<b>47,881</b>	<b>-</b>	<b>-</b>	<b>47,881</b>	<b>45,487</b>	<b>-</b>	<b>-</b>	<b>45,487</b>	<b>2,394</b>	<b>2,394</b>

### F.Y. 2022-23

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
<b>Total</b>		<b>47,881</b>	<b>-</b>	<b>-</b>	<b>47,881</b>	<b>45,487</b>	<b>-</b>	<b>-</b>	<b>45,487</b>	<b>2,394</b>	<b>2,394</b>

**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 2024 and 31 March 2023.

## NOTE 8 : OTHER FINANCIALS LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Payable for Expenses	13,475	13,365
Taxes payable	3,556	4,761
<b>TOTAL</b>	<b>17,031</b>	<b>18,126</b>

## NOTE 8 (I) : TRADE PAYABLE AGEING SCHEDULE

### For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

### 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	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 9 : PROVISIONS

	As at 31 March 2024	As at 31 March 2023
Ex-gratia Payable	36,000	48,000
Provision for Gratuity	10,115	11,932
<b>TOTAL</b>	<b>46,115</b>	<b>59,932</b>

## NOTE 10 : OTHER NON-FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Accrued salary and benefits	–	342
<b>TOTAL</b>	<b>–</b>	<b>342</b>

## NOTE 11 : EQUITY SHARE CAPITAL

	As at 31 March 2024	As at 31 March 2023
<b>Authorised:</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	10,00,000	10,00,000
<b>TOTAL</b>	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid Up:</b>		
45,69,200 Equity Shares of ₹ 10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	4,56,920	4,56,920
<b>TOTAL</b>	<b>4,56,920</b>	<b>4,56,920</b>

### 11.1 Reconciliation of number of Equity shares outstanding

	As at 31 March 2024	As at 31 March 2023
Number of shares at beginning of the year	45,69,200	45,69,200
Add: Shares issued during this year	–	–
<b>Number of shares at the end of the year</b>	<b>45,69,200</b>	<b>45,69,200</b>

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

	As at 31 March 2024	As at 31 March 2023
Motilal Oswal Financial Services Limited. (Holding Company)	45,69,200	45,69,200

### 11.3 Details of shareholding by promoters as at 31.3.2024

	As at 31 March 2024	As at 31 March 2023
Motilal Oswal Financial Services Limited (Holding Company)	45,69,200	45,69,200

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 12 : OTHER EQUITY

	As at 31 March 2024	As at 31 March 2023
<b>Profit &amp; Loss Account</b>		
Opening balance	68,981	49,256
Add: Additions during the year	29,795	23,344
Add: Ind AS Impact	(5,808)	(3,619)
<b>TOTAL</b>	<b>92,968</b>	<b>68,981</b>

### 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 Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory Fees	2,66,040	2,67,911
<b>TOTAL</b>	<b>2,66,040</b>	<b>2,67,911</b>

## NOTE 14 : OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest on Income tax Refund	1,073	813
<b>TOTAL</b>	<b>1,073</b>	<b>813</b>

## NOTE 15 : EMPLOYEE BENEFITS

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salaries and Incentives	1,41,769	1,50,646
Gratuity	1,672	678
<b>TOTAL</b>	<b>1,43,441</b>	<b>1,51,324</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 16 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Remuneration to Auditors	14,660	9,824
Legal & Professional Fees	46,592	48,813
Examination Fees	466	3,019
Rent Expenses	7,200	7,200
Membership and Subscription Fees	5,463	4,707
Communication Expenses	64	7
Travelling Expenses	1,286	–
Bank Charges	1,075	1,236
Business Support Charges	9,600	5,700
Foreign Exchange Fluctuation	1,301	1,082
Miscellaneous Expenses	190	55
<b>TOTAL</b>	<b>87,897</b>	<b>81,643</b>

## NOTE 17 : AUDITORS' REMUNERATION:

### Auditor's Remuneration (inclusive of Service Tax):

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
As Auditors:		
Audit fees	14,660	9,824
In any other capacity, in respect of:		
Other Certification	–	–
<b>TOTAL</b>	<b>14,660</b>	<b>9,824</b>

## NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	23,987	19,725
Weighted Average Number of equity shares issued [B]	45,69,200	45,69,200
<b>Basic &amp; Diluted Earnings per share (EPS)[A/B] (₹)</b>	<b>0.01</b>	<b>0.01</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 19 : DEFERRED TAX ASSETS / (LIABILITY):

In the presence of virtual certainty of realization of carried forward tax losses, management has created deferred tax assets for the year under review. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of virtual certainty. The component of Deferred Tax Assets/(Liabilities) are as under.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Provision for gratuity	2,546	3,003
WDV of assets	1,074	1,436
Deferred Tax (Liability)/Assets	36	44

## NOTE 20 : GRATUITY PLAN:

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Assumptions as at	31-Mar-23	31-Mar-23
Interest / Discount Rate	6.90%	7.23%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Rate of increase in compensation	7.28%	6.50%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)		PS: 0 to 37 : 0%
V3	PS: 0 to 40 : 0%	
M1	PS: 0 to 40 : 0%	
Expected average remaining service	19.42	17.47

### Changes in the present value of the obligations

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Present value of obligation at beginning of the period	11,932	6,418
Interest cost	888	466
Current service cost	49	212
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Transfer in Liability	735	–
Benefits paid	(11,250)	–
Actuarial (gain) loss on obligation	7,762	4,836
<b>Present value of obligation at end of the period</b>	<b>10,115</b>	<b>11,932</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Changes in fair value of the plan assets

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Fair value of plan assets at beginning of the period	–	–
Expected return on plan assets	–	–
Contributions	–	–
Benefits paid	–	–
Actuarial gain (Loss) plan assets	–	–
<b>Fair value of plan assets at end of the period</b>	<b>–</b>	<b>–</b>

## Fair value of plan assets

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Fair value of plan assets at beginning of the period	–	–
Actual return on plan assets	–	–
Contributions	–	–
Benefit paid	–	–
<b>Fair value of plan assets at end of the period</b>	<b>–</b>	<b>–</b>

## Experience History

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
(Gain)/Loss on obligation due to change in Assumption	–	–
Experience (Gain)/Loss on obligation	7,762	4,836
<b>Actuarial (Gain)/Loss on plan asset</b>	<b>7,762</b>	<b>4,836</b>

## Actuarial Gain/(Loss) Recognized

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Actuarial Gain/(Loss) for the period (obligation)	7,762	4,836
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	7,762	4,836
Actuarial Gain/(Loss) recognized for the period	7,762	4,836
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Past service cost recognized

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
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 March 2024	For the Year Ended 31 March 2023
Present value of obligation at end of period	10,115	11,932
Fair value of plan assets at end of period	–	–
Funded status	(10,115)	(11,932)
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
<b>Net Liability/ (Asset) recognised in the Balance Sheet</b>	<b>(10,115)</b>	<b>(11,932)</b>

## Profit and Loss Account – Expense

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Current service cost	49	212
Interest cost	888	466
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	–	–
<b>Expenses Recognised in the statement of Profit &amp; Loss Account</b>	<b>937</b>	<b>678</b>

## Movement in net liability recognized in the Balance Sheet

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening net liability	11,932	6,418
Adjustment to opening balance	–	–
Expenses as above	1,672	678
Total Actuarial (Gain)/Loss recognized in (OCI)	7,762	4,836
Contribution paid	(11,250)	–
<b>Closing net Liability</b>	<b>10,115</b>	<b>11,932</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Other Comprehensive Income (OCI)

Particulars	For the Year Ended	For the Year Ended
	31 March 2024	31 March 2023
Actuarial (Gain)/Loss recognized for the period	7,762	4,836
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>	<b>7,762</b>	<b>4,836</b>

## NOTE 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.

## NOTE 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 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial Assets</b>				
Cash and cash equivalents	–	5,62,061	–	5,26,105
Trade receivables	–	24,814	–	50,925
<b>Total Financial Assets</b>	<b>–</b>	<b>5,86,875</b>	<b>–</b>	<b>5,77,030</b>
<b>Financial Liabilities</b>				
Other financial liabilities	–	17,031	–	18,126
Provisions	–	46,115	–	59,932
<b>Total Financial Liabilities</b>	<b>–</b>	<b>63,146</b>	<b>–</b>	<b>78,058</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	5,62,061	–	5,62,061	5,26,105	–	5,26,105
Trade receivables	24,814	–	24,814	50,925	–	50,925
Current tax assets	–	17,647	17,647	–	18,117	18,117
<b>Non-Financial assets</b>						
Property, plant and equipment	–	24	24	–	24	24
Other non-financial assets	4,867	–	4,867	4,690	–	4,690
Deferred Tax Assets (net)	3,620	–	3,620	4,439	–	4,439
<b>Total Assets</b>	<b>5,95,362</b>	<b>17,671</b>	<b>6,13,033</b>	<b>5,86,159</b>	<b>18,141</b>	<b>6,04,300</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Other financial liabilities	17,031	–	17,031	18,126	–	18,126
<b>Non Financial Liabilities</b>						
Provisions	10,115	–	10,115	11,932	–	11,932
Accrued salary and benefits	36,000	–	36,000	48,342	–	48,342
<b>Total Liabilities</b>	<b>63,146</b>	<b>–</b>	<b>63,146</b>	<b>78,400</b>	<b>–</b>	<b>78,400</b>

## NOTE 24 : TAX NOTE

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	8,944	8,687
Tax adjustment in respect of earlier years	(5,737)	3,413
<b>Total current tax expense</b>	<b>3,207</b>	<b>12,100</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	2,772	313
<b>Net deferred tax expense</b>	<b>2,772</b>	<b>313</b>
	<b>5,979</b>	<b>12,413</b>
<b>Tax reconciliation (for Profit and Loss)</b>		
<b>Profit/(loss) before income tax expense</b>	<b>35,774</b>	<b>35,758</b>
Tax at the rate of 25.17% (for 31 March 2023 - 25.17%)	8,944	8,687
Tax adjustment in respect of earlier years	(5,737)	3,413
Temporary tax difference	2,772	313
<b>Income tax expense</b>	<b>5,979</b>	<b>12,413</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets on account of:</b>		
Gratuity	2,546	3,003
WDV of licence	1,075	1,433
WDV of fixed asset	(1)	3
<b>Total</b>	<b>3,620</b>	<b>4,439</b>

## NOTE 25 : DEFERRED TAX RELATED TO THE FOLLOWING

Particulars	As at 31 March 2024	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2023	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2022
<b>Deferred tax assets on account of:</b>							
Gratuity	2,546	(760)	1,217	3,003	1,084	(1,084)	1,615
WDV of licence	1,075	358	–	1,433	–	–	1,911
WDV of fixed asset	(1)	4	–	3	–	–	9
<b>Total deferred tax Assets/liability (net)</b>	<b>3,620</b>	<b>(398)</b>	<b>1,217</b>	<b>4,439</b>	<b>1,084</b>	<b>(1,084)</b>	<b>3,535</b>

## NOTE 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: 31-03-2024

Transaction	Name of the related Party	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Rent	Motilal Oswal Financial Services Limited	7,200	7,200
Rent Deposit	Motilal Oswal Financial Services Limited	–	–
Business Support Service	Motilal Oswal Financial Services Limited	9,600	5,700
Advisory Fees	Motilal Oswal Financial Services Limited	(2,66,040)	(2,67,911)
Trade Payable	Motilal Oswal Financial Services Limited	–	–
Trade Receivables	Motilal Oswal Financial Services Limited	24,814	50,925

**Note:** Income/receipts figures are shown in brackets.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited.
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternate Investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors 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.
- Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- MO Alternative IFSC Private Limited

## NOTE 27 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES:

The Company does not have any due from Micro, small and medium enterprises

## NOTE 28 : SEGMENT INFORMATION:

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

## NOTE 29 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Filing Fees	1,661	3,288
Examination Fees	466	3,019
Legal and Professional Fees	45,493	47,013
Membership Charges	3,975	5,972
	<b>51,595</b>	<b>59,292</b>
	<b>51,595</b>	<b>59,292</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 30 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The 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.

### 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	As at 31 March 2024	As at 31 March 2023
Total revenue from contracts with customers	2,67,113	2,68,724
<b>Geographical markets</b>		
In India	2,67,113	2,68,724
Outside India		
Total revenue from contracts with customers	2,67,113	2,68,724
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	–	–
Services transferred over time	2,67,113	2,68,724
<b>Total revenue from contracts with customers</b>	<b>2,67,113</b>	<b>2,68,724</b>

### b) Contract balances

Trade receivable are non-interest bearing balances.

### c) Performance obligations

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

## NOTE 31 :

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.

## NOTE 32 :

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

Sd/-

**Premal Gandhi**

Partner

M.No.: 111592

Place: Mumbai

Dated: 23 April 2024

For and on behalf of the Board of

**Motilal Oswal Securities International Private Limited**

CIN No. U65929MH2011PTC219141

Sd/-

**Harsh Joshi**

Director

DIN: 02951058

Place: Mumbai

Dated: 23 April 2024

Sd/-

**Nikunj Sheth**

Director

DIN: 08118427

# **Motilal Oswal Finsec IFSC Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

## Independent Practitioner's Fit for Consolidation Report

To the Board of Directors of  
Motilal Oswal Finsec IFSC Limited

### Opinion

We have verified the accompanying financial statements of **Motilal Oswal Finsec IFSC Limited**, which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policies and other explanatory information.

These accompanying financial statements of the Company has been converged from audited financial statements of the Company and were Provided and 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, 2024, 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 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.

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 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.

## Independent Auditors' Report (Contd..)

- 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.
- iii. 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 audited 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 Aneel Lasod and Associates**  
*Chartered Accountants*  
Firm Registration No.: 124609W

Sd/-

**Aneel Lasod**  
*(Partner)*  
M. No: 040117  
UDIN: 24040117BKBJSP5155

Place : Mumbai  
Date: April 20, 2024

# Balance Sheet

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

		As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and Cash Equivalents	1	11,77,811	11,22,356
(b) Receivables			
(i) Trade receivables	2	55,265	99,994
(c) Investment	3	5,41,466	2,16,000
(d) Other financial assets	4	96,38,678	94,81,685
<b>Sub - total Financial assets</b>		<b>1,14,13,220</b>	<b>1,09,20,035</b>
<b>2. Non-Financial assets</b>			
(a) Other Non-Financials Assets	5	6,239	1,796
(b) Property, Plant & Equipment	6	14,730	4,369
<b>Sub - total Non- Financial assets</b>		<b>20,969</b>	<b>6,165</b>
<b>TOTAL ASSETS</b>		<b>1,14,34,189</b>	<b>1,09,26,200</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>1. Financial liabilities</b>			
(a) Trade Payable	7	94,58,099	93,31,769
(b) Other financials Liabilities	8	41,427	916
(c) Provisions	9	138	8,762
<b>Sub - total Financial liabilities</b>		<b>94,99,664</b>	<b>93,41,447</b>
<b>2. Non-Financial liabilities</b>			
(a) Current Tax liabilities	10	17,950	25,212
(b) Deferred Tax liabilities	11	12,065	–
<b>Sub - total non Financial liabilities</b>		<b>30,015</b>	<b>25,212</b>
<b>2. Equity:</b>			
(a) Equity share capital	12	12,00,000	12,00,000
(b) Other Equity	13	7,04,510	3,59,541
<b>Sub - total Equity</b>		<b>19,04,510</b>	<b>15,59,541</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,14,34,189</b>	<b>1,09,26,200</b>

The accompanying notes 1 to 38 form an integral part of 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

Sd/-

**Aneel Lasod**

Partner

M.No.: 40117

UDIN: 24040117BKBJS5155

Place: Mumbai

Date: 20 April 2024

**For and on behalf of the Board of  
Motilal Oswal Finsec IFSC Limited**

CIN NO :-U65929GJ2018PLC102209

Sd/-

**Rajat Rajgarhia**

Director

DIN - 07682114

Sd/-

**Gaurav Kedia**

Chief Executive Officer

Place: Gandhinagar

Date: 20 April 2024

Sd/-

**Ajay Menon**

Director

DIN - 00024589

Sd/-

**Nitesh Nainmal Jain**

Chief Financial Officer

Sd/-

**Dharmi Naik**

Company Secretary

# Statement of Profit And Loss

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

	Note No.	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>INCOME</b>			
Revenue from Operations	14	4,26,074	2,23,198
Net gain on changes in Fair Value	15	65,911	–
Other Income	16	25,444	91,044
<b>Total Revenue</b>		<b>5,17,429</b>	<b>3,14,242</b>
<b>EXPENSES</b>			
<b>Employee Benefits</b>	17	606	30,658
Finance Cost	18	2,710	152
Depreciation	19	1,052	1,580
Other Expense	20	71,179	43,287
<b>Total Expenses</b>		<b>75,547</b>	<b>75,677</b>
<b>Profit / (Loss) Before Tax</b>		<b>4,41,881</b>	<b>2,38,565</b>
<b>Tax Expense:</b>	24		
Current Tax		1,11,163	65,212
Deferred Tax		11,985	–
(Excess) / Short provision for earlier years		–	37,173
<b>Total tax expenses</b>		<b>1,23,148</b>	<b>1,02,385</b>
<b>Profit / (Loss) for the year</b>		<b>3,18,733</b>	<b>1,36,180</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (losses) on post retirement benefit plans		415	4
Income Tax there on		–	–
<b>Total</b>		<b>415</b>	<b>4</b>
<b>Balance Carried to Balance Sheet</b>		<b>3,19,148</b>	<b>1,36,184</b>
<b>Earnings Per Share (₹)</b>			
Basic and Diluted Earnings / (Loss) per share	22	2.66	1.13

The accompanying notes 1 to 38 form an integral part of financial statements.

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

**For Aneel Lasod And Associates**

Chartered Accountants

Firm Reg No:-124609W

Sd/-

**Aneel Lasod**

Partner

M.No.: 40117

UDIN: 24040117BKBJSP5155

Place: Mumbai

Date: 20 April 2024

**For and on behalf of the Board of**

**Motilal Oswal Finsec IFSC Limited**

CIN NO :-U65929GJ2018PLC102209

Sd/-

**Rajat Rajgarhia**

Director

DIN - 07682114

Sd/-

**Gaurav Kedia**

Chief Executive Officer

Place: Gandhinagar

Date: 20 April 2024

Sd/-

**Ajay Menon**

Director

DIN - 00024589

Sd/-

**Nitesh Nainmal Jain**

Chief Financial Officer

Sd/-

**Dharmi Naik**

Company Secretary

# Cash Flow Statement

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	4,41,881	2,38,565
Adjustment For:		
Depreciation	1,052	1,580
Net Gain on fair value change	(65,911)	–
Foreign Currency Translation Reserve	25,821	8,327
<b>Operating Profit / (Loss)</b>	<b>4,02,843</b>	<b>2,48,472</b>
Adjustment for working capital changes		
(Increase) / Decrease In Other financial assets	(1,56,993)	(93,44,931)
(Increase) / Decrease In Other financial Receivable	–	–
(Increase) / decrease in trade receivables	44,729	(94,955)
(Increase) / Decrease In Other Non-Financials Assets	(4,443)	516
Increase / (decrease) in borrowings	–	–
Increase / (decrease) in Provisions	(8,209)	378
Increase / (Decrease) In Other financials Liabilities	1,66,840	93,31,317
<b>Cash generated / (used) from operations</b>	<b>4,44,767</b>	<b>1,40,797</b>
Direct Taxes Paid (Net)	(1,19,713)	(77,173)
<b>Net cash generated / (used) from operating activities (A)</b>	<b>3,25,054</b>	<b>63,624</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	(10,043)	–
Purchase of Investment	(2,59,556)	(1,59,027)
<b>Net cash generated / (used) from investing activities (B)</b>	<b>(2,69,599)</b>	<b>(1,59,027)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated / (used) from Financing activities (C)</b>	<b>–</b>	<b>–</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A +B +C)</b>	<b>55,455</b>	<b>(95,404)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>11,22,356</b>	<b>12,17,761</b>
Balances With bank	–	–
<b>Cash and cash equivalents at the end of the year</b>	<b>11,77,811</b>	<b>11,22,356</b>
Balances With bank		

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.

**For Aneel Lasod And Associates**

Chartered Accountants

Firm Reg No:-124609W

Sd/-

**Aneel Lasod**

Partner

M.No.: 40117

UDIN: 24040117BKBJSPP5155

Place: Mumbai

Date: 20 April 2024

**For and on behalf of the Board of**

**Motilal Oswal Finsec IFSC Limited**

CIN NO :-U65929GJ2018PLC102209

Sd/-

**Rajat Rajgarhia**

Director

DIN - 07682114

Sd/-

**Gaurav Kedia**

Chief Executive Officer

Place: Gandhinagar

Date: 20 April 2024

Sd/-

**Ajay Menon**

Director

DIN - 00024589

Sd/-

**Nitesh Nainmal Jain**

Chief Financial Officer

Sd/-

**Dharmi Naik**

Company Secretary

# Statement of Changes in Equity

## for the year ended 31 March 2024

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

### (a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 01 April 2022</b>	<b>1,20,00,000</b>	<b>12,00,000</b>
Changes in Equity Share Capital due to prior year errors	–	–
Restated balance at the beginning of the previous reporting year	1,20,00,000	12,00,000
<b>As at 31 March 2023</b>	<b>1,20,00,000</b>	<b>12,00,000</b>
Changes in Equity Share Capital due to prior year errors	–	–
Restated balance at the beginning of the previous reporting year	1,20,00,000	12,00,000
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>1,20,00,000</b>	<b>12,00,000</b>

### (b) Other Equity

Particulars	Reserves and Surplus		Total
	Retained earnings	Foreign Currency translation Reserve	
<b>Balance as at 01 April 2022</b>	2,15,030	8,327	2,23,357
Changes in accounting policy or prior year errors	–	–	–
<b>Restated balance at the beginning of the previous reporting year</b>	2,15,030	8,327	2,23,357
Additions during the year	1,36,180	–	1,36,180
Actuarial gain / (losses) on post retirement benefit plans	4	–	4
<b>Balance as at 31 March 2023</b>	<b>3,51,214</b>	<b>8,327</b>	<b>3,59,541</b>
Changes in accounting policy or prior year errors	–	–	–
<b>Restated balance at the beginning of the current reporting year</b>	3,51,214	8,327	3,59,541
Additions during the year	3,18,733	25,821	3,44,554
Actuarial gain / (losses) on post retirement benefit plans	415	–	415
<b>Balance as at 31 March 2024</b>	<b>6,70,362</b>	<b>34,148</b>	<b>7,04,510</b>

As per our report of even date

**For Aneel Lasod And Associates**

Chartered Accountants

Firm Reg No:-124609W

Sd/-

**Aneel Lasod**

Partner

M.No.: 40117

UDIN: 24040117BKBJSP5155

Place: Mumbai

Date: 20 April 2024

**For and on behalf of the Board of**

**Motilal Oswal Finsec IFSC Limited**

CIN NO :-U65929GJ2018PLC102209

Sd/-

**Rajat Rajgarhia**

Director

DIN - 07682114

Sd/-

**Gaurav Kedia**

Chief Executive Officer

Place: Gandhinagar

Date: 20 April 2024

Sd/-

**Ajay Menon**

Director

DIN - 00024589

Sd/-

**Nitesh Nainmal Jain**

Chief Financial Officer

Sd/-

**Dharmi Naik**

Company Secretary

# Summary of Material Accounting Policies and Other Explanatory Information

## 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. MATERIAL 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 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

Classification and subsequent measurement of debt instruments depend on:

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

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

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

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

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

## Equity instruments

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

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

### (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

### (iii) Derecognition

A financial asset is derecognized only when :

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

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

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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.

### 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.
- (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.

## D. 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 1 : CASH & CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with bank		
Scheduled banks- In current accounts	11,77,811	11,22,356
<b>TOTAL</b>	<b>11,77,811</b>	<b>11,22,356</b>

## NOTE 2 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade receivables</b>		
Considered good - secured	–	–
Considered good - unsecured	55,265	99,994
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - Credit impaired	–	–
<b>TOTAL</b>	<b>55,265</b>	<b>99,994</b>

## NOTE 2 (I) : RECEIVABLE AGEING SCHEDULE

### For the Year 2023-24

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	55,265	–	–	–	–	55,265
(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 2022-23

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	99,994	–	–	–	–	99,994
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 3: INVESTMENTS

Particulars	Subsidiary/ others	Shares / Units		Quoted/ Unquoted	Amount as at		
		Number	Number		31 March 2024	31 March 2023	
		31 March 2024	31 March 2023				
<b>1) Investment in Private equity &amp; Real estate funds</b>	others						
India Business Excellence Fund IV G	others	7,500	7,500	Unquoted	4,78,960	2,16,000	
India Realty Excellence Fund VI GC	others	7,500	–	Unquoted	62,506		
<b>TOTAL</b>					<b>5,41,466</b>	<b>2,16,000</b>	

## NOTE 4: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Other deposits	20,557	–
Deposits with exchange	96,18,121	94,81,685
<b>TOTAL</b>	<b>96,38,678</b>	<b>94,81,685</b>

## NOTE 5: OTHER NON-FINANCIALS ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Taxes Receivable	974	960
Prepaid Expense	5,265	736
Advance Against Expenses	–	100
<b>TOTAL</b>	<b>6,239</b>	<b>1,796</b>

## NOTE 6: PROPERTY PLANTS AND EQUIPMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Property plants and equipments	14,730	4,369
<b>TOTAL</b>	<b>14,730</b>	<b>4,369</b>

### NOTE 6 (i)

#### Current Period

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Opening	Additions	Deductions	Foreign Currency gain/Loss	Closing	Opening	Additions	Deductions	Foreign Currency gain/Loss	Closing	Opening	Closing
Computer Software	4,000	10,043		503	14,546	868	798		(690)	976	3,133	13,570
Furniture	905			115	1,020	258	86		31	375	647	645
Office Equipments	278			35	313	154	53		18	224	124	89
Computer-1	1,660			256	1,916	1,577	–		232	1,809	83	108
Network Equipments	728			92	819	346	115		41	501	382	318
<b>Total</b>	<b>7,571</b>	<b>10,043</b>	<b>–</b>	<b>1,001</b>	<b>18,614</b>	<b>3,203</b>	<b>1,052</b>	<b>–</b>	<b>(368)</b>	<b>3,885</b>	<b>4,369</b>	<b>14,730</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Previous Period

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
Computer Software	4,000	–	–	4,000	68	800	–	868	3,932	3,133
Furniture	905	–	–	905	172	86	–	258	733	647
Office Equipments	278	–	–	278	101	53	–	154	177	124
Computer-1	1,660	–	–	1,660	1,051	526	–	1,577	609	83
Network Equipments	728	–	–	728	230	115	–	346	497	382
<b>Total</b>	<b>7,571</b>	<b>–</b>	<b>–</b>	<b>7,571</b>	<b>1,622</b>	<b>1,580</b>	<b>–</b>	<b>3,203</b>	<b>5,948</b>	<b>4,369</b>

**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 2024 and 31 March 2023.

## NOTE 7: TRADE PAYABLE

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Payable	94,58,099	93,31,769
<b>TOTAL</b>	<b>94,58,099</b>	<b>93,31,769</b>

## NOTE 7 (I) : TRADE PAYABLE AGEING SCHEDULE

### For the Year 2023-24

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	94,58,099	–	–	–	94,58,099
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

### For the year ended 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	93,31,769	–	–	–	93,31,769
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 8: OTHER FINANCIALS LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Payable for Expenses	37,091	692
Taxes payable	4,336	224
<b>TOTAL</b>	<b>41,427</b>	<b>916</b>

## NOTE 9: PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Gratuity	138	762
Ex-gratia Payable	–	8000
<b>TOTAL</b>	<b>138</b>	<b>8,762</b>

## NOTE 10: CURRENT TAX LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liabilities (Net of Advance Tax)	17,950	25,212
<b>TOTAL</b>	<b>17,950</b>	<b>25,212</b>

## NOTE 11: DEFERRED TAX LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Tax	12,065	–
<b>TOTAL</b>	<b>12,065</b>	<b>–</b>

## NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised:</b>		
4,00,00,000 Equity Shares of ₹ 10 / - each	40,00,000	40,00,000
	<b>40,00,000</b>	<b>40,00,000</b>
<b>Issued, Subscribed and Paid Up:</b>		
1,20,00,000 Equity Shares of ₹ 10 / - each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd. the holding company and it's nominee)	12,00,000	12,00,000
<b>TOTAL</b>	<b>12,00,000</b>	<b>12,00,000</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

Particulars	As at 31 March 2024	As at 31 March 2023
<b>1.1 Reconciliation of number of Equity shares outstanding</b>		
Number of shares at beginning of the year	1,20,00,000	1,20,00,000
Add: Shares issued during this year	—	—
<b>Number of shares at the end of the year</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>
<b>1.2 Share holder having more than 5% equity holding in the Company</b>		
Motilal Oswal Financial Services Ltd. (Holding Company)	1,20,00,000	1,20,00,000
<b>1.3 Details of Shareholding by Promoters</b>		
Motilal Oswal Financial Services Ltd. (Holding Company)	1,20,00,000	1,20,00,000

## NOTE 13: OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Retained Earnings</b>		
Opening balance	3,51,214	2,15,030
Add: Additions during the year	3,18,733	1,36,180
Add: Ind AS Impact	415	4
<b>TOTAL</b>	<b>6,70,362</b>	<b>3,51,214</b>
<b>Foreign Currency translation Reserve</b>		
Balance at the beginning of the year	8,327	—
Add: Foreign Currency Translation Reserve for the period	25,821	8,327
<b>Balance at the end of the year</b>	<b>34,148</b>	<b>8,327</b>
<b>Total of Other Equity</b>	<b>7,04,510</b>	<b>3,59,541</b>

## NOTE 14: REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Research Income	4,19,665	2,20,760
Brokerage Income	6,409	2,438
<b>TOTAL</b>	<b>4,26,074</b>	<b>2,23,198</b>

## NOTE 15: NET GAIN ON CHANGES IN FAIR VALUE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Unrealised Gain	65,911	—
<b>TOTAL</b>	<b>65,911</b>	<b>—</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 16: OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Other Income	20,166	787
Foreign Exchange Fluctuation	5,278	90,257
<b>TOTAL</b>	<b>25,444</b>	<b>91,044</b>

## NOTE 17: EMPLOYEE BENEFITS

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salaries and Incentives	455	29,150
Contribution to provident and other funds	282	970
Gratuity	(216)	378
Staff welfare expenses	85	160
<b>TOTAL</b>	<b>606</b>	<b>30,658</b>

## NOTE 18: FINANCE COST

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest	2,710	152
<b>TOTAL</b>	<b>2,710</b>	<b>152</b>

## NOTE 19: DEPRECIATION

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Depreciation	1,052	1,580
<b>TOTAL</b>	<b>1,052</b>	<b>1,580</b>

## NOTE 20 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Remuneration to Auditors	697	400
Legal & Professional Fees	1,839	1,545
House keeping Charges	205	2,212
Electricity Charges	431	252
Insurance	101	27
Rent Expenses	12,088	10,990
Membership and Subscription Fees	5,153	4,602
Communication and data charges	(3)	0
Business Support Charges	40,382	–
Computer Running Expense	3,998	–
Repairs and maintenance - others	4,519	2,070
Miscellaneous Expenses	1,769	21,189
<b>TOTAL</b>	<b>71,179</b>	<b>43,287</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 21 : AUDITORS' REMUNERATION:

### Auditor's Remuneration (inclusive Taxes):

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
As Auditors:		
Audit fees	697	400
In any other capacity, in respect of:		
Other Certification	–	–
<b>TOTAL</b>	<b>697</b>	<b>400</b>

## NOTE 22 : BASIC & DILUTED EARNINGS PER SHARE:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	3,18,733	1,36,180
Weighted Average Number of equity shares issued [B]	1,20,00,000	1,20,00,000
<b>Basic &amp; Diluted Earnings per share (EPS)[A / B] (₹)</b>	<b>2.66</b>	<b>1.13</b>

## NOTE 23 : GRATUITY PLAN:

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Assumptions as at	31-Mar-24	31-Mar-23
Interest / Discount Rate	6.97%	7.14%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Rate of increase in compensation	7.28%	9.70%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 0%	PS: 0 to 37 : 16.67%
Expected average remaining service	19.41	4.88

### Changes in the present value of the obligations

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Present value of obligation at beginning of the period	762	388
Interest cost	28	24
Current service cost	498	354
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Transfer in Liability	(735)	–
Benefits paid	–	–
Actuarial (gain) loss on obligation	(415)	(4)
Present value of obligation at end of the period	138	762

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Changes in fair value of the plan assets

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Fair value of plan assets at beginning of the period	–	–
Expected return on plan assets	–	–
Contributions	–	–
Benefits paid	–	–
Actuarial gain (Loss) plan assets	–	–
<b>Fair value of plan assets at end of the period</b>	<b>–</b>	<b>–</b>

## Fair value of plan assets

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Fair value of plan assets at beginning of the period	–	–
Actual return on plan assets	–	–
Contributions	–	–
Benefit paid	–	–
<b>Fair value of plan assets at end of the period</b>	<b>–</b>	<b>–</b>

## Experience History

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
(Gain) / Loss on obligation due to change in Assumption	–	–
Experience (Gain) / Loss on obligation	(415)	(4)
<b>Actuarial (Gain) / Loss on plan asset</b>	<b>(415)</b>	<b>(4)</b>

## Actuarial Gain / (Loss) Recognized

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Due to Demographic Assumption	56	–
Due to Financial Assumption	(61)	(58)
Due to Experience	(410)	54
<b>Total Actuarial (Gain) / Loss</b>	<b>(415)</b>	<b>(4)</b>

## Past service cost recognized

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
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	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## Amounts to be recognized in the balance sheet and statement of profit & loss account

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Present value of obligation at end of period	138	762
Fair value of plan assets at end of period	–	–
Funded status	(138)	(762)
Unrecognised Actuarial Gain / (Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
<b>Net Liability / (Asset) recognised in the Balance Sheet</b>	<b>(138)</b>	<b>(762)</b>

## Profit and Loss Account – Expense

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Current service cost	498	353
Interest cost	21	24
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	–	–
<b>Expenses Recognised in the statement of Profit &amp; Loss Account</b>	<b>519</b>	<b>378</b>

## Movement in net liability recognized in the Balance Sheet

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening net liability	762	388
Transfer in Liability	(735)	–
Expenses as above	519	378
Contribution paid	–	–
Other Comprehensive Income (OCI)	(415)	(4)
<b>Closing net Liability</b>	<b>131</b>	<b>762</b>

## Other Comprehensive Income (OCI)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Actuarial (Gain) / Loss recognized for the period	(415)	(4)
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain) / Loss from previous period	–	–
<b>Total Actuarial (Gain) / Loss recognized in (OCI)</b>	<b>(415)</b>	<b>(4)</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## NOTE 24: TAX EXPENSE

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

## B. Component of income tax expense

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>I. Tax expense recognised in the statement of profit and loss</b>		
<b>Current tax expense</b>		
Current tax for the year	1,11,163	65,212
Tax adjustment in respect of earlier years	–	37,173
<b>Total current tax expense</b>	<b>1,11,163</b>	<b>1,02,385</b>
<b>Deferred tax (credit)</b>		
Origination and reversal of temporary differences	11,985	–
<b>Net deferred tax (credit)</b>	<b>11,985</b>	<b>–</b>
	<b>1,23,148</b>	<b>1,02,385</b>
<b>II. Tax on other comprehensive income</b>		
<b>Deferred tax charge / (credit)</b>		
(Gain) / loss on equity instruments through other comprehensive income	–	–
(Gain) / loss on remeasurement of net defined benefit plans	–	–
	–	–

## C. Reconciliation of effective tax rate

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Profit / (loss) before income tax expense</b>	<b>4,41,881</b>	<b>2,38,565</b>
Tax at the rate of 25.17%	1,11,221	60,047
<b>Differences due to:</b>		
Temporary tax difference		
Exempt income	–	–
Tax adjustment of previous years		–
Tax at different rate	11,927	42,338
Expenses disallowed under income tax	–	–
<b>Income tax expense</b>	<b>1,23,148</b>	<b>1,02,385</b>



# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

## C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

## NOTE 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	As at 31-March 2024			As at 31-March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	11,77,811	–	11,77,811	11,22,356	–	11,22,356
Investment	–	5,41,466	5,41,466	–	2,16,000	2,16,000
Receivables	55,265	–	55,265	99,994	–	99,994
Other financial assets	96,38,678	–	96,38,678	94,81,685	–	94,81,685
<b>Non-Financial assets</b>						
Property, plant and equipment	–	14,730	14,730	–	4,369	4,369
Other non-financial assets	6,239	–	6,239	1,796	–	1,796
Deferred Tax Assets (net)	–	–	–	–	–	–
<b>Total Assets</b>	<b>1,08,77,993</b>	<b>5,56,196</b>	<b>1,14,34,189</b>	<b>1,07,05,831</b>	<b>2,20,369</b>	<b>1,09,26,200</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade Payable	94,58,099	–	94,58,099	93,31,769	–	93,31,769
Other financial liabilities	41,427	–	41,427	916	–	916
<b>Non Financial Liabilities</b>						
Provisions	138	–	138	8,762	–	8,762
Borrowings(Other than debt securities)	–	–	–	–	–	–
Other non - financial liabilities	–	–	–	–	–	–
Current tax liabilities	17,950	–	17,950	25,212	–	25,212
Deffered Tax liabilities	12,065	–	12,065	–	–	–
Accrued salary and benefits	–	–	–	–	–	–
<b>Total Liabilities</b>	<b>95,29,679</b>	<b>–</b>	<b>95,29,679</b>	<b>93,66,659</b>	<b>–</b>	<b>93,66,659</b>

## NOTE 27 : 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## a) Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

Particulars	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	11,77,811	–	11,22,356
Investment	5,41,466	–	2,16,000	–
Trade receivables	–	55,265	–	99,994
Other financial assets	–	96,38,678	–	94,81,685
<b>Total Financial Assets</b>	<b>5,41,466</b>	<b>1,08,71,755</b>	<b>2,16,000</b>	<b>1,07,04,035</b>
<b>Financial Liabilities</b>				
Trade Payable	–	94,58,099	–	93,31,769
Other financial liabilities	–	41,427	–	916
Provisions	–	138	–	8,762
<b>Total Financial Liabilities</b>	<b>–</b>	<b>94,99,664</b>	<b>–</b>	<b>93,41,447</b>

## 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 24			As at 31 March 23		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVTPL						
- India Business Excellence Fund IV	–	–	4,78,960	–	–	2,16,000
- India Realty Excellence Fund VI GC	–	–	62,506	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>5,41,466</b>	<b>–</b>	<b>–</b>	<b>2,16,000</b>

## 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 28 : RELATED PARTY DISCLOSURE:

### I. Names of Related Parties:

#### A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited - Holding Company

#### B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited
- Motilal Oswal Trustee Company Limited
- MO Alternate investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Securites International Private Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

- Motilal Oswal Home Finance Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- TM Investment Technologies Pvt. Ltd.
- Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- MO Alternative IFSC Private Limited
- India Business Excellence Management Company

## C) Key management personnel

- Rajat Rajgarhia - Director
- Ajay Menon - Director

## II. Transactions with related parties: 31-03-2024

Particulars	Name of the related Party	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Business Support Charges	Motilal Oswal Financial Services Limited	40,382	–
Trade Payable	Motilal Oswal Financial Services Limited	36,588	–
Interest on Loan	Motilal Oswal Finvest Limited	2,710	153

**Note:** 'Income / receipts figures are shown in brackets.

## NOTE 29 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro, small and medium enterprises.

## NOTE 30 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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.

### 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	Amount	
	31-Mar-24	31-Mar-23
Total revenue from contracts with customers	<u>4,26,074</u>	<u>2,23,198</u>
<b>Geographical markets</b>		
In India	–	–
Outside India	4,26,074	2,23,198
<b>Total revenue from contracts with customers</b>	<u><b>4,26,074</b></u>	<u><b>2,23,198</b></u>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	–	–
Services transferred over time	4,26,074	2,23,198
<b>Total revenue from contracts with customers</b>	<u><b>4,26,074</b></u>	<u><b>2,23,198</b></u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## b) Contract balances

Trade receivable are non-interest bearing balances.

## c) Performance obligations

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

## NOTE 31 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

## NOTE 32: FOREIGN CURRENCY TRANSACTIONS:

### (i) Expenses incurred in Foreign Currency:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Audit Fees	699	91
Data Processing charges – Kshiti	–	2,063
Electricity Charges	431	247
Housekeeping Charges	755	2,506
Insurance Charges	101	29
Legal And Professional Fees	2,636	1,573
Rent Paid	12,088	11,004
Membership And Subscription Fees	4,720	–
Computer Running Expenses	3,998	–
Repairs And Maintenance Charges	3,962	–
Miscellaneous Expenses	746	22,827
	<b>30,137</b>	<b>40,342</b>

## NOTE 33 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Profit and Loss Account.

## NOTE 34 :

- (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 35 : 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 2024.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## NOTE 36 :

The company does not have any contingent liability during the period ended March 2024 and March 2023.

## NOTE 37 :

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.

## NOTE 38 :

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 Aneel Lasod And Associates**

*Chartered Accountants*

Firm Reg No:-124609W

Sd/-

**Aneel Lasod**

*Partner*

M.No.: 40117

UDIN: 24040117BKBJSP5155

For and on behalf of the Board of

**Motilal Oswal Finsec IFSC Limited**

CIN NO :-U65929GJ2018PLC102209

Sd/-

**Rajat Rajgarhia**

*Director*

DIN - 07682114

Sd/-

**Gaurav Kedia**

*Chief Executive Officer*

Sd/-

**Ajay Menon**

*Director*

DIN - 00024589

Sd/-

**Nitesh Nainmal Jain**

*Chief Financial Officer*

Sd/-

**Dharmi Naik**

*Company Secretary*

Place: Mumbai

Date: 20 April 2024

Place: Gandhinagar

Date: 20 April 2024

# **Motilal Oswal Capital Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows 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 ('SA's) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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.

### 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 during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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. 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

## Independent Auditors' Report (Contd..)

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

The Company's 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 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 with reference to financial statements 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 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.
- 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 misstatement 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 effects 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.

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 financial year ended March 31, 2024 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.

# Independent Auditors' Report (Contd..)

## 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, 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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - 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, 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 2024;
    - 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 to the best of its 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, 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 to the best of its knowledge and belief that 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, 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; and according to the information and explanations provided to us by the Management in this regard 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.

## Independent Auditors' Report (Contd..)

- v. No dividend was declared or paid by the Company during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Singhi & Co.**

*Chartered Accountants*

Firm Registration No. 302049E

**S. Chandrasekhar**

*Partner*

Membership No. 007592

UDIN: 24007592BKHSYU1648

Place: Mumbai

Date: April 24, 2024

# Independent Auditors' Report (Contd..)

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

### ANNEXURE A

#### Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements' section 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 Property, Plant and Equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (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 does not have any working capital limits 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) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is 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 goods and service tax, provident fund, employees' state insurance, income 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, service tax, duty of customs, duty of excise and value added tax.
  - b) There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income 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) There are no statutory dues referred to in sub- clause (a) above which have not been deposited as on March 31, 2024, 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 during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (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 any fraud on the Company has been noticed or reported during the year.

## Independent Auditors' Report (Contd..)

- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information, explanation and representations given to us, no whistle blower complaints has been received by the Company during the year.
- (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, 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) of the Order is not applicable.
  - a) The Company has not conducted any Non- Banking Financial or Housing Finance Activities. Accordingly, clause 3 (xvi) (b) of the Order is not applicable.
  - b) 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 in 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.  
Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Directors report is expected to be made available to us after the date of this auditor's report.
- (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 reporting under paragraph 3(xxii) 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: 24007592BKHSYU1648

Place: Mumbai

Date: April 24, 2024

# Independent Auditors' Report (Contd..)

## Annexure B to the Independent Auditor's Report of even date on the financial statements of Motilal Oswal Capital Limited

### ANNEXURE B

Referred to in paragraph [6(ii)(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 with reference to the Financial Statements of Motilal Oswal Capital Limited ("the Company") as of March 31, 2024 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 (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 Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference these financial statements 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

#### Meaning of Internal Financial Controls with reference to these financial statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and
- (2) dispositions of the assets of the company 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.

# Independent Auditors' Report (Contd..)

## Inherent Limitations of Internal Financial Controls with reference to these financial statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements 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, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### For Singhi & Co.

*Chartered Accountants*

Firm Registration No. 302049E

### S. Chandrasekhar

*Partner*

Membership No. 007592

UDIN: 24007592BKHSYU1648

Place: Mumbai

Date: April 24, 2024

# Balance Sheet

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

## BALANCE SHEET AS AT 31 MARCH, 2024

Particulars	Note No.	As at 31-March-2024	As at 31-March-2023
<b>I. ASSETS</b>			
<b>1. Non - current assets</b>			
Non - current tax assets	4	213	213
<b>Total non - current assets (A)</b>		<b>213</b>	<b>213</b>
<b>2. Current assets</b>			
a) Financial assets			
(i) Investments	5	3,57,266	2,75,975
(ii) Trade receivables	6	15,931	13,937
(iii) Cash and cash equivalents	7	19,576	65,792
(iv) Bank Balance other than cash and cash equivalents	8	5,07,420	5,07,247
(v) Other current financial assets	9	220	220
b) Other current assets	10	19,423	11,026
<b>Total current assets (B)</b>		<b>9,19,836</b>	<b>8,74,197</b>
<b>Total assets (A+B)</b>		<b>9,20,049</b>	<b>8,74,410</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Equity:</b>			
Equity share capital	11	8,00,000	8,00,000
Other equity	12	91,215	47,408
<b>Total equity (A)</b>		<b>8,91,215</b>	<b>8,47,408</b>
<b>B. Liabilities</b>			
<b>1. Non Current liabilities</b>			
a) Deferred tax liabilities (net)	13	13,154	7,796
<b>Total non - current Liabilites (A)</b>		<b>13,154</b>	<b>7,796</b>
<b>2. Current liabilities</b>			
a) Financial liabilities			
i) Other financial liabilities	14	7,773	12,057
b) Other current liabilities	15	2,084	2,273
c) Current tax liabilities	16	5,823	4,876
<b>Total current liabilities (B)</b>		<b>15,680</b>	<b>19,206</b>
<b>Total equity and liabilities (A+B)</b>		<b>9,20,049</b>	<b>8,74,410</b>

Summary of material accounting policies and other explanatory information

**The accompanying notes 1 to 36 form an integral part of the financial statements**

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

**For Singhi & Co.**

Chartered Accountants

Firm Registration No.: 302049E

**S. Chandrasekhar**

Partner

Membership No.: 007592

For and on behalf of the Board of Directors

**Motilal Oswal Capital Limited**

**Motilal Oswal**

Director

DIN : 00024503

**Navin Agarwal**

Director

DIN : 00024561

**Tejashree Khona**

Company Secretary

**Juzer Dalal**

Chief financial officer

Place : Mumbai

Date : 24 April, 2024

Place : Mumbai

Date : 24 April, 2024

# Statement of Profit And Loss

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

Particulars	Note No.	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
<b>REVENUE FROM OPERATIONS</b>			
Fees and commission income	17	37,447	43,832
<b>1) Total revenue from operations</b>		<b>37,447</b>	<b>43,832</b>
<b>2) Other income</b>	18	54,882	43,497
<b>3) Total revenue (1 + 2)</b>		<b>92,329</b>	<b>87,329</b>
<b>Expenses</b>			
(i) Other expenses	19	34,234	42,300
<b>4) Total expenses</b>		<b>34,234</b>	<b>42,300</b>
<b>5) Profit/(loss) before tax (3 - 4)</b>		<b>58,095</b>	<b>45,029</b>
<b>Tax expense/(credit):</b>			
(i) Current tax	20	8,930	7,566
(ii) Deferred tax expense/(credit)		5,358	3,767
<b>6) Total tax expenses</b>		<b>14,288</b>	<b>11,333</b>
<b>7) Profit/(Loss) after tax (5 - 6)</b>		<b>43,807</b>	<b>33,696</b>
<b>8) Other comprehensive income</b>		<b>–</b>	<b>–</b>
<b>Total comprehensive income/(loss) for the year (7 + 8)</b>		<b>43,807</b>	<b>33,696</b>
<b>Earnings/(Loss) per equity share</b>			
Basic and diluted (in Rupees)	28	0.55	0.42
Face value per share (in Rupees)		10	10

Summary of material accounting policies and other explanatory information

**The accompanying notes 1 to 36 form an integral part of the financial statements**

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

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

**S. Chandrasekhar**  
Partner  
Membership No.: 007592

Place : Mumbai  
Date : 24 April, 2024

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 : 24 April, 2024

**Navin Agarwal**  
Director  
DIN : 00024561

**Juzer Dalal**  
Chief financial officer

# Statement of Changes in Equity

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
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
Issued during the year	–	–
As at 31 March 2024	80,00,000	8,00,000

#### For 31 March 2024

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 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

### (B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 31 March 2022	13,712
Profit for the year	33,696
Balance as at 31 March 2023	47,408
Profit for the year	43,807
Balance as at 31 March 2024	91,215

Summary of material 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

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

**Juzer Dalal**  
Chief financial officer

Place : Mumbai  
Date : 24 April, 2024

Place : Mumbai  
Date : 24 April, 2024

# Summary of material accounting policies and other explanatory information (Contd..)

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

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2024

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	58,095	45,029
Adjustment for :		
Interest income on fixed deposits	(33,413)	(26,903)
Net (gain)/loss on fair value change	(21,291)	(14,967)
<b>Operating profit/(loss) before working capital changes</b>	<b>3,391</b>	<b>3,159</b>
Adjustment for working capital changes :		
Increase/(decrease) in other financial liabilities	(4,284)	(5,197)
Increase/(decrease) in other current liabilities	(189)	46
(Increase)/decrease in trade receivables	(1,994)	1,996
(Increase)/decrease in other current assets	(8,396)	(376)
<b>Net changes in working capital</b>	<b>(14,863)</b>	<b>(3,531)</b>
<b>Cash generated/ (used in) from operating activities</b>	<b>(11,472)</b>	<b>(372)</b>
Income taxes paid (net of refunds)	(7,983)	91
<b>Net cash flow (used in)/ generated from operating activities (A)</b>	<b>(19,455)</b>	<b>(281)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received on fixed deposits	33,239	25,108
Purchase of investment in mutual fund	(60,000)	–
<b>Net cash (used in)/ generated from investing activities (B)</b>	<b>(26,761)</b>	<b>25,108</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash (used in)/ generated from financing activities (C)</b>	<b>–</b>	<b>–</b>
<b>Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}</b>	<b>(46,216)</b>	<b>24,827</b>
Cash and cash equivalent at the beginning of the year	65,792	40,965
<b>Cash and cash equivalents at the end of the year (Refer Note no. 7)</b>	<b>19,576</b>	<b>65,792</b>
<b>Composition of cash and cash equivalent</b>		
Balance with scheduled bank – In current account	19,576	65,792
	<b>19,576</b>	<b>65,792</b>

### 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.

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

**S. Chandrasekhar**  
Partner  
Membership No.: 007592

Place : Mumbai  
Date : 24 April, 2024

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 : 24 April, 2024

**Navin Agarwal**  
Director  
DIN : 00024561

**Juzer Dalal**  
Chief financial officer

# Summary of material accounting policies and other explanatory information

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Capital Limited (“MOCL”/ the “Company”) was incorporated on 19 September 2016.

The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, and Mumbai-400 025.

The Company provides Investment Advisory 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 24 April 2024.

### NOTE 2 : MATERIAL ACCOUNTING POLICIES

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

#### 2.1. Basis of preparation

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

- Certain financial instruments are measured at fair value.

(iii) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

# Summary of material accounting policies and other explanatory information (Contd..)

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

(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;
- 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.

# Summary of material accounting policies and other explanatory information (Contd..)

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

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

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

## 2.4. 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.

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.

# Summary of material accounting policies and other explanatory information (Contd..)

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

## 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 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.

# Summary of material accounting policies and other explanatory information (Contd..)

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

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

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

## 2.7. Financial liabilities

### (i) Initial recognition and measurement

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

### (ii) Subsequent measurement

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

### (iii) Derecognition

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

## 2.8. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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 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

# Summary of material accounting policies and other explanatory information (Contd..)

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

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each 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.
- (c) 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.

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 4 : NON-CURRENT TAX ASSETS

	As at 31 March 2024	As at 31 March 2023
Advance tax	213	213
<b>Total</b>	<b>213</b>	<b>213</b>

## NOTE 5 : INVESTMENT

Particulars	Subsidiary / Others	As at 31 March 2024		As at 31 March 2023	
		Units	Amount	Units	Amount
<b>Investment in Mutual Funds measured at FVTPL (Quoted)</b>					
HDFC Money Market fund DP-(G)	Others	5,607.30	2,97,189	5,607.30	2,75,975
HDFC Liquid-Dp-Growth option	Others	1,266.47	60,077	-	-
<b>Total</b>			<b>3,57,266</b>		<b>2,75,975</b>

## NOTE 6 : TRADE RECEIVABLES

	As at 31 March 2024	As at 31 March 2023
Considered good - unsecured (Refer Note-6 (i))	15,931	13,937
<b>Total</b>	<b>15,931</b>	<b>13,937</b>

- i) 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 2024

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	15,931	-	-	-	-	15,931
(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	-	-	-	-	-	-

# Summary of material accounting policies and other explanatory information (Contd..)

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

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	13,937	–	–	–	–	13,937
(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 7 : CASH AND CASH EQUIVALENTS

	As at 31 March 2024	As at 31 March 2023
<b>Balance with banks</b>		
In current accounts	19,576	65,792
<b>Total</b>	<b>19,576</b>	<b>65,792</b>

## NOTE 8 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2024	As at 31 March 2023
Fixed deposit with original maturity of more than 3 months but less than 12 months	5,07,420	5,07,247
<b>Total</b>	<b>5,07,420</b>	<b>5,07,247</b>

**Note 1.** 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

	As at 31 March 2024	As at 31 March 2023
Other deposit	100	100
Security deposits	120	120
<b>Total</b>	<b>220</b>	<b>220</b>

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

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 10 : OTHER CURRENT ASSETS

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	113	–
Balance with Government authorities	19,310	11,026
<b>Total</b>	<b>19,423</b>	<b>11,026</b>

## NOTE 11 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	80,00,000	8,00,000	80,00,000	8,00,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	80,00,000	8,00,000	80,00,000	8,00,000
<b>Total</b>	<b>80,00,000</b>	<b>8,00,000</b>	<b>80,00,000</b>	<b>8,00,000</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	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	–	–	–	–
<b>Balance at the end of the year</b>	<b>80,00,000</b>	<b>8,00,000</b>	<b>80,00,000</b>	<b>8,00,000</b>

### 11.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited*	80,00,000	100.00%	80,00,000	100.00%
<b>Balance at the end of the year</b>	<b>80,00,000</b>	<b>100.00%</b>	<b>80,00,000</b>	<b>100.00%</b>

\* includes beneficial ownership of 6 shares

### 11.3 Shares held by holding company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited*	80,00,000	100.00%	80,00,000	100.00%

# Summary of material accounting policies and other explanatory information (Contd..)

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

## 11.4 Shares held by Promoters

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited*	80,00,000	100.00%	80,00,000	100.00%

## 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 ₹ 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 31 March 24. 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 2024.

## NOTE 12 : OTHER EQUITY

	As at 31 March 2024	As at 31 March 2023
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	47,408	13,712
Add: Transfer from Statement of Profit and Loss	43,807	33,696
<b>Balance at the end of year</b>	<b>91,215</b>	<b>47,408</b>

## 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)

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability arising on account of:</b>		
Net gain on mutual fund investment measured at FVTPL	13,154	7,796
<b>Deferred tax assets/(liabilities) (net) (A)</b>	<b>13,154</b>	<b>7,796</b>

## NOTE 14 : OTHER FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Other payables (includes payable to vendors)	7,773	12,057
<b>Total</b>	<b>7,773</b>	<b>12,057</b>

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 15 : OTHER CURRENT LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Outstanding expenses	2,084	2,273
<b>Total</b>	<b>2,084</b>	<b>2,273</b>

## NOTE 16 : CURRENT TAX LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Provision for income taxes	5,823	4,876
<b>Total</b>	<b>5,823</b>	<b>4,876</b>

## NOTE 17 : FEES AND COMMISSION INCOME

	As at 31 March 2024	As at 31 March 2023
Investment advisory fees	37,447	43,832
<b>Total</b>	<b>37,447</b>	<b>43,832</b>

## NOTE 18 : OTHER INCOME

	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Interest income on financial assets measured amortized cost		
- Interest on fixed deposit	33,413	26,903
ii) Net gain/(loss) on foreign currency transaction and translation	178	1,627
iii) Net gain/(loss) on mutual fund investment measured at FVTPL	21,291	14,967
<b>Total</b>	<b>54,882</b>	<b>43,497</b>

## NOTE 19 : OTHER EXPENSES

	For the year ended 31 March 2024	For the year ended 31 March 2023
Business Support expense	27,775	32,918
Data processing charges	249	-
Legal and professional charges	5,693	2,719
Remuneration to auditors (Refer note no 26)	308	307
Communication expenses	57	5,163
Rent	120	-
Miscellaneous expenses	32	1,193
<b>Total</b>	<b>34,234</b>	<b>42,300</b>

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 20.1 : TAX EXPENSE

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	8,930	7,566
<b>Total current tax expense</b>	<b>8,930</b>	<b>7,566</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	5,358	3,767
Net deferred tax expense/ (credit)	5,358	3,767
<b>Total tax expense/ (credit)</b>	<b>14,288</b>	<b>11,333</b>

## NOTE 20.2

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2024 and 31 March 2023.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Profit/(loss) before income tax expense</b>	<b>58,095</b>	<b>45,029</b>
Tax at the rate of 25.17% (for 31 March 2023 - 25.17%)	14,623	11,333
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Income not subject to tax	(5,358)	(3,767)
Others	(335)	–
Deferred tax on account of:		
Net gain on mutual fund investment measured at FVTPL	5,358	3,767
<b>Income tax expense</b>	<b>14,288</b>	<b>11,333</b>

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 20.3 : NET DEFERRED TAX

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax liability on account of :</b>		
Net gain on mutual fund investment measured at FVTPL	13,154	7,796
<b>Total deferred tax liabilities (A)</b>	<b>13,154</b>	<b>7,796</b>
<b>Net deferred tax assets/(liability) (A)</b>	<b>(13,154)</b>	<b>(7,796)</b>

## NOTE 20.4 : DEFERRED TAX RELATED TO THE FOLLOWING

Particulars	As at 31 March 2024	Recognised through profit and loss	As at 31 March 2023	Recognised through profit and loss
<b>Deferred tax liabilities on account of:</b>				
Net gain on mutual fund investment measured at FVTPL	13,154	5,358	7,796	3,767
<b>Total deferred tax liabilities</b>	<b>13,154</b>	<b>5,358</b>	<b>7,796</b>	<b>3,767</b>
<b>Total deferred tax assets/liability (net)</b>	<b>(13,154)</b>	<b>(5,358)</b>	<b>(7,796)</b>	<b>(3,767)</b>

## NOTE 21 : CAPITAL MANAGEMENT

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

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

## NOTE 22 : REVENUE FROM CONTRACTS WITH CUSTOMERS

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. 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	For the Year ended 31 March 24	For the Year ended 31 March 23
Total Revenue from contracts with customers—Investment advisory services – Offshore	37,447	43,832
<b>Geographical Markets</b>		
India	–	–
Outside India	37,447	43,832
<b>Total Revenue from contracts with customers</b>	<b>37,447</b>	<b>43,832</b>

# Summary of material accounting policies and other explanatory information (Contd..)

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

Particulars	For the Year ended 31 March 24	For the Year ended 31 March 23
<b>Timing of revenue recognition</b>		
Services transferred at a point in time		
Services transferred over time	37,447	43,832
<b>Total Revenue from contracts with customers</b>	<b>37,447</b>	<b>43,832</b>

## b) Contract balances (refer note 6)

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2024 is ₹ 15,931 hundreds and as on 31 March 2023 is ₹ 13,937 hundreds.

## c) Performance obligations

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

## NOTE 23 : FINANCIAL RISK MANAGEMENT

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

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

### A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company.

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

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

Bank balances are held with only high rated banks.

#### Age of receivables that are past due:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	15,931	13,937
3 – 6 months	–	–
6 – 12 months	–	–
More than 12 months	–	–
<b>Total</b>	<b>15,931</b>	<b>13,937</b>

### 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.

# Summary of material accounting policies and other explanatory information (Contd..)

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

## (i) Maturities of non-derivative financial liabilities

As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other Financial Liabilities	7,773	–	–	7,773
<b>Total</b>	<b>7,773</b>	<b>–</b>	<b>–</b>	<b>7,773</b>

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other Financial Liabilities	12,057	–	–	12,057
<b>Total</b>	<b>12,057</b>	<b>–</b>	<b>–</b>	<b>12,057</b>

## 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 table receivables held at balancesheet date.

Sensitivity	For the year ended 31 March 2024	For the year ended 31 March 2023
Impact on PBT for 5% increase in Foreign exchange rate	797	697
Impact on PBT for 5% decrease in Foreign exchange rate	(797)	(697)

### (ii) Interest rate risk

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

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

### (iii) Price risk

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

The Investments held by the Company are ancillary to the Investment management business objective.

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

#### 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 2024	For the year ended 31 March 2023
Impact on profit before tax for 1% increase in NAV/Price	3,573	2,760
Impact on profit before tax for 1% decrease in NAV/Price	(3,573)	(2,760)

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 24 : DUE TO MICRO AND SMALL ENTERPRISES

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	As at 31 March 2024	As at 31 March 2023
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	–	–
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 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 31 March 2024	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash and cash equivalents	–	19,576	19,576	–	–	–	–
Bank balances other than cash and cash equivalent	–	5,07,420	5,07,420	–	–	–	–
Trade receivables	–	15,931	15,931	–	–	–	–
Investments	3,57,266	–	3,57,266	3,57,266	–	–	3,57,266
Other current financial assets	–	220	220	–	–	–	–
<b>Total financial assets</b>	<b>3,57,266</b>	<b>5,43,147</b>	<b>9,00,413</b>	<b>3,57,266</b>	<b>–</b>	<b>–</b>	<b>3,57,266</b>
<b>Financial Liabilities</b>							
Other Financial liabilities	–	7,773	7,773	–	–	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>7,773</b>	<b>7,773</b>	<b>3,57,266</b>	<b>–</b>	<b>–</b>	<b>3,57,266</b>

Particulars 31 March 2023	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash and cash equivalents	–	65,792	65,792	–	–	–	–
Bank balances other than cash and cash equivalent	–	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	–	–	–	–
<b>Total financial assets</b>	<b>2,75,975</b>	<b>5,87,196</b>	<b>8,63,171</b>	<b>2,75,975</b>	<b>–</b>	<b>–</b>	<b>2,75,975</b>

# Summary of material accounting policies and other explanatory information (Contd..)

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

Particulars 31 March 2023	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>							
Other Financial liabilities	–	12,057	12,057	–	–	–	–
<b>Total financial liabilities</b>	–	<b>12,057</b>	<b>12,057</b>	<b>2,75,975</b>	–	–	<b>2,75,975</b>

## 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 : AUDITORS' FEES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	230	230
Out of pocket expenses	78	77
	<b>308</b>	<b>307</b>

## NOTE 27 : SEGMENT REPORTING

The Company's principal activity is to act as an investment advisor and primarily operated in India and regularly reviewed by Chief Operating Decision Maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 28 : EARNINGS PER EQUITY SHARE

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(Loss) attributable to equity shareholders (Rupees)	43,807	33,696
Weighted average number of equity shares outstanding during the year	80,00,000	80,00,000
Nominal value per share (Rupees)	10	10
<b>Earnings per share (Basic and diluted) (Rupees)</b>	<b>0.55</b>	<b>0.42</b>

## NOTE 29 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Investment Advisory Fees	37,447	43,832
	<b>37,447</b>	<b>43,832</b>

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and professional fees	614	2,123
Data Back Up Charges	–	7,286
Filing fees	–	117
	<b>614</b>	<b>9,526</b>

## NOTE 30 : UNHEDGED FOREIGN CURRENCY

### Particulars of unhedged foreign currency exposure as at the reporting date

Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency exposures of the Company as at year end are:

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables	USD	192	174
	INR	15,931	13,937

## NOTE 31 : RELATED PARTY DISCLOSURES

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

# Summary of material accounting policies and other explanatory information (Contd..)

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

## 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

Motilal Oswal Alternate Investment Advisors 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

Motilal Oswal Trustee Company Limited

Motilal Oswal Asset Management (Mauritius) Private Limited

Motilal Oswal Broking and Distribution Limited (Formerly known as 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

#### (b) Other KMP

Mr. Prashant Joshi - CEO

Mr. Juzer Dalal - CFO

Ms. Aparna Karmase - Company Secretary (till October 31, 2022)

Ms. Tejashree Khona - Company Secretary (wef. November 1, 2022)

Mr. Navin Agrawal

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

Motilal Oswal Foundation

Motilal Oswal HUF

# Summary of material accounting policies and other explanatory information (Contd..)

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

## B. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March, 2024	Year ended 31 March, 2023
Investment Advisory Fees	Motilal Oswal Asset Management (Mauritius) Private Limited	37,447	43,832
Business Support expense	Motilal Oswal Asset Management Company Limited	27,775	32,918

Outstanding balances	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March, 2024	Year ended 31 March, 2023
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	15,931	13,937
Other Payables	Motilal Oswal Asset Management Company Limited	2,763	10,145

## NOTE 32 : RATIOS

S No.	Ratio	Formula	March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	31 March 2024	31 March 2023		
(a)	Current Ratio	Current Assets / Current Liabilities	9,19,836	15,680	8,74,197	19,206	58.66	45.52	29%	Due to increase in Investment in FY 24
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	43,807	8,91,215	33,696	8,47,408	0.05	0.04	24%	
(c)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	37,447	14,934	43,832	14,935	2.51	2.93	-15%	
(d)	Net Capital Turnover Ratio	Revenue / Average Working Capital	37,447	8,79,573	43,832	8,32,529	0.04	0.05	-19%	
(e)	Net Profit Ratio	Net Profit / Net Sales	43,807	37,447	33,696	43,832	1.17	0.77	52%	Due to increase in Interest Income & Investment MTM
(f)	Return on Capital Employed	EBIT / Capital Employed	58,095	9,04,370	45,029	8,55,204	0.06	0.05	22%	
(g)	Return on Investment	EBIT / Net Investment	58,095	3,57,266	45,029	2,75,975	0.16	0.16	0%	Due to Increase in MTM gain in current year

# Summary of material accounting policies and other explanatory information (Contd..)

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

## NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

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

**NOTE 34 :** 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 2024 and 31 March 2023.

**NOTE 35 :** Amounts below ₹ 50 have been rounded off and shown as "0"

**NOTE 36 :** Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

---

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

**S. Chandrasekhar**  
*Partner*  
Membership No.: 007592

Place : Mumbai  
Date : 24 April, 2024

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 : 24 April, 2024

**Navin Agarwal**  
*Director*  
DIN : 00024561

**Juzer Dalal**  
*Chief financial officer*

# **Motilal Oswal Trustee Company Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows 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 ('SA's) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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.

### 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 during the course of our 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. 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Independent Auditors' Report (Contd..)

The Company's 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 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 with reference to financial statements 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 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.
- 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 misstatement 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 effects 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.

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 financial year ended March 31, 2024 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, to the extent applicable.

## Independent Auditors' Report (Contd..)

- 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, Statement of Changes in Equity and the Statement of Cash Flow 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - 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, 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, 2024;
    - 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 during the year ended March 31, 2024;
  - iv. (a) The Management has represented that to the best of its 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, 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 to the best of its 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, 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 and according to the information and explanations provided to us by the management in this regard 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. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded

## Independent Auditors' Report (Contd..)

in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Singhi & Co.**

*Chartered Accountants*

Firm Registration No. 302049E

**S. Chandrasekhar**

*Partner*

Membership No. 007592

UDIN: 24007592BKHSYT4680

Place : Mumbai

Date: April 24, 2024

# Independent Auditors' Report (Contd..)

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

### ANNEXURE A

#### Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements' Section 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 Property, Plant and Equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (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 does not have any working capital limits 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), 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) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is 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 goods and service tax, provident fund, employees' state insurance, income 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, service tax, duty of customs, duty of excise and value added tax.
  - b) There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income 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) There are no statutory dues referred to in sub- clause (a) above which have not been deposited as on March 31, 2024, 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 during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (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 any fraud on the Company has been noticed or reported during the year.

## Independent Auditors' Report (Contd..)

- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, no whistle blower complaints has been received by the Company during the year.
- (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, 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) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.  
b) The Company has not conducted any Non- Banking Financial or Housing Finance Activities. Accordingly, clause 3 (xvi) (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 in 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.  
Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Directors report is expected to be made available to us after the date of this auditor's report.
- (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 reporting under 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: 24007592BKHSYT4680

Place : Mumbai  
Date: April 24, 2024

# Independent Auditors' Report (Contd..)

## ANNEXURE B

### 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' 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 with reference to the Financial Statements of **Motilal Oswal Trustee Company Limited** ("the Company") as of March 31, 2024 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 (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 Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference these financial statements 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference these financial statements 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 with reference these financial statements and their operating effectiveness. Our audit of internal financial controls with reference these financial statements included obtaining an understanding of internal financial controls with reference these financial statements, 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 with reference these financial statements.

#### Meaning of Internal Financial Controls with reference to these financial statements

A Company's internal financial control with reference these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference these financial statements 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 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.

# Independent Auditors' Report (Contd..)

## Inherent Limitations of Internal Financial Controls with reference to these financial statements

Because of the inherent limitations of internal financial controls with reference these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference these financial statements to future periods are subject to the risk that the internal financial control with reference these financial statements 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 with reference these financial statements were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### For Singhi & Co.

*Chartered Accountants*

Firm Registration No. 302049E

### S. Chandrasekhar

*Partner*

Membership No. 007592

UDIN: 24007592BKHSYT4680

Place : Mumbai

Date: April 24, 2024

# Balance Sheet

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

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>A. Non-current assets</b>			
a) Financial assets			
Investments	4	98,184	50,078
b) Non-current tax assets (net)	5	3,554	1,958
<b>Total non-current assets (A)</b>		<b>1,01,738</b>	<b>52,036</b>
<b>B. Current assets</b>			
a) Financial assets			
i) Trade receivables	6	5,746	3,235
ii) Cash and cash equivalents	7	277	15,679
b) Other current assets	8	569	338
<b>Total current assets (B)</b>		<b>6,592</b>	<b>19,252</b>
<b>TOTAL ASSETS (A+B)</b>		<b>1,08,330</b>	<b>71,288</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
Equity share capital	9	10,000	10,000
Other equity	10	85,970	57,163
<b>Total equity (A)</b>		<b>95,970</b>	<b>67,163</b>
<b>B. Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Deferred tax liabilities (net)	11	5,222	1,434
b) Provisions	12	735	329
<b>Total non-current liabilities (B)</b>		<b>5,957</b>	<b>1,763</b>
<b>2. Current liabilities</b>			
a) Financial liabilities			
Other financial liabilities	13	2,393	1,571
b) Other current liabilities	14	869	651
c) Provisions	15	3,141	140
<b>Total current liabilities (C)</b>		<b>6,403</b>	<b>2,362</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>1,08,330</b>	<b>71,288</b>

Summary of material accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

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

**For 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

**Niren Srivastava**  
Director  
DIN: 10399871

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

# Statement of Profit And Loss

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

Particulars	Note No.	For the year ended 31 March 2024	For the Year ended 31 March 2023
<b>REVENUE</b>			
1) Revenue from operations	16	34,426	32,345
2) Other income	17	35,096	627
<b>3) Total Income (1 + 2)</b>		<b>69,522</b>	<b>32,972</b>
<b>EXPENSES</b>			
(i) Employee benefit expense	18	19,863	10,447
(ii) Other expenses	19	16,306	15,177
<b>4) Total expenses</b>		<b>36,169</b>	<b>25,624</b>
<b>5) Profit/(loss) before tax (3 - 4)</b>		<b>33,353</b>	<b>7,348</b>
<b>Tax expense/(credit):</b>	20		
(i) Current tax		114	1,721
(ii) Deferred tax expense/(credit)		3,787	69
(iii) Short/(excess) provision for earlier years		444	–
<b>6) Total tax expenses (i+ii+iii)</b>		<b>4,345</b>	<b>1,790</b>
<b>7) Profit/(loss) for the period (5 - 6)</b>		<b>29,008</b>	<b>5,558</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(201)	(179)
<b>8) Other comprehensive income/(loss)</b>		<b>(201)</b>	<b>(179)</b>
<b>Total comprehensive income/(loss) for the period (7 + 8)</b>		<b>28,808</b>	<b>5,379</b>
<b>Earnings per equity share</b>			
Basic and diluted (in Rupees)	29	29.01	5.56
Face value per share (in Rupees)		10	10

Summary of material accounting policies and other explanatory information

The accompanying notes 1 to 36 form an integral part of the financial statements

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

**For 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

**Niren Srivastava**  
Director  
DIN: 10399871

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

# Statement of Cash Flow

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

Particulars	For the year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	33,353	7,348
Adjustment for		
Net (gain)/loss on fair value change of investments	(33,106)	(603)
Gratuity provision	(201)	(179)
<b>Operating profit/(loss) before working capital changes</b>	<b>47</b>	<b>6,566</b>
Adjustment for working capital changes :		
Increase/(Decrease) in long-term provision	1	(57)
Increase/(Decrease) in short-term provisions	3,406	(967)
Increase/(Decrease) in other financial liabilities	822	326
Increase/(Decrease) in other current liabilities	217	476
(Increase)/Decrease in trade receivables	(2,511)	(1,395)
(Increase)/Decrease in other current assets	(230)	(316)
<b>Net changes in working capital</b>	<b>1,705</b>	<b>(1,933)</b>
<b>Cash generated from operating activities</b>	<b>1,752</b>	<b>4,633</b>
Income taxes paid (net of refunds )	(2,154)	(3,087)
<b>Net cash flow (used in)/ generated from operating activities(A)</b>	<b>(402)</b>	<b>1,546</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of non-current investments	(15,000)	—
<b>Net cash flow (used in) investing activities (B)</b>	<b>(15,000)</b>	<b>—</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		
<b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>(15,402)</b>	<b>1,546</b>
Cash and cash equivalents at the beginning of the year	15,679	14,133
<b>Cash and cash equivalents at the end of the year (refer note 7)</b>	<b>277</b>	<b>15,679</b>
Balance with scheduled bank - In current account	277	15,679
<b>Cash and cash equivalents at the end of the year</b>	<b>277</b>	<b>15,679</b>

## 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

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

**Niren Srivastava**  
Director  
DIN: 10399871

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

# Statement of Changes in Equity

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

## (A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2023	1,00,000	10,000
Changes during the year	–	–
As at 31 March 2024	1,00,000	10,000

For 31 March 2024				
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 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

## (B) OTHER EQUITY

Particulars	Reserves and Surplus	
	31 March 2024	31 March 2023
Balance at the beginning of the reporting year	57,163	51,784
Profit for the year	29,008	5,558
Actuarial gain/(loss) on post retirement benefit plans	(201)	(179)
<b>Balance at the end of the reporting year</b>	<b>85,970</b>	<b>57,163</b>

Summary of material 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

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

**Niren Srivastava**  
Director  
DIN: 10399871

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

Place : Mumbai  
Date : 24 April 2024

# Summary of Material Accounting Policies and Other Explanatory Information

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

## NOTE : 1 CORPORATE INFORMATION

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

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

The financial statements were approved for issue by the company’s Board of Directors on 24 April 2024.

## NOTE : 2 MATERIAL 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:

- 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

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.

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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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

## **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

## **2.4. Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **Current tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted 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:

- 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

## Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 23.

## 2.7. 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
- 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## 3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

### (ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

### (iii) Derecognition

#### A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

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.

## 2.10. 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.

### (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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE : 3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 4 INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2024		As at 31 March 2023	
		Units	Amount	Units	Amount
<b>Investment in Mutual Funds measured at FVTPL (Unquoted)</b>					
Motilal Oswal Most Focused Multicap 35 Fund	Others	1,04,344.91	55,080	1,04,344.91	35,376
Motilal Oswal Most Focused Midcap 30 Fund (growth)	Others	48,141.68	43,104	26,623.80	14,702
<b>Total</b>			<b>98,184</b>		<b>50,078</b>

## NOTE : 5 NON CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted at source (Net of provision for income tax 31 March 2024 ₹ 114 ; 31 March 2023 ₹ 3,206)	3,554	1,958
<b>Total</b>	<b>3,554</b>	<b>1,958</b>

## NOTE : 6 TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Considered good - unsecured (refer note 6(ii))	5,746	3,235
<b>Total</b>	<b>5,746</b>	<b>3,235</b>

i) No trade are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## NOTE 6 (I) : RECEIVABLE AGEING SCHEDULE

For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
i) Undisputed Trade receivables – considered good	5,746	–	–	–	–	5,746
(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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## 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	3,235	–	–	–	–	3,235
(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 : 7 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks		
In current accounts	277	15,679
<b>Total</b>	<b>277</b>	<b>15,679</b>

## NOTE : 8 OTHER CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	137	187
Others	33	8
Balance With Government authorities	399	143
<b>Total</b>	<b>569</b>	<b>338</b>

## NOTE : 9 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,00,000	10,000	1,00,000	10,000
<b>Issued, Subscribed and fully Paid up</b>				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,00,000	10,000	1,00,000	10,000
	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>

### 9.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	1,00,000	10,000	1,00,000	10,000
Add: shares issued during the year	–	–	–	–
<b>At the end of the year</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## 9.2 Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited*	1,00,000	100%	1,00,000	100%
	<u>1,00,000</u>	<u>100%</u>	<u>1,00,000</u>	<u>100%</u>

\* includes beneficial ownership of 6 shares

## 9.3 Shares held by holding/promoter company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited	1,00,000	100%	1,00,000	100%
	<u>1,00,000</u>	<u>100%</u>	<u>1,00,000</u>	<u>100%</u>

## 9.4 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

9.5 The company has not issued any bonus shares for consideration other than cash nor there been any buybacks of shares during five years immediately preceding 31 March 2024.

## NOTE : 10 OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Surplus in the statement of profit and loss</b>		
Balance at beginning of the year	57,315	51,757
Add: Transfer from Statement of Profit and Loss	29,008	5,558
<b>Balance at the end of year</b>	<b>86,323</b>	<b>57,315</b>
<b>b) Retained Earnings</b>		
Balance at beginning of the year	(152)	27
Add: Actuarial gain/(loss) on post retirement benefit plans	(201)	(179)
<b>Balance as at the end of the year</b>	<b>(353)</b>	<b>(152)</b>
<b>Total</b>	<b>85,970</b>	<b>57,163</b>

## Nature and Purpose of Reserves

### Retained earnings

Retained earnings pertains to the accumulated earnings/losses made by the company over the years.

## NOTE : 11 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax asset/(liabilities) arising on account of:</b>		
Loss on mutual fund investment measured at FVTPL	5,222	1,434
<b>Deferred tax assets/(liabilities) (net)</b>	<b>5,222</b>	<b>1,434</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 12 PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity unfunded	735	329
<b>Total</b>	<b>735</b>	<b>329</b>

## NOTE : 13 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Other Payables	2,393	1,571
<b>Total</b>	<b>2,393</b>	<b>1,571</b>

## NOTE : 14 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Withholding and other taxes payable	869	651
<b>Total</b>	<b>869</b>	<b>651</b>

## NOTE : 15 PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity payable	1	0
Ex-gratia payable	3,000	–
Compensated absences	140	140
<b>Total</b>	<b>3,141</b>	<b>140</b>

## NOTE : 16 FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Trusteeship fees	34,426	32,345
<b>Total</b>	<b>34,426</b>	<b>32,345</b>

## NOTE : 17 OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on mutual fund investment measured at FVTPL	33,106	603
Interest income on income tax refund	64	24
Other Non-Operating Income	1,926	–
<b>Total</b>	<b>35,096</b>	<b>627</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 18 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowances	19,575	9,791
Employers contribution to P.F	87	549
Staff welfare expenses	–	14
Gratuity	201	93
<b>Total</b>	<b>19,863</b>	<b>10,447</b>

## NOTE : 19 OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and professional fees	1,971	617
Auditors remuneration (Refer Note no. 27)	296	297
Director's fees, allowances and expenses	14,000	14,000
Miscellaneous expenses	39	263
<b>Total</b>	<b>16,306</b>	<b>15,177</b>

## NOTE : 20.1 TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	114	1,721
Tax adjustment in respect of earlier years	444	–
<b>Total current tax expense</b>	<b>558</b>	<b>1,721</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	3,787	69
<b>Net deferred tax expense</b>	<b>3,787</b>	<b>69</b>
<b>Tax expense for the year</b>	<b>4,345</b>	<b>1,790</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 20.2 TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Profit/(loss) before income tax expense</b>	<b>33,353</b>	<b>7,348</b>
Tax at the rate of 25.17% (for 31 March 2023 - 25.17%)	8,394	1,850
<b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b>		
Net gain/(loss) on mutual fund investment measured at FVTPL	(8,332)	(152)
Tax adjustment of previous years	444	
<b>Deferred tax on account of :</b>		
Tax impact due to Gratuity	52	23
Tax impact due to net gain/(loss) on mutual fund investment measured at FVTPL	3,787	69
<b>Income tax expense</b>	<b>4,345</b>	<b>1,790</b>

The Company has elected to exercise the option permitted under section 115BAA of income tax Act 1961 as introduced by the Taxation laws (Amendment) ordinance, 2019 for the current financial year. The tax rate applicable to the company for the current financial year is 25.17%

## NOTE : 20.3

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax liabilities on account of:</b>		
Unrealised gain/(loss)	5,222	1,434
<b>Total deferred tax liabilities</b>	<b>5,222</b>	<b>1,434</b>
<b>Net deferred tax liabilities</b>	<b>5,222</b>	<b>1,434</b>

## NOTE : 20.4 DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2024	Recognised through profit and loss	As at 31 March 2023	Recognised through profit and loss
<b>Deferred tax liabilities on account of:</b>				
Unrealised loss	5,222	3,787	1,434	69
<b>Total deferred tax liabilities</b>	<b>5,222</b>	<b>3,787</b>	<b>1,434</b>	<b>69</b>
<b>Total deferred tax Assets/(liabilities) (net)</b>	<b>5,222</b>	<b>3,787</b>	<b>1,434</b>	<b>69</b>

## NOTE : 21 CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE: 22 REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company acts as the Trustee to Motilal Oswal Mutual Fund. The company earns Trusteeship fees from Motilal Oswal Mutual Fund.

### a) Disaggregation of revenue

#### Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total Revenue from contracts with customers- Trustee Fees</b>	<b>34,426</b>	<b>32,345</b>
<b>Geographical Markets</b>		
India	34,426	32,345
Outside India	-	-
<b>Total Revenue from contracts with customers</b>	<b>34,426</b>	<b>32,345</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	34,426	32,345
Services transferred over time	-	-
<b>Total Revenue from contracts with customers</b>	<b>34,426</b>	<b>32,345</b>

### b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2024 is ₹ 5,746 hundreds, 31 March 2023 is ₹ 3,235 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 23 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
<b>31 March 2024</b>							
<b>Financial assets</b>							
Cash and cash equivalents	–	277	277	–	–	–	–
Trade receivables	–	5,746	5,746	–	–	–	–
Investments	98,184	–	98,184	98,184	–	–	98,184
<b>Total Financial Assets</b>	<b>98,184</b>	<b>6,023</b>	<b>1,04,207</b>	<b>98,184</b>	<b>–</b>	<b>–</b>	<b>98,184</b>
<b>Financial Liabilities</b>							
Provision	–	3,141	3,141	–	–	–	–
Other financial liabilities	–	2,393	2,393	–	–	–	–
<b>Total Financial Liabilities</b>	<b>–</b>	<b>5,534</b>	<b>5,534</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31 March 2023</b>							
<b>Financial assets</b>							
Cash and cash equivalents	–	15,679	15,679	–	–	–	–
Trade receivables	–	3,235	3,235	–	–	–	–
Investments	50,078	–	50,078	50,078	–	–	50,078
<b>Total Financial Assets</b>	<b>50,078</b>	<b>18,914</b>	<b>68,992</b>	<b>50,078</b>	<b>–</b>	<b>–</b>	<b>50,078</b>
<b>Financial Liabilities</b>							
Provision	–	140	140	–	–	–	–
Other financial liabilities	–	1,571	1,571	–	–	–	–
<b>Total Financial Liabilities</b>	<b>–</b>	<b>1,711</b>	<b>1,711</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in Mutual funds only which have been categorised into level 1 of fair value hierarchy.

## III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

### Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

## NOTE : 24 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. 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 2024	As at 31 March 2023
Upto 3 months	5,746	3,235
3 - 6 months	—	—
6 - 12 months	—	—
More than 12 months	—	—
<b>Total</b>	<b>5,746</b>	<b>3,235</b>
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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### (i) Maturities of non-derivative financial liabilities

As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other payables	2,393	–	–	2,393
<b>Total</b>	<b>2,393</b>	<b>–</b>	<b>–</b>	<b>2,393</b>

As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Other payables	1,571	–	–	1,571
<b>Total</b>	<b>1,571</b>	<b>–</b>	<b>–</b>	<b>1,571</b>

## (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 2024	31 March 2023
Impact on profit before tax for 1% increase in NAV/price	982	501
Impact on profit before tax for 1% decrease in NAV/Price	(982)	(501)

## NOTE 25 DUE TO MICRO AND SMALL ENTERPRISES

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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	—	—
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	—	—
<b>The balance of MSMED parties as at the year end</b>	<b>—</b>	<b>—</b>

## NOTE : 26 EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:

### Defined contribution plan:

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employers' contribution to provident fund	87	549

### Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>I) Actuarial assumptions</b>		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	6.97%	7.26%
Rate of escalation in salary (per annum)	7.28%	6.50%
Expected rate of return on plan assets (per annum)		
Employee attrition rate (past service)	PS: 0 to 40 : 0%	PS: 0 to 37 : 0%
Employee average remaining service	18.44	21.36

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>I) Changes in present value of obligations (PVO)</b>		
PVO at beginning of period	330	58
Interest cost	24	3
Current service cost	177	89
Transfer in liabilities	5	–
Transfer out liabilities	–	–
Past service cost - (non vested benefits)	–	–
Past service cost - (vested benefits)	–	–
Benefits paid	–	–
Contributions by plan participants	–	–
Business combinations	–	–
Curtailments	–	–
Settlements	–	–
Actuarial (gain)/loss on obligation	201	179
PVO at end of period	737	330
<b>II) Interest expense</b>		
Interest cost	24	3
<b>III) Fair value of plan assets</b>		
Fair value of plan assets at the beginning	–	–
Interest income	–	–
<b>IV) Net liability</b>		
PVO at beginning of period	330	58
Fair value of the assets at beginning report	–	–
Net Liability	330	58
<b>V) Net Interest</b>		
Interest expenses	24	3
Interest income	–	–
Net interest	24	3
<b>VI) Actual return on plan assets</b>		
Less Interest income included above	–	–
Return on plan assets excluding interest income	–	–
<b>VII) Actuarial (gain)/loss on obligation</b>		
Due to demographic assumption	–	138
Due to financial assumption	124	(27)
Due to experience	77	68
Total actuarial (gain)/loss	201	179

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>VIII) Fair value of plan assets</b>		
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	—	—
<b>IX) Past service cost recognised</b>		
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	—	—
<b>X) Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
PVO at end of period	737	330
Fair value of plan assets at end of period		
Funded Status	(737)	(330)
Net asset/(liability) recognized in the balance sheet	(737)	(330)
<b>XI) Expense recognised in the statement of profit and loss</b>		
Current service cost	177	89
Net interest	24	3
Past service cost - (non vested benefits)	—	—
Past service cost - (vested benefits)	—	—
Transfer in liabilities	—	—
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	201	93
<b>XII) Other comprehensive income (OCI)</b>		
Actuarial (gain)/loss recognized for the period	201	179
Asset limit effect	—	—
Return on plan assets excluding net interest	—	—
Unrecognized actuarial (gain)/loss from previous period	—	—
Total actuarial (gain)/loss recognized in (OCI)	201	179

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>XIII ) Movement in liability recognized in balance sheet</b>		
Opening net liability	330	58
Adjustment to opening balance	–	–
Transfer in liabilities	5	–
Transfer out liabilities	–	–
Expenses as above	201	93
Contribution paid	–	–
Other comprehensive income(OCI)	201	179
Closing net liability	737	330
<b>XIV) Schedule III of The Companies Act 2013</b>		
Current liability	1	0
Non-current liability	735	329
<b>XV) Projected service cost 31 March 2025</b>		
	394	177

## XVI) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate	
	PVO DR +1%	PVO DR -1%	PVO DR -1%	PVO ER -1%
PVO	620	877	874	620

## 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	1	1	1	2	2	17

## XVIII) Asset liability comparisons

Year	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
PVO at end of period	–	–	58	330	737
Plan assets	–	–	–	–	–
Surplus / (deficit)	–	–	(58)	(330)	(737)
Experience adjustments on plan assets	–	–	–	–	–

	Mar-24	Mar-23
Weighted average remaining duration of defined benefit obligation	18.44	21.36

## NOTE : 27 AUDITORS' FEES (EXCLUSIVE OF TAXES)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	220	220
Out of pocket expenses	76	77
<b>Total</b>	<b>296</b>	<b>297</b>

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 29 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(loss) attributable to equity shareholders	29,008	5,558
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Nominal value per share (in Rupees)	10	10
<b>Earnings/(loss) per share (Basic and diluted) (in Rupees)</b>	<b>29.01</b>	<b>5.56</b>

## 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

#### (ii) Fellow subsidiaries:

Motilal Oswal Finvest Limited

Motilal Oswal Asset Management Company Limited

Motilal Oswal Alternate Investment Advisors 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

Motilal Oswal Asset Management (Mauritius) Private Limited

Motilal Oswal Capital Limited

Motilal Oswal Broking and Distribution Limited (Formerly known as Glide Tech Investment Advisors Private Limited)

Motilal Oswal Finsec IFSC Private Limited

#### (iii) Key Management Personnel (KMP)

##### (a) Non-executive directors

Mr. Viraj Kulkarni

Mr. Sandip Ghose

Mr. Vijay Kumar Agarwal

##### (b) Executive directors

Mr. Vishal Tulsyan (Upto 07 March, 2023)

Mr. Sharad Mittal (Upto 04 December, 2023)

Mr. Niren Nandan Srivastava (w.e.f. 05 December, 2023)

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## B. Transactions and balances with related parties

Nature of transactions (Director Sitting Fees)	Name of the Related party	Key Managerial Personnel / Relative of KMP (B)	
		Year ended 31 March 2024	Year ended 31 March 2023
Mr. Viraj Kulkarni	Non-executive directors	4,000	4,000
Mr. Sandip Ghose	Non-executive directors	5,000	5,000
Mr. Vijay Agarwal	Non-executive directors	5,000	5,000

## NOTE : 31 RATIOS

(All amounts are in ₹ Hundred, unless otherwise stated)

S No.	Ratio	Formula	31 March 2024		31 March 2023		Ratio as on 31 March 2024	Ratio as on 31 March 2023	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator				
(a)	Current Ratio	Current Assets / Current Liabilities	6,592	6,403	19,252	2,362	1.03	8.15	-87%	Cash and cash equivalent was higher in previous year
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	29,008	95,970	5,558	67,163	0.30	0.08	265%	Increase in MTM gain in current year
(c)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	34,426	4,490	32,345	2,537	7.67	12.75	-40%	Increase in Management fees in FY 24
(d)	Net Capital Turnover Ratio	Revenue / Average Working Capital	34,426	8,539	32,345	15,014	4.03	2.15	87%	Cash and cash equivalent was higher in previous year
(e)	Net Profit Ratio	Net Profit / Net Sales	29,008	34,426	5,558	32,345	0.84	0.17	390%	Increase in MTM gain in current year
(f)	Return on Capital Employed	EBIT / Capital Employed	33,353	1,01,927	7,348	68,925	0.33	0.11	207%	Increase in MTM gain in current year
(g)	Return on Investment	EBIT / Net Investment	33,353	98,184	7,348	50,078	0.34	0.15	132%	Increase in MTM gain in current year

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ Hundred, unless otherwise stated)

## NOTE : 32 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at the balance sheet date.

## NOTE : 33 UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2024.

## NOTE : 34 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 2024 and 31 March 2023.

## NOTE : 35

Amounts below ₹ 50 have been rounded off and shown as "0"

## NOTE : 36

Previous Year's figures have been regrouped/reclassified wherever necessary to confirm to current year's classification.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.: 302049E

**S. Chandrasekhar**  
Partner  
Membership No.: 007592

Place : Mumbai  
Date : 24 April 2024

For and on behalf of the Board of Directors  
**Motilal Oswal Trustee Company Limited**

**Sandeep Ghose**  
Director  
DIN : 07482589

Place : Mumbai  
Date : 24 April 2024

**Niren Srivastava**  
Director  
DIN: 10399871

Place : Mumbai  
Date : 24 April 2024

---

# **Motilal Oswal Commodities Broker Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

To,  
The Members  
Motilal Oswal Commodities Broker Private Limited,

## Report on audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of Motilal Oswal Commodities Broker Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of cash flows and the 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 standalone 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, 2024, and Loss including other comprehensive income, its cash flows and the changes in equity for the period ended on March 31, 2024.

### Basis for Opinion

We conducted our audit of the standalone financial statement 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 Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone 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
<p>Legal &amp; Regulatory Risk: Following default at NSEL in 2012 and initial investigations by Economic Offences Wing (EOW) and complaints received from investors against the broker of the now defunct spot exchange, NSEL and EOW in March and April 2015 had requested SEBI to take appropriate actions. However, In EOW report there was no allegation against MOCBPL.</p> <ul style="list-style-type: none"> <li>– In this matter, SEBI has issued Show Cause Notice to Motilal Oswal Commodities Broking Pvt. Ltd. (MOCBPL, the company) in financial year i.e. 2017-18 relating to NSEL Scam, for which management has replied accordingly.</li> <li>– SEBI vide its order dated 22nd February 2019, rejected MOCBPL's registration application on the grounds that it is not fit and proper person to hold, directly or indirectly, the certificate of registration as commodity derivatives broker.</li> </ul>	<p>Following are the areas where risks are assessed &amp; procedures were followed.</p> <ol style="list-style-type: none"> <li><b>1. Recording of Receivables &amp; Dues - NSEL:</b> After scrutinizing the books of accounts &amp; discussion with the management it has been found that the amounts receivable from NSEL (Exchange) &amp; due to the clients have direct nexus and MOCBPL has the role of a broker only. Hence, the amount receivable from Exchange has not been provided for Doubtful debts as they are directly payable to the Clients.</li> <li><b>2. Impact of SEBI order on the MOCBPL business:</b> The Company has already ceased its Commodity Broking business from April'18. Also, the order of SEBI signifies that MOCBPL's registration application as Commodities Broker may be rejected; however the management doesn't plan to continue its Commodities Broking business under the company (MOCBPL). The company has also filed an appeal against the order of SEBI before the Securities Appellate Tribunal (SAT) &amp; the same is currently pending.</li> <li><b>3.</b> The company may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts.</li> </ol>

# Independent Auditors' Report (Contd..)

Key audit matter	How our audit addressed the key audit matter
	<p>Our procedures with respect to approaching the KAM:</p> <ul style="list-style-type: none"><li>– <b>Enquiring with Accounts &amp; Finance Team:</b> We have discussed with Finance team, Management &amp; have scrutinized books of accounts.</li><li>– Assessing management's conclusions &amp; ensuring that updates regarding the matter are informed to us on timely basis.</li></ul> <p>Our results: Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.</p>

## 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, 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 standalone 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 standalone 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,

## Independent Auditors' Report (Contd..)

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid Remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 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, in electronic mode 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 Cash Flow Statement and the statement of change in equity 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 read with rules as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) a) 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 persons or entities, 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;

## Independent Auditors' Report (Contd..)

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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; and
- c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.
- (v) The company does not declared any interim and final dividend during the year.
- (vi) Audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**For Aneel Lasod and Associates**

*Chartered Accountants*

Firm Registration No.:- 124609W

**Aneel Lasod**

*(Partner)*

M.No:-040117

UDIN: -----

**Place:** Mumbai

**Date:** 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE "A" REFERRED TO IN PARAGRAPH 2 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. Property, Plant & Equipment and Intangible assets:

- 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 intangibles 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 does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) during the year.
- d. The Company has not revalued its Property, Plant, Equipment (including rights of use assets) or intangible assets during the year.
- e. 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:

- a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

### 3. Investment or Guarantee or Granting any Loan or Advances:

- a) The company does not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The company has not made any investments during the year.
- b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- d) No loan granted by the Company 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) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

### 4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

### 5. Deposits from Public:

In our opinion and according to the information and explanations given to us, The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

### 6. Cost Records:

The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

### 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

# Independent Auditors' Report (Contd..)

Tax, Service Tax, Goods and Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

There were 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, 2024 for a period of more than six months from the date they became payable.

The dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, Custom duty, Excise duty, value added tax, cess, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any disputes are as below:

Name of the statute	Nature of the dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	556.50	2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	296.31	2014-15	CIT (A)

## 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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:

- 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.
- 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.

## 11. Fraud:

- Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- 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.
- 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:

## Independent Auditors' Report (Contd..)

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 as required by the applicable accounting standards.

### 14. Internal Audit:

According to the information and explanations given to us, provisions relating to internal audit system not applicable to the company. Hence, reporting under paragraph 3(xiv)(a) and (b) of the Order is not applicable.

### 15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

### 16. 45-IA of RBI Act, 1934:

- a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. 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 paragraph 3(xvi)(d) of the Order 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 but in immediately preceding financial year there was a cash loss of Rs. 6,84,341/-

### 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. 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.

### 20. CSR Compliance:

Section 135(1) relating to corporate social responsibility were not applicable to the company. 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

UDIN: -----

Place: Mumbai

Date: 23-04-2024

# Independent Auditors' Report (Contd..)

## ANNEXURE B TO THE AUDITORS' REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Motilal Oswal Commodities Broker Private Limited of even date)

### **Report on the Internal Financial Controls with reference to standalone financial statements 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 **Motilal Oswal Commodities Broker Private Limited** ('the Company') as of 31 March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Independent Auditors' Report (Contd..)

## 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, 2024, 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

UDIN: -----

Place: Mumba

Date: 23-04-2024

# Balance Sheet

(All amounts are in ₹ hundred, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	4	333,078	56,437
(b) Bank balance other than (a) above	5	29,302	4,578
(c) Receivables			
(I) Trade Receivables	6	25,402,488	25,402,488
(d) Loans	7	4,165	4,165
(e) Other financial assets	8	188,713	188,714
<b>Total financial assets (A)</b>		<b>25,957,746</b>	<b>25,656,382</b>
<b>2. Non-financial assets</b>			
(a) Current tax assets (net)	9	56,590	95,791
(b) Deferred tax assets (net)	10	27,301	27,481
(d) Property, plant and equipment	11	941	2,907
(f) Other intangible assets	11	12	12
(g) Other non-financial assets	12	642,084	641,884
<b>Total non-financial assets (B)</b>		<b>726,928</b>	<b>768,075</b>
<b>Total Assets (A+B)</b>		<b>26,684,674</b>	<b>26,424,457</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>1. Financial liabilities</b>			
<b>(a) Payables</b>			
<b>(I) Trade Payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	13	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		219,327	303,009
<b>(II) Other Payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		24,575,525	24,575,525
(b) Borrowings (Other than Debt securities)	14	361,501	10,000
(c) Other financial liabilities	15	652,779	653,267
<b>Total financial liabilities (A)</b>		<b>25,809,132</b>	<b>25,541,801</b>

## Balance Sheet (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>2. Non - financial liabilities</b>			
(a) Other non - financial liabilities	16	136	136
<b>Total non-financial liabilities (B)</b>		<b>136</b>	<b>136</b>
<b>3. Equity</b>			
(a) Equity share capital	17	41,004	41,004
(b) Other equity	18	834,402	841,516
<b>Total equity (C)</b>		<b>875,406</b>	<b>882,520</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>26,684,674</b>	<b>26,424,457</b>

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

**For Aneel Lasod and Associates**

*Chartered Accountants*

Firm Registration No. 124609W

**Aneel Lasod**

*Partner*

**M.No.40117**

Place : Mumbai

Date : 23 April, 2024

For and on behalf of the Board of

**Motilal Oswal Commodities Broker Private Limited**

CIN NO:-U65990MH1991PTC060928

**Parag Hindalekar**

*Director*

DIN : 09613247

Place : Mumbai

Date : 23 April, 2024

**Subhash Earath**

*Director*

DIN : 09613071

# Statement of Profit And Loss

(All amounts are in ₹ hundred, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>1) Income:</b>			
<b>(a) Revenue from operations</b>			
(a) Interest income	19	25,206	296
<b>Total revenue from operations</b>		<b>25,206</b>	<b>296</b>
<b>(b) Other income</b>	20	–	92
<b>Total income (a+b) (1)</b>		<b>25,206</b>	<b>388</b>
<b>2) Expenses:</b>			
(a) Finance costs	21	30,676	117
(b) Employee benefit expense	22	19	(3,637)
(c) Depreciation and amortisation expense	23	91	94
(d) Other expenses	24	1,356	3,505
<b>Total expenses (2)</b>		<b>32,142</b>	<b>79</b>
<b>3) Profit before tax (3) = (1) - (2)</b>		<b>(6,934)</b>	<b>309</b>
<b>4) Tax expenses / (credit)</b>			
(a) Deferred tax expenses / (credit)		179	1,173
<b>Total tax expenses (4)</b>		<b>179</b>	<b>1,173</b>
<b>5) Profit for the period (5) = (3)-(4)</b>		<b>(7,114)</b>	<b>(864)</b>
<b>6) Total comprehensive income (6)=(5)</b>		<b>(7,114)</b>	<b>(864)</b>

This is the Statement of Profit & Loss referred to in our report of even date

**For Aneel Lasod and Associates**  
Chartered Accountants  
Firm Registration No. 124609W

**Aneel Lasod**  
Partner  
M.No.40117

Place : Mumbai  
Date : 23 April, 2024

For and on behalf of the Board of  
**Motilal Oswal Commodities Broker Private Limited**  
CIN NO:-U65990MH1991PTC060928

**Parag Hindalekar**  
Director  
DIN : 09613247

Place : Mumbai  
Date : 23 April, 2024

**Subhash Earath**  
Director  
DIN : 09613071

# Cash Flow Statement

(All amounts are in ₹ hundred, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from Operating Activities :</b>		
Profit before taxation	(6,934)	309
<b>Adjustments for :</b>		
Depreciation, amortisation and impairment	91	94
Gratuity	—	(3,647)
	<b>91</b>	<b>(3,553)</b>
<b>Operating profit before Working Capital changes</b>	<b>(6,843)</b>	<b>(3,244)</b>
<b>Adjustments for Working Capital changes</b>		
(Increase) / decrease in trade receivables	—	—
(Increase) / decrease in other financial assets	(24,724)	138
(Increase) / decrease in other non financial asset	(199)	(163)
Increase / (Decrease) in Trade Payables	(83,682)	(39,339)
Increase / (Decrease) in other financial liabilities	(488)	33,620
Increase / (Decrease) in Borrowings	351,500	10,000
	<b>242,407</b>	<b>4,257</b>
<b>Net change in working capital</b>	<b>242,407</b>	<b>4,257</b>
<b>Cash generated from / (used in) Operations</b>	<b>235,564</b>	<b>1,013</b>
Direct taxes paid	39,201	(29)
	<b>274,765</b>	<b>984</b>
<b>Net cash generated from / (used in ) operating activities (A)</b>	<b>274,765</b>	<b>984</b>
<b>B. Cash flow from Investing Activities :</b>		
Purchase of fixed assets	1,875	—
	<b>1,875</b>	<b>—</b>
<b>Net Cash generated from / (used in) Investing Activities (B)</b>	<b>1,875</b>	<b>—</b>
<b>C. Cash flow from financing activities</b>	<b>—</b>	<b>—</b>
<b>D. Net increase / (decrease) in cash and cash equivalents ( A + B + C)</b>	<b>276,640</b>	<b>984</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		
Cash in hand	180	180
Scheduled bank - In current account	22,757	21,773
Fixed Deposit with Banks	33,500	33,500
	<b>56,437</b>	<b>55,454</b>
<b>Total ( E )</b>	<b>56,437</b>	<b>55,454</b>
<b>F. Cash and cash equivalents at the end of the year :</b>		
Cash in hand	180	180
Scheduled bank - In current account	22,757	22,757
Fixed Deposit with Banks	310,140	33,500
	<b>333,077</b>	<b>56,437</b>
<b>Total ( F )</b>	<b>333,077</b>	<b>56,437</b>

This is the Cash flow Statement referred to in our report of even date

**For Aneel Lasod and Associates**  
Chartered Accountants  
Firm Registration No. 124609W

**Aneel Lasod**  
Partner  
M.No.40117

Place : Mumbai  
Date : 23 April, 2024

For and on behalf of the Board of  
**Motilal Oswal Commodities Broker Private Limited**  
CIN NO:-U65990MH1991PTC060928

**Parag Hindalekar**  
Director  
DIN : 09613247

**Subhash Earath**  
Director  
DIN : 09613071

Place : Mumbai  
Date : 23 April, 2024

# Statement of Changes in Equity

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in ₹ hundred, unless otherwise stated)

### SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
<b>As at 1st April 2022</b>	410,044	41,004
Add / Less: Changes due to prior period errors	–	–
<b>Restated as at 01 April 2022</b>	410,044	41,004
Changes during the year	–	–
<b>As at 31 March 2023</b>	410,044	41,004
Add / Less: Changes due to prior period errors	–	–
<b>As at 1 April 2023</b>	410,044	41,004
Changes during the year	–	–
<b>As at 31 March 2024</b>	<b>410,044</b>	<b>41,004</b>

### OTHER EQUITY

Particulars	Reserves and Surplus				Total
	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	
<b>Balance as at 01 April 2022</b>	60,000	2,000	772,516	7,864	842,380
Add / Less: Changes due to prior period errors	–	–	–	–	–
<b>Restated balance as at 01 April 2022</b>	60,000	2,000	772,516	7,864	842,380
Addition during the year	–	–	–	–	–
Profit during the year	–	–	(864)	–	(864)
Actural gain / (loss) during the year (net of tax)	–	–	–	–	–
<b>Balance as at 31 March 2023</b>	60,000	2,000	771,652	7,864	841,516
Add / Less: Changes due to prior period errors	–	–	–	–	–
<b>Restated balance as at 01 April 2023</b>	60,000	2,000	771,652	7,864	841,516
Addition during the year	–	–	–	–	–
Profit during the year	–	–	(7,114)	–	(7,114)
Actural gain / (loss) during the year (net of tax)	–	–	–	–	–
<b>Closing balance as at 31 March 2024</b>	<b>60,000</b>	<b>2,000</b>	<b>764,538</b>	<b>7,864</b>	<b>834,402</b>

**For Aneel Lasod and Associates**  
Chartered Accountants  
Firm Registration No. 124609W

**Aneel Lasod**  
Partner  
M.No.40117

Place : Mumbai  
Date : 23 April, 2024

For and on behalf of the Board of  
**Motilal Oswal Commodities Broker Private Limited**  
CIN NO:-U65990MH1991PTC060928

**Parag Hindalekar**  
Director  
DIN : 09613247

Place : Mumbai  
Date : 23 April, 2024

**Subhash Earath**  
Director  
DIN : 09613071

# Summary of Material Accounting Policies and Other Explanatory Information

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 1 : CORPORATE INFORMATION

The company is a registered commodities broker on Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL) and is primarily engaged in the business of providing commodities markets related transaction services. The company is also engaged in the business of proprietary trading in commodities.

The company has surrendered its license from Multi Commodity Exchange of India Limited (MCX) vide member id 29500 and membership number MCX/TCM/CORP/0725, date of registration 24th February, 2006 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX) vide member id 00114 and membership number NCDEX/TCM/CORP/0033, date of registration 9th January 2004 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (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.

## NOTE 2 : MATERIAL 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 2024 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

### 2.2. Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in note xx, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

## 2.3. Financial assets

### (i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

#### Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**Fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**Fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

## 2.4. Financial liabilities

### (i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### (ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.5. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

### (i) Brokerage fee income

It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

### (ii) Interest income

Interest income is recognized using the effective interest rate.

### (iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

### (iv) Fees and commission income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognized on accrual basis over the life of the instrument.

## 2.6. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## Current Taxes

Provision for current tax is made on the basis of estimated taxable income of the accounting year in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## 2.7. Brokerage Sharing with Intermediaries

Brokerage sharing with intermediaries is charged to Statement of Profit and Loss on accrual basis.

## 2.8. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

## Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

## 2.11. Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## 2.12. Inventories

Commodities are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of commodity. Cost is considered on weighted average basis.

Financial instruments held as inventory are measured at fair value through profit or loss.

## 2.13. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

## 2.14. Employee benefits

### (i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

### (ii) Post-employment obligations

#### Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

#### Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

## 2.15. Share-based payments

### Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## 2.16. Contributed Equity

### Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.18. Earnings per share

### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

### b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

## 2.19. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 3.1 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Stock based compensation – The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

## NOTE 3.2 : 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Cash on hand	180	180
<b>Balances with banks</b>		
In current accounts	22,757	22,757
Fixed deposit with bank (maturity within 3 months)	310,141	33,500
<b>TOTAL</b>	<b>333,078</b>	<b>56,437</b>

## NOTE 5 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Fixed deposit (maturity more than 12 months)	29,302	4,578
<b>TOTAL</b>	<b>29,302</b>	<b>4,578</b>

## NOTE 6 : RECEIVABLES

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
<b>(i) Trade receivables</b>		
Secured, considered good	–	–
Unsecured, considered good	25,455,610	25,455,610
Less : Allowances for impairment losses	(53,122)	(53,122)
	<b>25,402,488</b>	<b>25,402,488</b>
<b>TOTAL</b>	<b>25,402,488</b>	<b>25,402,488</b>

**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 2024

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	–	–	–	–	407,950	<b>407,950</b>
(ii) Undisputed Trade receivables– which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables– credit impaired	–	–	–	–	–	–
(iv) Disputed Trade receivables– considered good	–	–	–	–	24,994,538	<b>24,994,538</b>
(v) Disputed Trade receivables– which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables– credit impaired	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

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	–	–	–	–	407,950	407,950
(ii) Undisputed Trade receivables– which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables– credit impaired	–	–	–	–	–	–
(iv) Disputed Trade receivables– considered good	–	–	–	–	24,994,538	24,994,538
(v) Disputed Trade receivables– which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables– credit impaired	–	–	–	–	–	–

## NOTE 7 : LOANS

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
<b>(A) Loans– At amortised cost</b>		
Loans to employees	4,165	4,165
<b>Total (A) Gross</b>	<b>4,165</b>	<b>4,165</b>
Less : Impairment loss allowance	–	–
<b>TOTAL (A) NET</b>	<b>4,165</b>	<b>4,165</b>

## NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Rent, electricity, and other deposits	696	696
Deposits with exchange and other receivables	187,574	187,574
Interest accrued but not due	2	2
Securities in trade	441	441
<b>TOTAL</b>	<b>188,713</b>	<b>188,714</b>

## NOTE 9 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Advance tax and tax deducted at source (net of provisions)	56,590	95,791
<b>TOTAL</b>	<b>56,590</b>	<b>95,791</b>

## NOTE 10 : DEFERRED TAX (NET)

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Deferred tax assets	27,301	27,481
<b>Net DTA / DTL</b>	<b>27,301</b>	<b>27,481</b>
<b>NET DEFERRED TAX ASSETS</b>	<b>27,301</b>	<b>27,481</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 11 : PROPERTY PLANT AND EQUIPMENTS

### For the year 2023-24

Particulars	GROSS BLOCK			Accumulated depreciation / amortization				NET BLOCK		
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Balance as at 31 March 2024
<b>Property, plant and equipment</b>										
Buildings	73,720	–	–	73,720	73,674	–	–	73,674	46	46
Plant and machinery	2,588	–	–	2,588	2,427	15	–	2,442	161	146
Furniture and fixtures	1,149	–	–	1,149	1,108	–	–	1,108	40	40
Vehicles	819	–	–	819	476	76	–	552	343	267
Office equipments	3,577	–	285	3,292	3,398	–	271	3,127	179	165
Computers	56,827	–	50,943	5,884	54,690	–	49,083	5,607	2,138	277
<b>Total (A)</b>	<b>138,680</b>	<b>–</b>	<b>51,228</b>	<b>87,452</b>	<b>135,773</b>	<b>91</b>	<b>49,354</b>	<b>86,510</b>	<b>2,907</b>	<b>941</b>
<b>Intangible assets under development</b>										
<b>Total (B)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Intangible assets</b>										
Computer software	49,820	–	–	49,820	49,808	–	–	49,808	12	12
<b>Total (B)</b>	<b>49,820</b>	<b>–</b>	<b>–</b>	<b>49,820</b>	<b>49,808</b>	<b>–</b>	<b>–</b>	<b>49,808</b>	<b>12</b>	<b>12</b>
<b>Total (A) + (B)</b>	<b>188,500</b>	<b>–</b>	<b>51,228</b>	<b>137,272</b>	<b>185,581</b>	<b>91</b>	<b>49,354</b>	<b>136,318</b>	<b>2,919</b>	<b>953</b>

### For the year 2022-23

Particulars	GROSS BLOCK			Accumulated depreciation/ amortization				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 01 April 2022	Balance as at 31 March 2023
<b>Property, plant and equipment</b>										
Buildings	73,720	–	–	73,720	73,674	–	–	73,674	46	46
Plant and machinery	2,588	–	–	2,588	2,412	15	–	2,427	176	161
Furniture and fixtures	1,149	–	–	1,149	1,108	–	–	1,108	40	40
Vehicles	819	–	–	819	400	76	–	476	419	343
Office equipments	3,577	–	–	3,577	3,395	3	–	3,398	182	179
Computers	56,827	–	–	56,827	54,690	–	–	54,690	2,138	2,138
<b>Total (A)</b>	<b>138,680</b>	<b>–</b>	<b>–</b>	<b>138,680</b>	<b>135,679</b>	<b>94</b>	<b>–</b>	<b>135,773</b>	<b>3,001</b>	<b>2,907</b>
<b>Intangible assets under development</b>										
<b>Total (B)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Intangible assets</b>										
Computer software	49,821	–	–	49,820	49,808	–	–	49,808	12	12
<b>Total (B)</b>	<b>49,821</b>	<b>–</b>	<b>–</b>	<b>49,820</b>	<b>49,808</b>	<b>–</b>	<b>–</b>	<b>49,808</b>	<b>12</b>	<b>12</b>
<b>Total (A) + (B)</b>	<b>188,500</b>	<b>–</b>	<b>–</b>	<b>188,500</b>	<b>185,487</b>	<b>94</b>	<b>–</b>	<b>185,581</b>	<b>3,013</b>	<b>2,919</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 12 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Prepaid expenses	8	12
Advances and other non-financial assets	41,384	41,383
Indirect tax credit receivable	598,500	598,286
Capital advances	253	253
For supply of services	1,939	1,950
<b>TOTAL</b>	<b>642,084</b>	<b>641,884</b>

## NOTE 13 : PAYABLES

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
<b>(i) Trade payables</b>		
total outstanding dues of creditors other than Micro small & medium enterprises	219,327	303,009
<b>(ii) Other payables</b>		
total outstanding dues of creditors other than Micro small & medium enterprises	24,575,525	24,575,525
<b>TOTAL</b>	<b>24,794,852</b>	<b>24,878,534</b>

## NOTE 13.1 : PAYABLE AGEING SCHEDULE

### For the year ended 31 March 2024

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	-	-	-	219,327	219,327
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	24,575,525	24,575,525

### For the year ended 31 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	-	-	-	303,009	303,009
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	24,575,525	24,575,525

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
<b>At Amortised cost</b>		
Unsecured- From Subsidiary	361,501	10,000
<b>Total (A)</b>	<b>361,501</b>	<b>10,000</b>
Borrowings in India	361,501	10,000
<b>Total (B)</b>	<b>(361,501)</b>	<b>(10,000)</b>
Unsecured	361,501	10,000
<b>Total (C)</b>	<b>(361,501)</b>	<b>(10,000)</b>

## NOTE 15 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Interest accrued and due on borrowings	0	155
Margin money	2,037	2,037
Other payables (includes payable to vendors)	625,073	622,158
Book overdraft	25,669	28,917
<b>TOTAL</b>	<b>652,779</b>	<b>653,267</b>

## NOTE 16 : OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Accrued salary and benefits	136	136
<b>TOTAL</b>	<b>136</b>	<b>136</b>

## NOTE 17 : SHARE CAPITAL

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
<b>Authorised :</b>				
Equity Shares of ₹ 10 each fully paid up	500,000	50,000	500,000	50,000
Preference Shares of ₹ 10/- each	600,000	60,000	600,000	60,000
<b>Total</b>	<b>1,100,000</b>	<b>110,000</b>	<b>1,100,000</b>	<b>110,000</b>
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of ₹ 10 each fully paid up	410,044	41,004	410,044	41,004
<b>Total</b>	<b>410,044</b>	<b>41,004</b>	<b>410,044</b>	<b>41,004</b>

\*Motilal Oswal Financial Services Limited acquired 100% shares of Motilal Oswal Commodities Broker Private Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## Reconciliation of the number of shares outstanding

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	Number of shares	In Rupees	Number of shares	In Rupees
Number of shares at the beginning(Face value of ₹ 10 each)	410,044	41,004	410,044	41,004
Changes due to prior period error	–	–	–	–
<b>Restated at the beginning of the year</b>	410,044	41,004	410,044	41,004
Shares issued during the year	–	–	–	–
<b>Number of shares at the end of the year</b>	<b>410,044</b>	<b>41,004</b>	<b>410,044</b>	<b>41,004</b>

## Share holder having more than 5% equity holding in the Company

Name of Shareholder	As at 31-Mar-2024		As at 31-Mar-2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financials Services Limited	410,044	100	410,044	100

## Shares held by promoters at the end of the year

Name of the Shareholders	Shareholding pattern as on 31 March 2024		% Change during the year
	No. of shares held	% of shares held	
Motilal Oswal Financials Services Limited	410,044	100	–
<b>Total A</b>	<b>410,044</b>	<b>100</b>	<b>–</b>

Name of the Shareholders	Shareholding pattern as on 31 March 2023		% Change during the year
	No. of shares held	% of shares held	
Motilal Oswal Financials Services Limited	410,044	100	–
<b>Total</b>	<b>410044</b>	<b>100</b>	<b>–</b>

## NOTE 18 : OTHER EQUITY

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	60,000	60,000
<b>Balance as at the end of the year</b>	<b>60,000</b>	<b>60,000</b>
<b>General reserve</b>		
Balance at the beginning of the year	2,000	2,000
<b>Balance as at the end of the year</b>	<b>2,000</b>	<b>2,000</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	771,652	772,516
Add : Net profit for the year	(7,114)	(864)
<b>Balance as at end of the year</b>	<b>764,538</b>	<b>771,652</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	7,864	7,864
<b>Balance as at the end of the year</b>	<b>7,864</b>	<b>7,864</b>
<b>TOTAL</b>	<b>834,402</b>	<b>841,516</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## 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 Companies Act 2013.

## 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.

## 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.

## NOTE 19 : INTEREST INCOME

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
On financial assets measured at amortised cost		
Interest on deposits with banks	25,206	296
<b>TOTAL</b>	<b>25,206</b>	<b>296</b>

## NOTE 20 : OTHER INCOME

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Interest on Income Tax Refund	-	92
<b>TOTAL</b>	<b>-</b>	<b>92</b>

## NOTE 21 : FINANCE COST

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
<b>On Financial liabilities measured at Amortised Cost</b>		
Interest on borrowings	30,676	109
Other borrowing cost	-	8
<b>TOTAL</b>	<b>30,676</b>	<b>117</b>

## NOTE 22 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Salary, bonus and allowances	11	-
Contribution to provident fund and other benefits	8	10
Gratuity	-	(3,647)
<b>Total</b>	<b>19</b>	<b>(3,637)</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 23 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Depreciation / amortization of property, plant and equipment and intangible assets	91	94
<b>TOTAL</b>	<b>91</b>	<b>94</b>

## NOTE 24 : OTHER EXPENSES

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Rates and taxes	–	137
Rent	–	15
Legal and professional charges	571	915
Remuneration to auditors	400	400
Communication expenses	10	–
Miscellaneous expenses	375	2,038
<b>TOTAL</b>	<b>1,356</b>	<b>3,505</b>

## NOTE 25 : AUDITORS REMUNERATION

Particulars	31-03-24	31-03-23
Audit fees	400	400
Tax Audit fees	–	–
<b>In any other capacity, in respect of:</b>		
Other Services	–	–
<b>Total</b>	<b>400</b>	<b>400</b>

## NOTE 26 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-03-24	31-03-23
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	(7,114)	(864)
Number of equity shares issued [B]	4,10,044	4,10,044
<b>Basic &amp; Diluted Earnings / (Loss) per share [A/B] (₹)</b>	<b>-0.17</b>	<b>(0.21)</b>

## NOTE 27 : 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

## NOTE 28 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2024 COMPRISES OF:

Particulars	Opening balance	Provided during the year ended 31.03.24	Provision Paid / reversed during the year ended 31.03.24	Closing balance as of 31.03.24
Ex-gratia	-	-	-	-
Gratuity	-	-	-	-

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	3,647	-	3,647	-

## NOTE 29 : CONTINGENT LIABILITIES & CAPITAL COMMITMENTS:

### Contingent liabilities:

- a) Demand in respect of Income Tax matters for which appeal is pending is ₹ 8,54,344/- (Previous Year ₹ 8,54,344 /-). This is disputed by the company and hence not provided for. The company has paid demand by way of deposit of ₹ 87,250/- (Previous year 42,250) 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.

## NOTE 30 :

Trade receivables in case of the company includes ₹ 24,994 Lakhs (Previous year ₹ 24,994 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,575 Lakhs (Previous year ₹ 24,575 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

## NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

Recognizing the responsibilities towards society, as a part of on -going activities, the company has contributed towards various Corporate Social Responsibility initiatives like supporting underprivileged in education ,medical treatments, etc and various other charitable and noble aids.

- a) Gross amount required to be spent by the company during the year is ₹ Nil (Previous year : ₹ Nil)

**Note:** The Company does not satisfy the criteria mentioned in Section 135 of The Companies Act,2013 owing to previous year losses therefore, CSR Provisions are not applicable.

## NOTE 32 : 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:

### 1) 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

- 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
- 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) Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- 16) TM Investment Technologies Private Limited
- 17) MO Alternative IFSC Private Limited

## Key management personnel

- Mr Parag Hindalekar - Director
- Mr Subhash Earath - Director

## II) Transactions with related parties for the year ended 31 March 2024 :

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Interest Expense	Motilal Oswal Finvest Limited	–	–	26,381	109	26,381	109
Loans (Maximum balance)	Motilal Oswal Finvest Limited	–	–	–	10,000	–	10,000
Interest Expense	Motilal Oswal Wealth Limited	–	–	4,295	–	4,295	–
Loans (Maximum balance)	Motilal Oswal Wealth Limited	–	–	361,501	–	361,501	–

Note: 'Income/liabilities figures are shown in brackets.

Particulars	Holding Company		Fellow Subsidiaries		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Sundry (payables) / receivables	–	–	–	–	–	–
Other (payables) / receivables	–	–	–	–	–	–

## NOTE 33 : TAX DISCLOSURES

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>1 Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	–	–
Tax adjustment in respect of earlier years	–	–
<b>Total current tax expense</b>	–	–
<b>Deferred taxes</b>		
Change in deferred tax	179	1,173
<b>Net deferred tax expense</b>	<b>179</b>	<b>1,173</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

(Amount in rupees)

Particulars	31-Mar-2024	31-Mar-2023
<b>2 Deferred tax assets on account of:</b>		
Provision for gratuity	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(131)	48
Provision for VAT	13,370	13,370
Loss on sale of Office premises	14,063	14,063
<b>Total deferred tax assets (A)</b>	<b>27,302</b>	<b>27,481</b>
<b>Net deferred tax assets</b>	<b>27,302</b>	<b>27,481</b>

**Note :** Since it is not probable that sufficient tax profits would be available for set off of current tax losses, deferred tax assets have been created to the extent of deferred tax liabilities.

### 3 Deferred tax related to the following:

(Amount in rupees)

Particulars	As at 31 March 2024	Recognised through profit and loss	As at 31 March 2023	Recognised through profit and loss	As at 31 March 2022
<b>Deferred tax assets on account of:</b>					
Provision for gratuity	–	–	–	(918)	918
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(131)	(179)	48	(255)	303
Provision for VAT	13,370	(0)	13,370	–	13,370
Loss on sale of Office premises	14,063	–	14,063	–	14,063
<b>Total deferred tax assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total deferred tax Assets / liability (net)</b>	<b>27,302</b>	<b>(179)</b>	<b>27,481</b>	<b>(1,173)</b>	<b>28,654</b>

### NOTE 34 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	31 March 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	333,078	–	333,078	56,437	–	56,437
Bank balance other than cash and cash equivalents above	29,302	–	29,302	4,578	–	4,578
Trade receivables	–	25,402,488	25,402,488	–	25,402,488	25,402,488
Loans	–	4,165	4,165	–	4,165	4,165
Other financial assets	–	188,714	188,714	–	188,714	188,714
<b>Non-Financial assets</b>						
Property, plant and equipment	–	941	941	–	2,907	2,907
Intangible assets	–	12	12	–	12	12
Current tax assets	56,590	–	56,590	95,791	–	95,791
Deferred tax assets	27,301	–	27,301	27,481	–	27,481
Other non-financial assets	–	642,084	642,084	1,950	639,934	641,885
<b>Total Assets</b>	<b>446,271</b>	<b>26,238,404</b>	<b>26,684,675</b>	<b>186,237</b>	<b>26,238,220</b>	<b>26,424,457</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

Assets	31 March 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	–	24,794,852	24,794,852	–	24,878,533	24,878,533
Borrowings (Other than Debt securities)	361,501	–	361,501	10,000	–	10,000
Other financial liabilities	–	652,779	652,779	–	653,269	653,269
<b>Non Financial Liabilities</b>						
Current tax liabilities (net)	–	–	–	–	–	–
Provisions	–	–	–	–	–	–
Other non financial liabilities	–	136	136	136	–	136
<b>Total Liabilities</b>	<b>361,501</b>	<b>25,447,767</b>	<b>25,809,268</b>	<b>10,136</b>	<b>25,531,802</b>	<b>25,541,938</b>

## NOTE 35 : FAIR VALUE MEASUREMENT

### Financial instruments by category:

Particulars	31 March 2024		31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	333,078	–	56,437
Bank balance other than cash and cash equivalents above	–	29,302	–	4,578
Trade receivables	–	25,402,488	–	25,402,488
Loans	–	4,165	–	4,165
Other financial assets	–	188,714	–	188,714
<b>Total Financial Assets</b>	<b>–</b>	<b>25,957,747</b>	<b>–</b>	<b>25,656,382</b>
<b>Financial Liabilities</b>				
Trade payables	–	24,794,852	–	24,878,533
Borrowings (Other than Debt securities)	–	361,501	–	10,000
Other financial liabilities	–	652,779	–	653,269
<b>Total Liabilities</b>	<b>–</b>	<b>25,809,133</b>	<b>–</b>	<b>25,541,802</b>

### 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹ hundred, unless otherwise stated)

little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy.

## III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

### Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

### NOTE 36 :

There is no amount outstanding for more than thirty days to any Small Scale Industrial Undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the company.

### NOTE 37 :

Previous year figures have been regrouped / rearranged where necessary to confirm to year's classification.

### NOTE 38 :

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 Registration No. 124609W

#### Aneel Lasod

Partner

M.No.40117

Place : Mumbai

Date : 23 April, 2024

For and on behalf of the Board of

**Motilal Oswal Commodities Broker Private Limited**

CIN NO:-U65990MH1991PTC060928

#### Parag Hindalekar

Director

DIN : 09613247

Place : Mumbai

Date : 23 April, 2024

#### Subhash Earath

Director

DIN : 09613071

# **India Business Excellence Management Co.**

**FINANCIAL STATEMENT  
2023-24**

# 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, 2024, 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, 2024, 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.

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.

# Independent Practitioner's Fit For Consolidation 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 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: 24111592BKBINQ7712

### Premal Gandhi

*Partner*

Membership No.: 111592

**Place:** Mumbai

**Date:** 23rd April 2024

# Balance Sheet

(All amounts are converted in ₹, unless otherwise stated)

## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<strong>I. ASSETS</strong>			
<strong>1. Financial assets</strong>			
(a) Cash and cash equivalents	3	8,89,30,821	6,95,58,489
(b) Receivables			
(I) Trade receivables	4	4,02,01,571	3,91,09,631
(c) Investments	5	1,02,010	1,00,569
<strong>Sub - total financial assets</strong>		<strong>12,92,34,402</strong>	<strong>10,87,68,689</strong>
<strong>2. Non - financial assets</strong>			
(a) Other non - financial assets	6	7,57,63,765	12,79,05,822
<strong>Sub - total non financial assets</strong>		<strong>7,57,63,765</strong>	<strong>12,79,05,822</strong>
<strong>Total Assets</strong>		<strong>20,49,98,167</strong>	<strong>23,66,74,511</strong>
<strong>II. LIABILITIES AND EQUITY</strong>			
<strong>Liabilities</strong>			
<strong>1. Financial liabilities</strong>			
(a) Trade Payables			
(I) total outstanding dues of creditor other than micro enterprises and small enterprises	7	–	164
(b) Other financial liabilities	8	10,87,941	16,72,865
<strong>Sub - total financial liabilities</strong>		<strong>10,87,941</strong>	<strong>16,73,029</strong>
<strong>3. Equity:</strong>			
(a) Equity share capital	9	18,32,005	18,32,005
(b) Other equity	10	20,20,78,221	23,31,69,477
<strong>Sub - total equity</strong>		<strong>20,39,10,226</strong>	<strong>23,50,01,482</strong>
<strong>Total Liabilities and equity</strong>		<strong>20,49,98,167</strong>	<strong>23,66,74,511</strong>

Notes referred to above form an integral part of these financial statements

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

For and on behalf of the Board of Directors of  
**For India Business Excellence Management Co.**

**Premal H. Gandhi**  
Partner  
M. No. : 111592

Director

Director

Place : Mumbai  
Date : 23rd April 2024

# Statement of Profit And Loss

(All amounts are converted in ₹, unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>REVENUE FROM OPERATIONS:</b>			
(i) Dividend Income	11	–	3,37,15,130
(ii) Fees & commission income	12	2,96,13,423	3,34,47,262
<b>Total</b>	<b>(A)</b>	<b>2,96,13,423</b>	<b>6,71,62,392</b>
<b>EXPENSES :</b>			
(i) Fees & commission expense	13	5,44,70,793	5,39,51,964
(ii) Other Expenses	14	89,73,260	72,11,432
<b>Total</b>	<b>(B)</b>	<b>6,34,44,053</b>	<b>6,11,63,396</b>
<b>Profit before tax</b>	<b>(C) = (A) - (B)</b>	<b>(3,38,30,630)</b>	<b>59,98,996</b>
<b>Tax Expenses :</b>			
Provision for Tax	(D)	–	401
<b>Profit for the Year/Period</b>	<b>(E) = (C) - (D)</b>	<b>(3,38,30,630)</b>	<b>59,98,595</b>
<b>Earnings Per Share (₹)</b>			
<b>Equity share of par value USD 1/- each</b>			
Basic and Diluted (Refer Note 21)		(845.77)	149.96

Notes referred to above form an integral part of these Financial Statements

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

For and on behalf of the Board of Directors of  
**For India Business Excellence Management Co.**

**Premal H. Gandhi**  
Partner  
M. No. : 111592

Director

Director

Place : Mumbai  
Date : 23rd April 2024

# Cash Flow Statement

(All amounts are converted in ₹, unless otherwise stated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(3,38,30,630)	59,98,996
Adjustment for FCTR	27,39,373	1,83,70,736
<b>Operating profit</b>	<b>(3,10,91,257)</b>	<b>2,43,69,732</b>
Adjustment for working capital changes		
1) Increase/(decrease) in trade payables	(164)	(4,26,39,746)
2) Increase/(decrease) in other financial liabilities	(5,84,924)	(37,53,781)
3) (Increase)/decrease in trade receivables	(10,91,939)	44,11,099
4) Increase/(decrease) in Other non - financial assets	5,21,42,057	7,39,15,408
<b>Cash generated from operations</b>	<b>1,93,73,773</b>	<b>5,63,02,712</b>
Taxes Paid (Net of Refunds )	—	(3,14,089)
<b>Net cash generated from operating activities</b>	<b>1,93,73,773</b>	<b>5,59,88,623</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Current investments	(1,441)	(8,050)
<b>Net cash used in investing activities</b>	<b>(1,441)</b>	<b>(8,050)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	—	—
<b>Net cash used in financing activities</b>	<b>—</b>	<b>—</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents during the year (A+B+C)</b>	<b>1,93,72,332</b>	<b>5,59,80,573</b>
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>6,95,58,489</b>	<b>1,35,77,916</b>
<b>Cash &amp; cash equivalents as at end of the year</b>	<b>8,89,30,821</b>	<b>6,95,58,489</b>
<b>Components of Cash &amp; cash equivalents (also refer note 4)</b>		
<b>Balance with bank</b>		
in current account	8,89,30,821	6,95,58,489
	<b>8,89,30,821</b>	<b>6,95,58,489</b>

### 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.

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

**Premal H. Gandhi**  
Partner  
M. No. : 111592  
Place : Mumbai  
Date : 23rd April 2024

For and on behalf of the Board of Directors of  
**For India Business Excellence Management Co.**

Director

Director

# Statement of Changes in Equity

(All amounts are converted in ₹, unless otherwise stated)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2022	40,000	18,32,005
Add/Less: Changes due to prior period errors	—	—
<b>Restated as at 01 April 2022</b>	<b>40,000</b>	<b>18,32,005</b>
Changes during the year	—	—
As at 31 March 2023	40,000	18,32,005
Add/Less: Changes due to prior period errors	—	—
<b>Restated as at 01 April 2023</b>	<b>40,000</b>	<b>18,32,005</b>
Changes during the year	—	—
As at 31 March 2024	40,000	18,32,005

### OTHER EQUITY

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2024		31 March 2023		31 March 2024	31 March 2023
	Foreign exchange translation reserve	Retained Earnings	Foreign exchange translation reserve	Retained Earnings		
Balance at the beginning 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
Add/Less: Changes due to prior period errors	—	—	—	—	—	—
<b>Restated balance</b>	<b>6,33,83,731</b>	<b>16,97,85,746</b>	<b>4,50,12,995</b>	<b>16,37,87,151</b>	<b>23,31,69,477</b>	<b>20,88,00,146</b>
Profit during the year	—	(3,38,30,630)	—	59,98,595	(3,38,30,630)	59,98,595
Addition during the year	27,39,374	—	1,83,70,736	—	27,39,374	1,83,70,736
<b>Balance at the end of the reporting period</b>	<b>6,61,23,105</b>	<b>13,59,55,116</b>	<b>6,33,83,731</b>	<b>16,97,85,746</b>	<b>20,20,78,221</b>	<b>23,31,69,477</b>

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

**Premal H. Gandhi**  
Partner  
M. No. : 111592

Place : Mumbai  
Date : 23rd April 2024

For and on behalf of the Board of Directors of  
**For India Business Excellence Management Co.**

Director

Director

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 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 License 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. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1. Basis of preparation

**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

**(iii) Order of liquidity**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 18.

#### 2.2. Foreign currency translation

**(i) Functional and presentation currency**

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company’s functional and presentation currency as the USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards (“IFRS”). These Indian Rupee (“₹”) 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 Financial Services Limited. For the purpose of conversion of 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 - 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.

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-III A 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-III A, the fees payable to the Company would be at 2% per annum, as reduced by the management fees being charged at India Business Excellence Fund - III, the Indian Fund in which Fund-III A invests.

The Board of directors of Fund III A 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 up to the commitment period, that is 30 September 2023, and thereafter, the fees are calculated based on aggregate acquisition cost of unrealized Portfolio Investments of the Indian Fund attributable to Class A2 Unitholders.

### (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.

## 2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

## 2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

## 2.6. Financial instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commission. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 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 recognized 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 recognized as 'other income' in the Statement of Profit and Loss.

### (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

### (iii) Derecognition

#### A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

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 recognized 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 recognized at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognized 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 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.

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 recognized 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. 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## 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.

## 2.13. 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. For the year 2024, no performance incentive fee had been paid to MO Alternate (2023: Nil)

### Placement agreement:

The Company has entered into placement agreement with several placement agents and the fees payable to the agents between the parties from time to time and the payment mode are defined in the agreement.

## NOTE 3 : CASH AND BANK BALANCES

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with bank	8,89,30,821	6,95,58,489
<b>Total</b>	<b>8,89,30,821</b>	<b>6,95,58,489</b>

## NOTE 4 : TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Trade Receivables	4,02,01,571	3,91,09,631
<b>Total</b>	<b>4,02,01,571</b>	<b>3,91,09,631</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## NOTE 4 (I) : RECEIVABLE AGEING SCHEDULE

### For the year ended 31 March 2024

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	1,54,13,335	1,42,00,088	1,05,88,148	–	–	4,02,01,571
(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 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	1,45,96,875	1,40,00,247	1,05,12,509	–	–	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	–	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## NOTE 5 : INVESTMENTS

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Number of Shares	Par Value	Amount	Number of Shares	Par Value	Amount
India Business Excellence Fund I*	11.42	0.01	10	11.42	0.01	9
India Business Excellence Fund - IIA	100	1	8,334	100	1	8,216
	102160	0.01	85,332	102160	0.01	83,962
India Business Excellence Fund - IIIA	100	1	8,334	100	1	8,218
India Business Excellence Fund IVA	0	0	—	2	1	164
<b>Total</b>			<b>1,02,010</b>			<b>1,00,569</b>

## NOTE 6 : OTHER NON FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	7,57,63,765	12,79,05,822
<b>Total</b>	<b>7,57,63,765</b>	<b>12,79,05,822</b>

## NOTE 7 : TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Due to creditors other than micro enterprise and small enterprise	—	164
<b>Total</b>	<b>—</b>	<b>164</b>

## NOTE 7 (I) : PAYABLES AGEING SCHEDULE

### For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
MSME	—	—	—	—	—
Others	—	—	—	—	—
Disputed dues - MSME	—	—	—	—	—
Disputed dues - Others	—	—	—	—	—

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## 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	164	–	–	–	164
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

## NOTE 8 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Creditors for Expenses	10,87,941	16,72,865
<b>Total</b>	<b>10,87,941</b>	<b>16,72,865</b>

## NOTE 9 : SHARE CAPITAL

	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Rupees	Number of Shares	Rupees
<b>Authorised :</b>				
Equity Shares of USD 1 each	40,000	18,32,005	40,000	18,32,005
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of USD 1 each fully Paid up	40,000	18,32,005	40,000	18,32,005
<b>Total</b>	<b>40,000</b>	<b>18,32,005</b>	<b>40,000</b>	<b>18,32,005</b>

## Reconciliation of the number of shares outstanding

	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Rupees	Number of Shares	Rupees
Number of shares at the beginning(Face value of USD 1 each)	40,000	18,32,005	40,000	18,32,005
Changes due to prior period error	–	–	–	–
Restated at the beginning of the year	40,000	18,32,005	40,000	18,32,005
Changes during the year	–	–	–	–
<b>Number of shares at the end</b>	<b>40,000</b>	<b>18,32,005</b>	<b>40,000</b>	<b>18,32,005</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## Share holder having more than 5% equity holding in the Company

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MO Alternate Investment Advisors Private Limited and its nominees	40,000	100	40,000	100

## Shares held by promoters at the end of year

Name of Shareholder	Shareholding pattern as on 31 March 2024		
	No. of shares held	% of shares held	% of Holding
MO Alternate Investment Advisors Private Limited and its nominees	40,000	100.00	0.00
<b>Total A</b>	<b>40,000</b>	<b>100.00</b>	

Name of Shareholder	Shareholding pattern as on 31 March 2023		
	No. of shares held	% of shares held	% of Holding
MO Alternate Investment Advisors Private Limited	40,000	100.00	0.00
<b>Total A</b>	<b>40,000</b>	<b>100.00</b>	

## NOTE 10 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Foreign exchange translation reserve</b>		
Balance at the beginning of the year	6,33,83,731	4,50,12,995
Add: Transferred during the year	27,39,374	1,83,70,736
<b>Balance at the end of year</b>	<b>6,61,23,105</b>	<b>6,33,83,731</b>
<b>b) Retained Earnings</b>		
Balance at the beginning of the year	16,97,85,746	16,37,87,151
Add: Transfer from Statement of Profit and Loss	(3,38,30,630)	59,98,595
Less : Dividend paid	–	–
<b>Balance at the end of year</b>	<b>13,59,55,116</b>	<b>16,97,85,746</b>
	<b>20,20,78,221</b>	<b>23,31,69,477</b>

## NOTE 11 : DIVIDEND INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Dividend Income	–	3,37,15,130
<b>Total</b>	<b>–</b>	<b>3,37,15,130</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## NOTE 12 : FEES & COMMISSION INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Management fees	2,80,50,452	2,85,97,123
Other Income	15,62,971	48,50,139
<b>Total</b>	<b>2,96,13,423</b>	<b>3,34,47,262</b>

## NOTE 13 : FEES & COMMISSION EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory and sub-advisory fees	4,65,93,931	4,13,43,096
Placement Fees	78,76,862	1,26,08,868
<b>Total</b>	<b>5,44,70,793</b>	<b>5,39,51,964</b>

## NOTE 14 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Audit fees	4,48,940	9,83,176
Insurance	7,64,598	6,62,809
Legal and professional fees	62,39,137	32,10,575
Rates and taxes	12,15,690	11,78,319
Miscellaneous Expenses	3,04,895	11,76,553
<b>Total</b>	<b>89,73,260</b>	<b>72,11,432</b>

## NOTE : 15.1 TAX EXPENSE

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Current tax expense</b>		
Current tax for the year	—	401
Tax adjustment in respect of earlier years	—	—
<b>Total current tax expense</b>	<b>—</b>	<b>401</b>
<b>Total</b>	<b>—</b>	<b>401</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## NOTE : 15.2 TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Profit/(loss) before income tax expense</b>	<b>(3,38,30,630)</b>	<b>59,98,996</b>
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Exempt income	–	(3,37,15,933)
Items outside scope of taxation	(15,46,414)	(48,41,951)
Non allowable expenses	21,85,428	8,46,874
Unauthorised deductions	–	5,51,02,507
Income subject to partial exemption of 80 %	–	(2,33,90,493)
<b>Profit adjusted for tax purposes</b>	<b>(3,31,91,616)</b>	<b>0</b>
Tax calculated at the rate of 15%	–	–
Deemed tax credit at 80%	–	–
Short provision for the earlier year	–	401
<b>Tax charge for the year</b>	<b>–</b>	<b>401</b>
<b>Income tax expense</b>	<b>–</b>	<b>401</b>

## NOTE : 16 CAPITAL MANAGEMENT

### Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

	31 March 2024	31 March 2023
Cash and cash equivalents	8,89,30,821	6,95,58,489
<b>Total Cash and cash equivalents</b>	<b>8,89,30,821</b>	<b>6,95,58,489</b>
Equity	18,32,005	18,32,005
Retained earnings	20,20,78,221	23,31,69,477
<b>Total Capital</b>	<b>20,39,10,226</b>	<b>23,50,01,482</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## NOTE : 17 MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	8,89,30,821	–	8,89,30,821	6,95,58,489	–	6,95,58,489
Trade receivables	4,02,01,571	–	4,02,01,571	3,91,09,631	–	3,91,09,631
Investments	–	1,02,010	1,02,010	–	1,00,569	1,00,569
<b>Non-Financial assets</b>						
Other non-financial assets	7,57,63,765	–	7,57,63,765	–	12,79,05,822	12,79,05,822
<b>Total Assets</b>	<b>20,48,96,157</b>	<b>1,02,010</b>	<b>20,49,98,167</b>	<b>10,86,68,120</b>	<b>12,80,06,391</b>	<b>23,66,74,511</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Trade payables	–	–	–	164	–	164
Other financial liabilities	10,87,941	–	10,87,941	16,72,865	–	16,72,865
<b>Total Liabilities</b>	<b>10,87,941</b>	<b>–</b>	<b>10,87,941</b>	<b>16,73,029</b>	<b>–</b>	<b>16,73,029</b>

## NOTE : 18 FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 MARCH 2024		March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	8,89,30,821	–	6,95,58,489
Trade receivables	–	4,02,01,571	–	3,91,09,631
Investments	–	1,02,010	–	1,00,569
<b>Total Financial Assets</b>	<b>–</b>	<b>12,92,34,402</b>	<b>–</b>	<b>10,87,68,689</b>
<b>Financial Liabilities</b>				
Trade payables	–	–	–	164
Other financial liabilities	–	10,87,941	–	16,72,865
	<b>–</b>	<b>10,87,941</b>	<b>–</b>	<b>16,73,029</b>

### 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the quoted market prices and Fair 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.

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 : 19 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 financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, receivables, cash and cash equivalents that derive directly from its operations.

### A) Credit risk

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## Age of receivables that are past due:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	66,38,073	72,21,084
3 - 6 months	87,75,262	73,75,791
6 - 12 months	1,42,00,088	1,40,00,247
More than 12 months	1,05,88,148	1,05,12,509
<b>Total</b>	<b>4,02,01,571</b>	<b>3,91,09,631</b>
Provision for expected credit loss	–	–

## B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

### Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### (i) Maturities of non – derivative financial liabilities

##### As at 31 March 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payables	–	–	–	–
Other financial liabilities	10,87,941	–	–	10,87,941
<b>Total</b>	<b>10,87,941</b>	–	–	<b>10,87,941</b>

##### As at 31 March 2023

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Trade payables	164	–	–	164
Other financial liabilities	16,72,865	–	–	16,72,865
<b>Total</b>	<b>16,73,029</b>	–	–	<b>16,73,029</b>

## 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

## 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.

## 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 Investments at balance sheet date:

Sensitivity	As at 31 March 2024	As at 31 March 2023
Impact on profit before tax for 10% increase in NAV/Price	10,201	10,057
Impact on profit before tax for 10% decrease in NAV/Price	(10,201)	(10,057)

## NOTE : 20 TAXATION

No Provision for the current tax has been made for current year, Previous year ₹ 401

## NOTE : 21 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE:

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Net Profit attributable to equity shareholders [A] (Rupees)	(3,38,30,630)	59,98,595
Weighted Average of equity shares issued [B] (face value of Re. 1 each)	40,000	40,000
<b>Basic and Diluted Earnings per share [A/B] (Rupees)</b>	<b>(845.77)</b>	<b>149.96</b>

## NOTE : 22 TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

## NOTE : 23 RELATED PARTIES TRANSACTIONS

### (i) Relationships during the period

#### A) Enterprises where control exists

- MO Alternate Investment Advisors Private Limited – Holding Company
- Motilal Oswal Financial Services Limited – Ultimate Holding Company

#### B) Fellow subsidiaries

- Motilal Oswal Finvest Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Wealth Limited
- Motilal Oswal Securities International Private Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in ₹, unless otherwise stated)

- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Home Finance Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Broking and Distribution Limited
- Motilal Oswal Finsec IFSC Limited
- MO Alternative IFSC Private Limited

## ii) Transactions with related parties

Transaction	Name of the related Party	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory Fee	MO Alternate Investment Advisors Private Limited	4,65,93,931	4,13,43,096

## iii) Outstanding balances

Transaction	Name of the related Party	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory Fee	MO Alternate Investment Advisors Private Limited	4,75,63,301	9,26,22,994

### NOTE 24 :

Previous year figures have been regrouped / reclassified wherever necessary.

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

For and on behalf of the Board of Directors of  
**For India Business Excellence Management Co.**

**Premal H. Gandhi**  
Partner  
M. No. : 111592

Director

Director

Place : Mumbai  
Date : 23rd April 2024

---

# **Motilal Oswal Asset Management (Mauritius) Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Practitioner's Fit

To the Board of Directors of

**Motilal Oswal Asset Management (Mauritius) Private 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, 2024, 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, 2024, 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.

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.

# Independent Practitioner's Fit

As part of 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: 24111592BKBIML3527

### **Premal Gandhi**

*Partner*

Membership No.: 111592

Place: Mumbai

Date: 24th April 2024

# Balance Sheet

(All amounts are in ₹, unless otherwise stated)

## BALANCE SHEET AS AT 31ST MARCH, 2024

	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	3	59,55,742	67,15,362
(b) Receivables			
(l) Trade receivables	4	5,19,40,907	4,23,63,919
(c) Investments	5	8,334	8,216
<b>Sub - total financial assets</b>		<b>5,79,04,983</b>	<b>4,90,87,497</b>
<b>2. Non - financial assets</b>			
(a) Other non - financial assets	6	2,69,125	8,61,114
<b>Sub - total non - financial assets</b>		<b>2,69,125</b>	<b>8,61,114</b>
<b>TOTAL ASSETS</b>		<b>5,81,74,108</b>	<b>4,99,48,611</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities</b>			
(a) Payables			
(l) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	7	77,83,408	1,53,99,795
(b) Other financial liabilities	8	3,501	2,44,521
<b>Sub - total financial liabilities</b>		<b>77,86,909</b>	<b>1,56,44,316</b>
<b>2. Equity:</b>			
(a) Equity share capital	9	4,79,41,476	4,79,41,476
(b) Other equity	10	24,45,723	(1,36,37,181)
<b>Sub - total equity</b>		<b>5,03,87,199</b>	<b>3,43,04,295</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,81,74,108</b>	<b>4,99,48,611</b>

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:24111592BKBIML3527

**Premal H. Gandhi**  
Partner  
M.No. : 111592

Place : Mumbai  
Date : 24 April, 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**

**Krishna Arnasala Pather**  
Director

**Mary-Ann Juanita Lisemay Dantier**  
Director

# Statement of Profit And Loss

(All amounts are in ₹, unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note No.	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>1) Income</b>			
a) Revenue from operations			
Fees and commission income	11	3,44,65,692	2,76,97,611
<b>Other Income</b>	12	6,067	–
<b>Total Income</b>		<b>3,44,71,759</b>	<b>2,76,97,611</b>
<b>2) Expenses :</b>			
Other Expenses	13	1,85,71,186	5,82,76,205
<b>Total expenses</b>		<b>1,85,71,186</b>	<b>5,82,76,205</b>
<b>Profit/(Loss ) before taxation</b>		<b>1,59,00,573</b>	<b>(3,05,78,594)</b>
<b>Tax expenses</b>			
Current Tax		3,82,382	10,06,857
<b>Profit/(Loss ) after taxation</b>		<b>1,55,18,191</b>	<b>(3,15,85,451)</b>
No. of Equity shares		3,32,599	3,32,599
<b>Earnings per share (EPS)</b>		<b>46.66</b>	<b>(94.97)</b>

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:24111592BKBIML3527

**Premal H. Gandhi**  
Partner  
M.No. : 111592

Place : Mumbai  
Date : 24 April, 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**

**Krishna Arnasala Pather**  
Director

**Mary-Ann Juanita Lisemay Dantier**  
Director

# Statement of Cash Flows

(All amounts are in ₹, unless otherwise stated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before taxation	1,59,00,573	(3,05,78,594)
Adjustment for FCTR	5,64,712	45,36,983
<b>Operating profit</b>	<b>1,64,65,285</b>	<b>(2,60,41,611)</b>
Adjustment for working capital changes		
1) Increase/(decrease) in financial liabilities	(2,44,521)	(7,69,215)
2) Increase/(decrease) in trade payables	(76,16,386)	60,02,512
3) (Increase)/decrease in trade receivables	(95,76,989)	(70,27,397)
4) (Increase)/decrease in other non - financial assets	5,91,989	1,86,15,922
<b>Cash generated from operations</b>	<b>(3,80,622)</b>	<b>(92,19,789)</b>
Taxes Paid (Net of Refunds )	(3,78,880)	(7,62,336)
<b>Net cash generated from operating activities</b>	<b>(7,59,502)</b>	<b>(99,82,125)</b>
<b>B. Cash flow from investing activities</b>		
Investment in mutual fund	(118)	(658)
<b>Net cash used in investing activities</b>	<b>(118)</b>	<b>(658)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	—	—
<b>Net cash used in financing activities</b>	<b>—</b>	<b>—</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents during the year (A+B+C)</b>	<b>(7,59,620)</b>	<b>(99,82,782)</b>
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>67,15,362</b>	<b>1,66,98,144</b>
<b>Cash &amp; cash equivalents as at end of the year</b>	<b>59,55,742</b>	<b>67,15,362</b>
<b>Components of cash &amp; cash equivalents (also refer note 4)</b>		
Balances with banks		
in current accounts	59,55,742	67,15,362
	<b>59,55,742</b>	<b>67,15,362</b>

### 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.

As per our certificate of attached even date

### For PGS & Associates

Chartered Accountants  
Firm Registration No. 122384W  
UDIN:24111592BKBIML3527

**Premal H. Gandhi**  
Partner

M.No. : 111592

Place : Mumbai  
Date : 24 April, 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**

**Krishna Arnasala Pather**  
Director

**Mary-Ann Juanita Lisemay Dantier**  
Director

# Statement of Changes in Equity

(All amounts are in ₹, unless otherwise stated)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### Share Capital

Particulars	Equity Share Capital		
	Number of shares	Amount	Total
Issue of Equity shares	–	–	–
<b>As at 31 March 2023</b>	<b>3,32,599</b>	<b>4,79,41,476</b>	<b>4,79,41,476</b>
Issue of Equity shares	–	–	–
<b>As at 31 March 2024</b>	<b>3,32,599</b>	<b>4,79,41,476</b>	<b>4,79,41,476</b>

### Other Equity

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2024		31 March 2023		31 March 2024	31 March 2023
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss		
Balance at the beginning 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
Changes due to prior period errors	–	–	–	–	–	–
Restated balance at the beginning of the reporting period	<b>1,01,96,943</b>	<b>(2,38,34,123)</b>	<b>56,59,960</b>	<b>77,51,328</b>	<b>(1,36,37,180)</b>	<b>1,34,11,287</b>
Profit/(loss) during the year	5,64,712	1,55,18,191	45,36,983	(3,15,85,451)	1,60,82,903	(2,70,48,468)
Dividends	–	–	–	–	–	–
Balance at the end of the reporting period	<b>1,07,61,655</b>	<b>(83,15,932)</b>	<b>1,01,96,943</b>	<b>(2,38,34,123)</b>	<b>24,45,723</b>	<b>(1,36,37,181)</b>

### Shares held by promoters at the end of year

(Amount in ₹)

#### Shareholding pattern as on March 31, 2024

Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Asset Management Company Limited	3,32,599	100	0.00
<b>Total A</b>	<b>3,32,599</b>	<b>100</b>	

### Shares held by promoters at the end of year

(Amount in ₹)

#### Shareholding pattern as on March 31, 2023

Name of the Shareholders	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Asset Management Company Limited	3,32,599	100	0.00
<b>Total A</b>	<b>3,32,599</b>	<b>100</b>	

As per our certificate of attached even date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W  
UDIN:24111592BKBIML3527

**Premal H. Gandhi**  
Partner  
M.No. : 111592

Place : Mumbai  
Date : 24 April, 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**

**Krishna Arnasala Pather**  
Director

**Mary-Ann Juanita Lisemay Dantier**  
Director

# Summary of Material Accounting Policies and Other Explanatory Information

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (the “Company”) was incorporated on 8 January 2015 under the Mauritius Companies Act 2001 as a public company limited by shares and holds a Category 1 Global Business License issued by the Financial Services Commission (“FSC”) under the Financial Services Act 2007.

The Company is also licensed as a CIS Manager under the Securities Act 2005 and its principal activity is to act as Investment Manager.

The Company is engaged towards holding standards of corporate governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The transactions of the Company are denominated in US Dollars which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

### NOTE 2 : MATERIAL 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 (“₹”) 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

## (ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

## 2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

### (i) Management fees

The Company has entered into an Investment Management Agreement, on 1st March 2016, with Motilal Oswal India Fund ("the Fund") which has retained the Company to act as Investment Manager and to provide services with respect to the assets of the Fund. In consideration of and as compensation for services to be rendered, the Company is entitled to a Management Fee not exceeding 1.25% per annum of the Net Asset Value attributable to Class A shares of the Fund.

### (ii) Incentive fees

The Company is entitled to a performance profit allocation from Motilal Oswal India Fund ("the Fund") based on the performance of the Fund equal to upto 20% of any appreciation in the value of the Fund during the performance period.

### (iii) Dividend Income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

## 2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### Current Taxes

Current tax 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

## 2.7. Financial assets

### (i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### (ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

### (iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

# Summary of Material Accounting Policies and Other Explanatory Information (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.

## 2.8. Financial liabilities

### (i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### (ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2.10. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortized cost using the effective interest rate method.

## 2.11. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## 2.12. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## 2.13. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.14. Earnings per share

### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

### b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

## 2.15. Expenses

### Advisory fees

An Investment Advisory agreement was made on 11th February 2016 between the Company and Motilal Oswal Asset Management Company Limited which terminated on the 6th November 2017 due to professional reasons.

As from 7th November 2017, Motilal Oswal Capital Limited has been appointed as investment advisor and in connection with the performance of its services, the Company will pay the Investment Advisor advisory fees on an arm's length basis and which shall be determined between the parties.

## NOTE 3 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with bank	59,55,742	67,15,362
<b>TOTAL</b>	<b>59,55,742</b>	<b>67,15,362</b>

## NOTE 4 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Trade receivables Considered good - unsecured	5,19,40,907	4,23,63,919
	<b>5,19,40,907</b>	<b>4,23,63,919</b>

## NOTE 5 : INVESTMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Motilal Oswal India Fund	8,334	8,216
<b>TOTAL</b>	<b>8,334</b>	<b>8,216</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## NOTE 6 : OTHER NON - FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	2,69,125	8,61,114
<b>TOTAL</b>	<b>2,69,125</b>	<b>8,61,114</b>

## NOTE 7 : TRADE PAYABLE

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of creditors other than Micro small & medium enterprises	77,83,408	1,53,99,795
<b>TOTAL</b>	<b>77,83,408</b>	<b>1,53,99,795</b>

## NOTE 8 : OTHER FINANCIAL LIABILITY

Particulars	As at 31 March 2024	As at 31 March 2023
Tax payable	3,501	2,44,521
<b>TOTAL</b>	<b>3,501</b>	<b>2,44,521</b>

## NOTE 9 : SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	in ₹	Number of Shares	in ₹
<b>Authorised :</b>				
Equity Shares of USD 1 each	3,32,599	4,79,41,476	3,32,599	4,79,41,476
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of USD 1 each fully Paid up	3,32,599	4,79,41,476	3,32,599	4,79,41,476
<b>TOTAL</b>	<b>3,32,599</b>	<b>4,79,41,476</b>	<b>3,32,599</b>	<b>4,79,41,476</b>

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding/promoter company]

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## NOTE 10 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Foreign Currency Translation Reserves</b>		
Balance at beginning of the year	1,01,96,943	56,59,960
Add:- Gain/(loss) on translation during the period	5,64,712	45,36,983
<b>Balance at the end of year</b>	<b>1,07,61,655</b>	<b>1,01,96,943</b>
<b>b) Profit/(Deficit) in the statement of profit and loss</b>		
Balance at beginning of the year	(2,38,34,123)	77,51,328
Add: Transfer from Statement of Profit and Loss	1,55,18,191	(3,15,85,451)
Less: Dividend paid	–	–
<b>Balance at the end of year</b>	<b>(83,15,932)</b>	<b>(2,38,34,123)</b>
	<b>24,45,723</b>	<b>(1,36,37,181)</b>

## Nature and Purpose of Reserves

### Profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

## NOTE 11 : FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Incentive Fee Income	12,93,305	–
Management fee	3,31,72,387	2,76,97,611
<b>TOTAL</b>	<b>3,44,65,692</b>	<b>2,76,97,611</b>

## NOTE 12 : OTHER INCOME

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Other Income	6,067	–
<b>TOTAL</b>	<b>6,067</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## NOTE 13 : OTHER EXPENSES

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advisory Fee Expense	37,44,674	43,83,286
Accounting fees	5,20,346	72,245
Directors fees	3,78,931	4,53,539
Professional fees	1,14,139	21,87,423
Insurance Charges	3,14,928	3,11,457
Audit fees	2,76,014	2,77,673
Other Expenses	66,89,232	1,73,95,672
Disbursements/Distribution Fee	65,32,922	3,31,94,910
<b>TOTAL</b>	<b>1,85,71,186</b>	<b>5,82,76,205</b>

## NOTE 14 : CAPITAL MANAGEMENT

### Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

## NOTE 15 : 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 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	59,55,742	–	59,55,742	67,15,362	–	67,15,362
Trade receivables	5,19,40,907	–	5,19,40,907	4,23,63,919	–	4,23,63,919
Investments	–	8,334	8,334	–	8,216	8,216
<b>Non-Financial assets</b>						
Other non-financial assets	2,69,125	–	2,69,125	8,61,114	–	8,61,114
<b>Total Assets</b>	<b>5,81,65,774</b>	<b>8,334</b>	<b>5,81,74,108</b>	<b>4,99,40,395</b>	<b>8,216</b>	<b>4,99,48,611</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	77,83,408	–	77,83,408	1,53,99,795	–	1,53,99,795
Other financial liabilities	3,501	–	3,501	2,44,521	–	2,44,521
<b>Total Liabilities</b>	<b>77,86,909</b>	<b>–</b>	<b>77,86,909</b>	<b>1,56,44,316</b>	<b>–</b>	<b>1,56,44,316</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## NOTE 16 : 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.

31-Mar-24

(in ₹)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>							
<b>Financial assets</b>							
Cash and cash equivalents	–	59,55,742	59,55,742				
Trade receivables	–	5,19,40,907	5,19,40,907				
Investments	8,334	–	8,334	8,334			8,334
<b>Total Financial Assets</b>	<b>8,334</b>	<b>5,78,96,649</b>	<b>5,79,04,983</b>	<b>8,334</b>			<b>8,334</b>
<b>Liabilities</b>							
<b>Financial Liabilities</b>							
Trade payables	–	77,83,408	77,83,408				
Other financial liabilities	–	3,501	3,501				
	–	<b>77,86,909</b>	<b>77,86,909</b>				

31-Mar-23

(in ₹)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>							
<b>Financial assets</b>							
Cash and cash equivalents	–	67,15,362	67,15,362				
Trade receivables	–	4,23,63,919	4,23,63,919				
Investments	8,216	–	8,216	8,216			8,216
<b>Total Financial Assets</b>	<b>8,216</b>	<b>4,90,79,281</b>	<b>4,90,87,497</b>	<b>8,216</b>			<b>8,216</b>
<b>Liabilities</b>							
<b>Financial Liabilities</b>							
Trade payables	–	1,53,99,795	1,53,99,795				
Other financial liabilities	–	2,44,521	2,44,521				
	–	<b>1,56,44,316</b>	<b>1,56,44,316</b>				

### 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using 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.

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 17 : 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## Age of receivables that are past due:

Particulars	As at 31 March 2024	As at 31 March 2023
Upto 3 months	5,19,40,907	4,23,63,919
3 - 6 months	—	—
6 - 12 months	—	—
More than 12 months	—	—
<b>TOTAL</b>	<b>5,19,40,907</b>	<b>4,23,63,919</b>
Provision for expected credit loss	—	—

## (B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

### Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### (i) Maturities of non – derivative financial liabilities

As at 31 March 2024					(in ₹)
Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total	
<b>Financial Liabilities</b>					
Trade payables	77,83,408	—	—	77,83,408	
Other current financial liabilities	3,501	—	—	3,501	
<b>Total</b>	<b>77,86,909</b>			<b>77,86,909</b>	
As at 31 March 2023					(in ₹)
Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total	
<b>Financial Liabilities</b>					
Trade payables	1,53,99,795	—	—	1,53,99,795	
Other current financial liabilities	2,44,521	—	—	2,44,521	
<b>Total</b>	<b>1,56,44,316</b>			<b>1,56,44,316</b>	

## (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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## NOTE 18 : TAXATION

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
<b>Note : 18.1 Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	3,82,382	10,06,857
Tax adjustment in respect of earlier years	—	—
<b>Total current tax expense</b>	<b>3,82,382</b>	<b>10,06,857</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	—	—
<b>Net deferred tax expense</b>	<b>—</b>	<b>—</b>
	<b>3,82,382</b>	<b>10,06,857</b>
<b>Note : 18.2 Tax reconciliation (for profit and loss)</b>		
<b>Profit/(loss) before income tax expense</b>	<b>1,59,00,573</b>	<b>(3,05,78,594)</b>
Tax at the rate of 15% (for 31 March 2023 - 15%)	23,85,086	(45,86,789)
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Tax adjustment of previous years	(13,97,881)	7,11,695
Tax credit		
Tax credit	(40,89,885)	(33,23,654)
Expenses not deductible for tax purposes	34,85,062	82,05,605
<b>Income tax expense</b>	<b>3,82,382</b>	<b>10,06,857</b>

## NOTE 19 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Profit/(Loss) attributable to equity shareholders (₹)	1,55,18,191	(3,15,85,451)
Weighted average number of equity shares outstanding during the year	3,32,599	3,32,599
Nominal value per share (₹)	74.46	74.46
Earnings/(Loss) per share (Basic and diluted) (₹)	46.66	(94.97)

## NOTE 20 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

## NOTE 21 : RELATED PARTIES TRANSACTIONS

### (i) Relationships during the period

#### A) Enterprises where control exists

##### Holding Company

- Motilal Oswal Asset Management Company Limited

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## 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
- Motilal Oswal Broking and Distribution Limited (Formerly known as 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, 2024

Transactions	Name of the related Party	For the year ended March 31, 2024	For the year ended March 31, 2023
Advisory Expense	Motilal Oswal Capital Limited	37,44,674	43,83,286
Payable/ Receivable	Motilal Oswal Capital Limited	15,93,079	–

Note: Income/receipts figures are shown in brackets.

## NOTE 21 : TRADE RECEIVABLE AGEING SCHEDULE

### For the year ended March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months- 1 year	2 - 3 year	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5,19,40,907	–	–	–	5,19,40,907
(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	–	–	–	–	–

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are in ₹, unless otherwise stated)

## 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	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,23,63,919	-	-	-	4,23,63,919
(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 22 : TRADE PAYABLES AGEING SCHEDULES

### For the year ended March 2024

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1 -2 year	More than 3 years	
(i) MSME	-	-	-	-
(ii) Others	77,83,408	-	-	77,83,408
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - others	-	-	-	-

### For the year ended March 2023

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1 -2 year	More than 3 years	
(i) MSME	-	-	-	-
(ii) Others	1,53,99,795	-	-	1,53,99,795
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - others	-	-	-	-

#### For PGS & Associates

Chartered Accountants  
Firm Registration No. 122384W  
UDIN:24111592BKBIML3527

#### Premal H. Gandhi

Partner  
M.No. : 111592

Place : Mumbai  
Date : 24 April, 2024

For and on behalf of the Board of Directors of  
**Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.**

Krishna Arnasala Pather  
Director

Mary-Ann Juanita Lisemay Dantier  
Director

# **Motilal Oswal Capital Markets (Singapore) Pte. Ltd.**

**FINANCIAL STATEMENT  
2023-24**

# Independent Auditors' Report

## INDEPENDENT PRACTITIONER'S FIT FOR CONSOLIDATION REPORT

To the Board of Directors of

Motilal Oswal Capital Markets (Singapore) Private Limited and Motilal Oswal Financial Services Limited

### Opinion

We have verified the accompanying financial statements of Motilal Oswal Capital Markets (Singapore) Pte. Ltd., which comprise the Balance Sheet as at March 31, 2024, 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 Singapore Financial Reporting Standards ("SFRSs") 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, 2024, 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.

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.

## Independent Auditors' Report (Contd..)

- 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: 24111592BKBIMN9656

### Premal Gandhi

Partner  
Membership No.: 111592

Place: Mumbai  
Date: 26th April 2024

# Balance Sheet

(All amounts are converted in Rupees, unless otherwise stated)

## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<strong>I. ASSETS</strong>			
<strong>1. Financial Assets</strong>			
(a) Cash and cash equivalents	3	3,64,37,964	2,85,36,191
(b) Receivables			
(l) Trade Receivables	4	1,10,02,254	2,80,90,640
(c) Other financial assets	5	76,45,594	74,59,555
<strong>Total financial assets (A)</strong>		<strong>5,50,85,812</strong>	<strong>6,40,86,386</strong>
<strong>Total Assets (A)</strong>		<strong>5,50,85,812</strong>	<strong>6,40,86,386</strong>
<strong>II. LIABILITIES AND EQUITY</strong>			
<strong>1. Financial liabilities</strong>			
(a) Other financial liabilities	6	63,38,467	1,89,67,120
<strong>Total financial liabilities (A)</strong>		<strong>63,38,467</strong>	<strong>1,89,67,120</strong>
<strong>2. Equity</strong>			
(a) Equity share capital	7	1,29,53,103	1,29,53,103
(b) Other equity	8	3,57,94,242	3,21,66,163
<strong>Total equity (B)</strong>		<strong>4,87,47,345</strong>	<strong>4,51,19,266</strong>
<strong>Total Liabilities and Equity (A+B)</strong>		<strong>5,50,85,812</strong>	<strong>6,40,86,386</strong>

As per our certificate of Even Date

**For PGS & Associates**  
**Chartered Accountants**  
Firm Registration No. 122384W

**Premal H. Gandhi**  
*Partner*  
M. No. : 111592  
DIN No. 07682095

Place : Mumbai  
Date : 26 April 2024

**For and on behalf of the Board of Directors of**  
**For Motilal Oswal Capital Market (Singapore) Private Limited**

**Nikunj Sheth**  
*Director*  
DIN: 08118427

Place : Mumbai  
Date : 26 April 2024

**Rajani Nainesh Bharat**  
*Director*

Place: Singapore

# Statement of Profit And Loss

(All amounts are converted in Rupees, unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Note	For the Period Ended March 31, 2024	For the Period Ended March 31, 2023
<b>1) Income:</b>			
<b>(a) Revenue from operations</b>			
(i) Fees and commission income	9	2,91,46,747	2,65,71,937
<b>Total revenue from operations</b>		<b>2,91,46,747</b>	<b>2,65,71,937</b>
<b>(b) Other income</b>	10	6,311	–
<b>Total income (a+b) (1)</b>		<b>2,91,53,058</b>	<b>2,65,71,937</b>
<b>2) Expenses:</b>			
(a) Employee benefit expense	11	1,82,42,970	1,52,21,288
(b) Other expenses	12	71,02,027	78,84,788
<b>Total expenses (2)</b>		<b>2,53,44,997</b>	<b>2,31,06,076</b>
<b>3) Profit before tax (3) = (1) – (2)</b>		<b>38,08,061</b>	<b>34,65,862</b>
<b>4) Tax expenses / (credit)</b>			
(a) Current tax		1,48,759	1,34,876
(b) Short / (excess) provision for earlier years		–	17,47,836
<b>Total tax expenses (4)</b>		<b>1,48,759</b>	<b>18,82,712</b>
<b>5) Profit after tax</b>		<b>36,59,302</b>	<b>15,83,150</b>
<b>6) Total comprehensive income</b>		<b>36,59,302</b>	<b>15,83,150</b>

As per our certificate of Even Date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

**Premal H. Gandhi**  
Partner  
M. No. : 111592  
DIN No. 07682095

Place : Mumbai  
Date : 26 April 2024

**For and on behalf of the Board of Directors of**  
**For Motilal Oswal Capital Market (Singapore) Private Limited**

**Nikunj Sheth**  
Director  
DIN: 08118427

Place : Mumbai  
Date : 26 April 2024

**Rajani Nainesh Bharat**  
Director

Place: Singapore

# Statement of Cash Flow

(All amounts are converted in Rupees, unless otherwise stated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from Operating Activities :</b>		
Profit before taxation	38,08,061	34,65,862
Adjustments for :		
Depreciation, amortisation and impairment	–	–
Foreign Currency Translation Reserve	(31,223)	42,95,781
	<b>(31,223)</b>	<b>42,95,781</b>
<b>Operating profit before Working Capital changes</b>	<b>37,76,838</b>	<b>77,61,643</b>
Adjustments for Working Capital changes		
(Increase)/decrease in trade receivables	1,70,88,386	(1,55,97,678)
(Increase)/decrease in other financial assets	(1,86,039)	(14,05,753)
Increase/ (Decrease) in other financial liabilities	(1,26,28,653)	12,61,136
<b>Net change in working capital</b>	<b>42,73,694</b>	<b>(1,57,42,295)</b>
<b>Cash generated from / (used in) Operations</b>	<b>80,50,532</b>	<b>(79,80,652)</b>
Direct taxes paid (Net)	(1,48,759)	(18,82,712)
<b>Net cash generated from /(used in ) operating activities (A)</b>	<b>79,01,773</b>	<b>(98,63,364)</b>
<b>B. Cash flow from Investing Activities :</b>		
Purchase of fixed assets	–	–
<b>Net Cash generated from /(used in) Investing Activities (B)</b>	<b>–</b>	<b>–</b>
<b>C. Cash flow from financing activities</b>		
Proceed from reduction in share capital	–	–
<b>Net cash from /(used in) financing activities (C)</b>	<b>–</b>	<b>–</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>79,01,773</b>	<b>(98,63,364)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		
Cash in hand	1,68,148	1,51,872
Scheduled bank – In current account	2,83,68,043	3,82,47,683
<b>Total (E)</b>	<b>2,85,36,191</b>	<b>3,83,99,555</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>3,64,37,964</b>	<b>2,85,36,191</b>
<b>Cash and cash equivalents at the end of the year :</b>		
Cash in hand	1,67,990	1,68,148
Scheduled bank – In current account	3,62,69,974	2,83,68,043
<b>Total (G)</b>	<b>3,64,37,964</b>	<b>2,85,36,191</b>

As per our certificate of Even Date

For PGS & Associates  
Chartered Accountants  
Firm Registration No. 122384W

Premal H. Gandhi  
Partner  
M. No. : 111592  
DIN No. 07682095

Place : Mumbai  
Date : 26 April 2024

For and on behalf of the Board of Directors of  
For Motilal Oswal Capital Market (Singapore) Private Limited

Nikunj Sheth  
Director  
DIN: 08118427

Place : Mumbai  
Date : 26 April 2024

Rajani Nainesh Bharat  
Director

Place: Singapore

# Statement of Changes in Equity

(All amounts are converted in Rupees, unless otherwise stated)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

### Share Capital

Particulars	Equity share capital		Total
	Number of shares	Amount	
As at 1 April 2022	2,80,000	1,29,53,103	1,29,53,103
Addition during the year	–	–	–
<b>As at 31 March 2023</b>	<b>2,80,000</b>	<b>1,29,53,103</b>	<b>1,29,53,103</b>
Add/Less: Changes due to prior period errors	–	–	–
<b>Restated as at 01 April 2023</b>	<b>2,80,000</b>	<b>1,29,53,103</b>	<b>1,29,53,103</b>
Changes during the year	–	–	–
<b>As at 31 March 2024</b>	<b>2,80,000</b>	<b>1,29,53,103</b>	<b>1,29,53,103</b>

### Other Equity

Particulars	Reserves and Surplus		Total
	Retained Earnings	Foreign Currency Translation Reserve	
<b>Balance as at 01 April 2022</b>	2,22,08,582	40,78,650	2,62,87,232
Add/Less: Changes due to prior period errors	–	–	–
<b>Restated balance as at 01 April 2022</b>	<b>2,22,08,582</b>	<b>40,78,650</b>	<b>2,62,87,232</b>
Profit during the year	15,83,150	42,95,781	58,78,931
Transfer during the year	–	–	–
<b>Balance as at 31 March 2023</b>	<b>2,37,91,732</b>	<b>83,74,431</b>	<b>3,21,66,163</b>
Add/Less: Changes due to prior period errors	–	–	–
<b>Restated balance as at 01 April 2023</b>	<b>2,37,91,732</b>	<b>83,74,431</b>	<b>3,21,66,163</b>
Profit during the year	36,59,302	(31,223)	36,28,079
Transfer during the year	–	–	–
<b>Balance as at 31 March 2024</b>	<b>2,74,51,034</b>	<b>83,43,208</b>	<b>3,57,94,242</b>

As per our certificate of Even Date

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

**Premal H. Gandhi**  
Partner  
M. No. : 111592  
DIN No. 07682095

Place : Mumbai  
Date : 26 April 2024

**For and on behalf of the Board of Directors of**  
**For Motilal Oswal Capital Market (Singapore) Private Limited**

**Nikunj Sheth**  
Director  
DIN: 08118427

Place : Mumbai  
Date : 26 April 2024

**Rajani Nainesh Bharat**  
Director

Place: Singapore

# Summary of Material Accounting Policies and Other Explanatory Information

(All amounts are converted in Rupees, unless otherwise stated)

## SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

The following notes form an integral part of the financial statements.

### 1 GENERAL INFORMATION

Motilal Oswal Capital Markets (Singapore) Private limited (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. MATERIAL 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) 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

#### (c) 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:

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 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".

## (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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

## **(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.

## **(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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## (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.

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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## (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.

## (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)

## (p) 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 3. Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	1,67,990	1,68,148
<b>Balances with banks</b>		
In current accounts	3,62,69,974	2,83,68,043
<b>Total</b>	<b>3,64,37,964</b>	<b>2,85,36,191</b>

## 4. Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Trade receivables		
Unsecured, considered good	1,10,02,254	2,80,90,640
<b>Total</b>	<b>1,10,02,254</b>	<b>2,80,90,640</b>

### 4.1 Receivables

For the year ended 31 March 2024

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	1,10,02,254	–	–	–	–	–	1,10,02,254
(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	–	–	–	–	–	–	–
<b>Total</b>	<b>1,10,02,254</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,10,02,254</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 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	2,80,90,640	-	-	-	-	-	2,80,90,640
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>2,80,90,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,80,90,640</b>

## 5. Other Financial Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Rent, electricity, and other deposits	76,45,594	74,59,555
<b>Total</b>	<b>76,45,594</b>	<b>74,59,555</b>

## 6. Other Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Other payables	13,57,090	1,43,70,056
Provision for expenses	(2,24,271)	(51,72,036)
Accrued salaries and benefits	50,69,796	96,33,120
Lease Liability - OFL	1,35,852	1,35,980
<b>Total</b>	<b>63,38,467</b>	<b>1,89,67,120</b>

### 6.1 Payables

#### For the year ended 31 March 2024

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	-	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

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	–	–	–	–	–
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

## 7. Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
<b>Authorised :</b>				
Equity Shares of ₹ 10 each fully paid up	10,00,00,000	3,70,00,00,000	10,00,00,000	3,70,00,00,000
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of ₹ 10 each fully paid up	1,69,382.00	1,29,53,103.00	1,69,382.00	1,29,53,103.00
<b>Total</b>	<b>1,69,382.00</b>	<b>1,29,53,103.00</b>	<b>1,69,382.00</b>	<b>1,29,53,103.00</b>

### Reconciliation of the number of shares outstanding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	In Rupees	Number of Shares	In Rupees
<b>Number of shares at the beginning (Face value of ₹ 10 each)</b>	1,69,382	1,29,53,103	1,69,382	1,29,53,103
Changes due to prior period error	–	–	–	–
<b>Restated at the beginning of the year</b>	1,69,382	1,29,53,103	1,69,382	1,29,53,103
Shares issued during the year	–	–	–	–
<b>Number of shares at the end of the year</b>	<b>1,69,382</b>	<b>1,29,53,103</b>	<b>1,69,382</b>	<b>1,29,53,103</b>

### Share holder having more than 5% equity holding in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financials Services Limited	1,69,382	100	1,69,382	100

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## Shares held by promoters at the end of the year

Shareholding pattern as on 31 March 2024			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financials Services Limited	1,69,382	100	100.00
<b>Total A</b>	<b>1,69,382</b>	<b>100</b>	

Shareholding pattern as on 31 March 2023			% Change during the year
Name of the Shareholders	No. of shares held	% of shares held	
Motilal Oswal Financials Services Limited	1,69,382	100	100.00
<b>Total A</b>	<b>1,69,382</b>	<b>100</b>	

## 8. Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	83,74,431	40,78,650
Foreign Currency Translation Reserve for the period	(31,223)	42,95,781
<b>Balance at the end of the year</b>	<b>83,43,208</b>	<b>83,74,431</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	2,37,91,732	2,22,08,582
Add: Net profit for the year	36,59,302	15,83,150
<b>Balance as at end of the year</b>	<b>2,74,51,034</b>	<b>2,37,91,732</b>
<b>Total</b>	<b>3,57,94,242</b>	<b>3,21,66,163</b>

### 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 SGD financials into INR financials

## 9. Fees and Commission Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Research and advisory fees	2,91,46,747	2,65,71,937
<b>Total</b>	<b>2,91,46,747</b>	<b>2,65,71,937</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 10. Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Other Non-Operating Income	6,311	—
<b>Total</b>	<b>6,311</b>	<b>—</b>

## 11. Employee benefit expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowances	1,79,57,801	1,49,53,166
Contribution to provident fund and other benefits	2,63,006	2,49,772
Staff welfare expenses	22,163	18,350
<b>Total</b>	<b>1,82,42,970</b>	<b>1,52,21,288</b>

## 12. Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	17,64,586	18,85,304
Insurance	1,75,091	2,61,262
Legal and professional charges	40,90,906	41,48,120
Remuneration to auditors	7,44,938	10,00,960
Printing and stationery	70,398	96,083
Communication expenses	48,257	27,840
Travelling and conveyance expenses	13,298	30,204
Entertainment expenses	64,603	2,16,557
Miscellaneous expenses	1,29,950	2,18,458
<b>Total</b>	<b>71,02,027</b>	<b>78,84,788</b>

## 13. Operating Leases

The Company had taken office premises under operating lease or leave and license agreements.

During the year ₹ 17,64,586/- (Previous year ₹ 18,85,304/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head "Rent".

## 14. 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 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (Rupees)	36,59,302	15,83,150
Weighted average number of equity shares outstanding during the year	1,69,382	1,69,382
Nominal value per share (Rupees)	76.47	76.47
Earnings per share (Basic and diluted) (Rupees)	21.60	9.35

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 15. Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

## 16. 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
- MO Alternate investment Advisors Private Limited
- Motilal Oswal Trustee Company Limited
- 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
- Motilal Oswal Capital Market (Honkong) Pvt 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
- Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- MO Alternative IFSC Private Limited

#### C) Key management personnel

- Nikunj Sheth - Director
- Rajani Nainesh Bharat - Director

### ii) Transactions with related parties for the year ended March 31, 2024

Transactions	Name of the related Party	For the Period Ended 31-Mar-2024	For the Period Ended 31-Mar-2023
Advisory Fees (charged) / paid	Motilal Oswal Financial Services Limited	2,91,46,747	2,65,71,937
Director's remuneration	Rajani Naine Bharat	1,64,83,368	1,45,47,949
Advisory Fees Receivable at the year end	Motilal Oswal Financial Services Limited	1,10,02,254	2,80,90,640

**Note:** Income/receipts figures are shown in brackets.

## 17. 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

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

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.

**Age of receivables that are past due:**

**At 31 March 2024**

(In Rupees)

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Trade Receivables	1,10,02,254	–	–	–	1,10,02,254
<b>Total</b>	<b>1,10,02,254</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,10,02,254</b>

**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
<b>Total</b>	<b>2,80,90,640</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,80,90,640</b>

**Summary quantitative data**

**At 31 March 2024**

(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	63,38,467	–	–	–	63,38,467
<b>Total</b>	<b>63,38,467</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>63,38,467</b>

**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	1,89,67,120	–	–	–	1,89,67,120
Amount due immediate holding company					
<b>Total</b>	<b>1,89,67,120</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,89,67,120</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 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 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3,64,37,964	–	3,64,37,964	2,85,36,191	–	2,85,36,191
Trade receivables	1,10,02,254	–	1,10,02,254	2,80,90,640	–	2,80,90,640
Other financial asset	8,84,841	67,60,753	76,45,594	65,51,503	9,08,052	74,59,555
<b>Total Assets</b>	<b>4,83,25,059</b>	<b>67,60,753</b>	<b>5,50,85,812</b>	<b>6,31,78,334</b>	<b>9,08,053</b>	<b>6,40,86,387</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Payables	13,57,090	–	13,57,090	1,43,70,056	–	1,43,70,056
Other financial liabilities	49,81,377	–	49,81,377	–	45,97,064	45,97,064
<b>Total Liabilities</b>	<b>63,38,467</b>	<b>–</b>	<b>63,38,467</b>	<b>1,43,70,056</b>	<b>45,97,064</b>	<b>1,89,67,121</b>

## 19. Fair value measurements

Financial instruments by category:

Particulars	31 March 2024		31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	3,64,37,964	–	2,85,36,191
Trade receivables	–	1,10,02,254	–	2,80,90,640
Other financial assets	–	76,45,594	–	74,59,555
<b>Total Financial Assets</b>	<b>–</b>	<b>5,50,85,812</b>	<b>–</b>	<b>6,40,86,386</b>
<b>Financial Liabilities</b>				
Other financial liabilities	–	63,38,467	–	1,89,67,120
	–	<b>63,38,467</b>	–	<b>1,89,67,120</b>

### 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## 20. Revenue from contracts with customers

The principal activity of the Company is the provision of financial advisory services.

### 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	Amount	
	31 March 24	31 March 23
Total revenue from contracts with customers	<u>2,91,46,747</u>	<u>2,65,71,937</u>
<b>Geographical markets</b>		
Singapore	–	–
Outside Singapore	<u>2,91,46,747</u>	<u>2,65,71,937</u>
<b>Total revenue from contracts with customers</b>	<u><u>2,91,46,747</u></u>	<u><u>2,65,71,937</u></u>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	–	–
Services transferred over time	<u>2,91,46,747</u>	<u>2,65,71,937</u>
<b>Total revenue from contracts with customers</b>	<u><u>2,91,46,747</u></u>	<u><u>2,65,71,937</u></u>

### b) Contract balances

Trade receivable are non-interest bearing balances.

### c) Performance obligations

The performance obligation of the Company is to providing advisory services, which is completed as per the terms and conditions of the advisory agreement. The usual payment term for the performance obligation of the company is three month.

## 21. Auditor's Remuneration

Particulars	For the Period Ended 31-Mar-2024	For the Period Ended 31-Mar-2023
<b>As Auditors:</b>		
Audit fees	7,44,938	10,00,960
<b>In any other capacity, in respect of:</b>		
Other Certification	–	–
<b>Total</b>	<u><u>7,44,938</u></u>	<u><u>10,00,960</u></u>

## 22. Transactions in foreign currency

### (i) Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Recovery of Expenses	<u>29146747</u>	<u>2,65,71,937</u>
<b>Total</b>	<u><u>2,91,46,747</u></u>	<u><u>2,65,71,937</u></u>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## (ii) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Legal and professional charges	25,218	22,553
<b>Total</b>	<b>25,218</b>	<b>22,553</b>

## (iii) Unhedged foreign currency exposure:

### a) Receivables

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	<b>INR (Indian Rupees)</b>	1,10,02,254	2,80,90,640
	SGD (SG Dollar)	1,78,171	4,54,476
Foreign currency receivable in next 5 years including interest	SGD (Indian Rupees)	–	–
	SGD (SG Dollar)	–	–
Unhedged foreign currency exposure	INR (Indian Rupees)	–	–
	SGD (SG Dollar)	–	–

Source for conversion rate as on 31 March : Oanda.com

## 23. Tax Disclosures

(Amount in rupees)

Particular	Year ended 31 March 2024	Year ended 31 March 2023
<b>1 Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	1,48,759	1,34,876
Short / (excess) provision for earlier years	–	17,47,836
<b>Total current tax expense</b>	<b>1,48,759</b>	<b>18,82,712</b>
<b>Deferred taxes</b>		
Change in deferred tax	–	–
<b>Net deferred tax expense</b>	<b>–</b>	<b>–</b>
<b>Tax reconciliation (for profit and loss)</b>		
<b>Profit/(loss) before income tax expense</b>	(1,99,24,364)	(1,99,24,364)
Tax	0	0
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Non deductible expenses for tax purpose		
Items considered under other heads		
Losses carried forward in future years		
<b>Income tax expense</b>	<b>(1,99,24,364)</b>	<b>(1,99,24,364)</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

2 Particulars	31-Mar-24	31-Mar-23
<b>Deferred tax assets on account of:</b>		
Provision for gratuity	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(13,106)	4,821
Provision for VAT	13,36,966	13,36,966
<b>Loss on sale of Office premises</b>	<b>14,06,272</b>	<b>14,06,272</b>
<b>Total deferred tax assets (A)</b>	<b>27,30,132</b>	<b>27,48,059</b>
<b>Net deferred tax assets</b>	<b>27,30,132</b>	<b>27,48,059</b>

**Note :**

Since it is not probable that sufficient tax profits would be available for set off of current tax losses, deferred tax assets have been created to the extent of deferred tax liabilities.

**3. Deferred tax related to the following:**

Particular	As at 31 March 2023	Recognised through profit and loss
<b>Deferred tax assets on account of:</b>		
Provision for gratuity	–	(91,788)
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	4,821	(25,514)
Provision for VAT	13,36,966	–
Loss on sale of Office premises	14,06,272	–
<b>Total deferred tax assets</b>	<b>27,48,059</b>	<b>(1,17,302)</b>
<b>Total deferred tax Assets/liability (net)</b>	<b>27,48,059</b>	<b>(1,17,302)</b>

**24.** Previous year figures have regrouped/ rearranged where necessary to confirm to current year's classifications.

**For PGS & Associates**  
Chartered Accountants  
Firm Registration No. 122384W

**Premal H. Gandhi**  
Partner  
M. No. : 111592  
DIN No. 07682095

Place : Mumbai  
Date : 26 April 2024

**For and on behalf of the Board of Directors of**  
**For Motilal Oswal Capital Market (Singapore) Private Limited**

**Nikunj Sheth**  
Director  
DIN: 08118427

Place : Mumbai  
Date : 26 April 2024

**Rajani Nainesh Bharat**  
Director

Place: Singapore  
Date : 26 April 2024

---

# **Motilal Oswal Capital Markets (Hongkong) Private Limited**

**FINANCIAL STATEMENT  
2023-24**

# Independent Practitioner's Fit

## INDEPENDENT PRACTITIONER'S FIT FOR CONSOLIDATION REPORT

To the Board of Directors of

**Motilal Oswal Capital Markets (Hong Kong) Private Limited and Motilal Oswal Financial Services Limited**

### Opinion

We have verified the accompanying financial statements of **Motilal Oswal Capital Markets (Hong Kong) Pte. Ltd.**, which comprise the Balance Sheet as at March 31, 2024, 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 Hong Kong Financial Reporting Standards ("HKFRSs") 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, 2024, 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.

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.

## Independent Practitioner's Fit (Contd..)

- 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: 24111592BKBIMM7847

#### **Premal Gandhi**

*Partner*

Membership No.: 111592

Place: Mumbai

Date: 26th April 2024

# Balance Sheet

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	As At 31 March 2024	As At 31 March 2023
<b>I. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	1	1,77,09,763	1,14,93,995
(b) Receivables			
(i) Trade Receivables	2	20,68,121	50,77,653
(c) Other financial assets	3	5,79,435	5,69,469
<b>Total Assets (A)</b>		<b>2,03,57,319</b>	<b>1,71,41,117</b>
<b>Total Assets (A)</b>		<b>2,03,57,319</b>	<b>1,71,41,117</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>1. Financial liabilities</b>			
(a) Other financial liabilities	4	9,75,036	9,54,183
<b>Total financial liabilities (A)</b>		<b>9,75,036</b>	<b>9,54,183</b>
<b>2. Equity</b>			
(a) Equity share capital	5	4,12,02,000	4,12,02,000
(b) Other equity	6	(2,18,19,717)	(2,50,15,066)
<b>Total equity (B)</b>		<b>1,93,82,283</b>	<b>1,61,86,934</b>
<b>Total Liabilities and Equity (A+B)</b>		<b>2,03,57,319</b>	<b>1,71,41,118</b>

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Reg No.122384W

For and on behalf of the Board of  
**Motilal Oswal Capital Markets (Hongkong) Private Limited**

**Premal H Gandhi**  
Partner  
M.No.: 111592

**Martin Brendon Marnick**  
Director

**Gaurav Kedia**  
Director

Place: Mumbai  
Date : 26th April, 2024

Place: Hongkong  
Date : 26th April, 2024

Place: Mumbai  
Date : 26th April, 2024

# Statement of Profit And Loss

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1) Income:</b>			
<b>(a) Revenue from operations</b>			
(a) Interest income	7	127	97
(b) Fees and commission income	8	1,65,95,260	1,34,48,776
<b>Total revenue from operations</b>		<b>1,65,95,387</b>	<b>1,34,48,873</b>
<b>Total income (a+b) (1)</b>		<b>1,65,95,387</b>	<b>1,34,48,873</b>
<b>2) Expenses:</b>			
(a) Fees and commission expense	9	30,78,092	–
(b) Employee benefit expense	10	61,56,735	59,61,675
(c) Other expenses	11	44,67,592	51,63,422
<b>Total expenses (2)</b>		<b>1,37,02,419</b>	<b>1,11,25,097</b>
<b>3) Profit before tax (3) = (1) - (2)</b>		<b>28,92,968</b>	<b>23,23,776</b>
<b>4) Profit after tax</b>		<b>28,92,968</b>	<b>23,23,776</b>
<b>5) Total comprehensive income</b>		<b>28,92,968</b>	<b>23,23,776</b>

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Reg No. 122384W

For and on behalf of the Board of  
**Motilal Oswal Capital Markets (Hongkong) Private Limited**

**Premal H Gandhi**  
Partner  
M.No.: 111592

**Martin Brendon Marnick**  
Director

**Gaurav Kedia**  
Director

Place: Mumbai  
Date : 26th April, 2024

Place: Hongkong  
Date : 26th April, 2024

Place: Mumbai  
Date : 26th April, 2024

# Cash Flow Statement

(All amounts are converted in Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from Operating Activities</b>		
Profit before taxation	28,92,968	23,23,776
<b>Adjustments for :</b>		
Foreign Currency Translation Reserve	3,02,380	11,25,634
Interest Income	—	(27)
<b>Operating profit before Working Capital changes</b>	<b>31,95,348</b>	<b>34,49,382</b>
<b>Adjustments for Working Capital changes</b>		
(Increase) / decrease in trade receivables	30,09,532	(3,94,946)
(Increase) / decrease in other financial assets	(9,966)	75,067
Increase / (Decrease) in Trade Payables	—	—
Increase / (Decrease) in other financial liabilities	20,853	(49,053)
<b>Net change in working capital</b>	<b>30,20,419</b>	<b>(3,68,932)</b>
<b>Cash generated from / (used in) Operations</b>	<b>62,15,767</b>	<b>30,80,450</b>
<b>Net cash generated from / (used in ) operating activities (A)</b>	<b>62,15,767</b>	<b>30,80,450</b>
<b>B. Cash flow from Investing activities</b>		
Interest Income	—	27
<b>Total (B)</b>	<b>—</b>	<b>27</b>
<b>C. Net increase / (decrease) in cash and cash equivalents (A+B)</b>	<b>62,15,767</b>	<b>30,80,477</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>		
Scheduled bank - In current account	1,14,93,995	84,13,518
<b>Total (D)</b>	<b>1,14,93,995</b>	<b>84,13,518</b>
<b>E. Cash and cash equivalents at the end of the year</b>		
Scheduled bank - In current account	1,77,09,763	1,14,93,995
<b>Total ( E )</b>	<b>1,77,09,763</b>	<b>1,14,93,995</b>

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, 2024

For and on behalf of the Board of  
**For Motilal Oswal Capital Markets (Hongkong) Private Limited**

**Martin Brendon Marnick**  
Director

**Gaurav Kedia**  
Director

Place : Mumbai  
Date : 26th April, 2024

# Statement of Changes in Equity

For the year ended 31 March 2024

(All amounts are converted in Rupees, unless otherwise stated)

## SHARE CAPITAL

Particulars	Equity share capital		Total
	Number of shares	Amount	
As at 1 April 2022	60,00,000	4,12,02,000	4,12,02,000
Addition during the year	–	–	–
As at 31 March 2023	60,00,000	4,12,02,000	<b>4,12,02,000</b>
Add / Less: Changes due to prior period errors	–	–	–
Restated as at 01 April 2023	60,00,000	4,12,02,000	<b>4,12,02,000</b>
Changes during the year	–	–	–
As at 31 March 2024	<b>60,00,000</b>	<b>4,12,02,000</b>	<b>4,12,02,000</b>

## OTHER EQUITY

Particulars	Reserves and Surplus		Total
	Retained Earnings	Foreign Currency Translation Reserve	
Balance as at 01 April 2022	(3,68,20,620)	83,56,144	(2,84,64,476)
Add / Less: Changes due to prior period errors	–	–	–
Restated balance as at 01 April 2022	(3,68,20,620)	83,56,144	(2,84,64,476)
Profit during the year	–	–	–
Transfer during the year	23,23,776	11,25,634	34,49,410
Actuarial gains / (losses) on post retirement benefit plans	–	–	–
Balance as at 31 March 2023	<b>(3,44,96,844)</b>	<b>94,81,778</b>	<b>(2,50,15,066)</b>
Add / Less: Changes due to prior period errors	–	–	–
Restated balance as at 01 April 2023	<b>(3,44,96,844)</b>	<b>94,81,778</b>	<b>(2,50,15,066)</b>
Profit during the year	–	–	–
Transfer during the year	28,92,968	3,02,381	31,95,349
Actuarial gains / (losses) on post retirement benefit plans	–	–	–
Balance as at 31 March 2024	<b>(3,16,03,876)</b>	<b>97,84,159</b>	<b>(2,18,19,717)</b>

As per our certificate of even date

**For PGS & Associates**  
Chartered Accountants  
Firm Reg No.122384W

For and on behalf of the Board of  
**Motilal Oswal Capital Markets (Hongkong) Private Limited**

**Premal H Gandhi**  
Partner  
M.No.: 111592

**Martin Brendon Marnick**  
Director

**Gaurav Kedia**  
Director

Place: Mumbai  
Date : 26th April, 2024

Place: Hongkong  
Date : 26th April, 2024

Place: Mumbai  
Date : 26th April, 2024

# Summary of Material Accounting Policies and Other Explanatory Information

(All amounts are converted in Rupees, unless otherwise stated)

## NOTE 1 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balances with banks</b>		
In current accounts	1,77,09,763	1,14,93,995
<b>Total</b>	<b>1,77,09,763</b>	<b>1,14,93,995</b>

## NOTE 2 : RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Trade receivables</b>		
Unsecured, considered good	20,68,121	50,77,653
<b>Total</b>	<b>20,68,121</b>	<b>50,77,653</b>

## NOTE 2.1 : RECEIVABLES

### Receivables ageing schedule

#### For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	-	-	20,68,121	-	-	-	-	20,68,121
(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	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	-	-	50,77,653	-	-	-	-	50,77,653
(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	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

## NOTE 3 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Rent, electricity, and other deposits	5,79,435	5,69,469
<b>Total</b>	<b>5,79,435</b>	<b>5,69,469</b>

## NOTE 4 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Other payables	1,68,221	1,65,328
Provision for expenses	8,06,815	7,88,855
<b>Total</b>	<b>9,75,036</b>	<b>9,54,183</b>

## NOTE 4.1 : PAYABLES

### Trade Payable ageing schedule

For the year ended 31 March 2024

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	-	-	-	-	-

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

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	–	–	–	–	–
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

## NOTE 5 : SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
<b>Authorised :</b>				
Equity Shares of ₹ 10 each fully paid up	7,00,00,000	7,00,00,000	7,00,00,000	7,00,00,000
<b>Issued, Subscribed and Paid Up :</b>				
Equity Shares of ₹ 10 each fully paid up	60,00,000	4,12,02,000	60,00,000	4,12,02,000
<b>Total</b>	<b>60,00,000</b>	<b>4,12,02,000</b>	<b>60,00,000</b>	<b>4,12,02,000</b>

## Reconciliation of the number of shares outstanding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	In Rupees	Number of Shares	In Rupees
<b>Number of shares at the beginning(Face value of ₹ 10 each)</b>	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Changes due to prior period error	–	–	–	–
<b>Restated at the beginning of the year</b>	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Shares issued during the year	–	–	–	–
<b>Number of shares at the end of the year</b>	<b>60,00,000</b>	<b>6,00,00,000</b>	<b>60,00,000</b>	<b>6,00,00,000</b>

## Share holder having more than 5% equity holding in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financials Services Limited	60,00,000	100	60,00,000	100

## Shares held by promoters at the end of the year

Name of the Shareholders	Shareholding pattern as on 31 March 2024			Shareholding pattern as on 31 March 2023		
	No. of shares held	% of shares held	% Change during the year	No. of shares held	% of shares held	% Change during the year
Motilal Oswal Financials Services Limited	60,00,000	100	–	60,00,000	100	–
<b>Total A</b>	<b>60,00,000</b>	<b>100</b>	<b>–</b>	<b>60,00,000</b>	<b>100</b>	<b>–</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## NOTE 6 : OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Retained Earnings</b>		
Balance at the beginning of the year	(3,44,96,844)	(3,68,20,620)
Add: Transfer from Statement of Profit and Loss	28,92,968	23,23,776
<b>Total</b>	<b>(3,16,03,876)</b>	<b>(3,44,96,844)</b>
<b>b) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	94,81,778	83,56,144
Add: Transferred during the year	3,02,381	11,25,634
<b>Total</b>	<b>97,84,159</b>	<b>94,81,778</b>
<b>Balance at the end of year</b>	<b>(2,18,19,717)</b>	<b>(2,50,15,066)</b>

### 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 HKD financials into INR financials.

## NOTE 7 : INTEREST INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on deposits with banks	127	97
<b>Total</b>	<b>127</b>	<b>97</b>

## NOTE 8 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Research and advisory fees	1,65,95,260	1,34,48,776
<b>Total</b>	<b>1,65,95,260</b>	<b>1,34,48,776</b>

## NOTE 9 : FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advisory referral and other expenses - Broking	30,78,092	–
<b>Total</b>	<b>30,78,092</b>	<b>–</b>

## NOTE 10 : EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, bonus and allowances	57,75,840	55,93,007
Contribution to provident fund and other benefits	3,80,895	3,68,668
<b>Total</b>	<b>61,56,735</b>	<b>59,61,675</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## NOTE 11 : OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	12,58,697	12,17,835
Legal and professional charges	24,52,351	31,99,014
Remuneration to auditors	4,76,118	4,60,836
Communication expenses	2,28,569	2,21,078
Miscellaneous expenses	51,857	64,660
<b>Total</b>	<b>44,67,592</b>	<b>51,63,422</b>

## NOTE : 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, 2024 is Motilal Oswal Financial Services Limited (MOFSL).

The Company's principal activity is to distribute research (produced by MOFSL) and render financial advice on Indian equities to institutional investors in Hongkong.

The Company is seeking to conduct regulated activities such as dealing in securities and advising on securities as it intends to provide a brokerage service in relation to stocks, unit trusts, mutual funds, debt securities and stock derivatives. The Company is also seeking to distribute institutional research to Hongkong and overseas institutional clients.

The transactions of the Company are in local currency, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Material Accounting Policies.

## NOTE : 13 MATERIAL 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.

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## (f) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares.

## (g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## NOTE : 14 MATERIAL ACCOUNTING POLICIES

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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTE : 15 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.

## Summary quantitative data

At 31 March 2024

(in ₹)

Particulars	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Year	Total
Accrued expenses and other payables	1,68,221	–	–	–	1,68,221
<b>Total</b>	<b>1,68,221</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,68,221</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

At 31 March 2023

(in ₹)

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
Amount due immediate holding company					
<b>Total</b>	<b>9,54,183</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,54,183</b>

## NOTE : 16 FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2024		31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	–	1,77,09,763	–	1,14,93,995
Trade receivables	–	20,68,121	–	50,77,654
Other financial assets	–	5,79,435	–	5,69,469
<b>Total Financial Assets</b>	<b>–</b>	<b>2,03,57,319</b>	<b>–</b>	<b>1,71,41,118</b>
<b>Financial Liabilities</b>				
Other financial liabilities	–	9,75,036	–	9,54,183
<b>Total Financial Liabilities</b>	<b>–</b>	<b>9,75,036</b>	<b>–</b>	<b>9,54,183</b>

### I. Fair value estimation

The carrying amount of the company financial asset and liabilities, approximate their fair values, which due to their short term maturities, or they are subject to floating rates.

## NOTE 17 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March 24			31 March 23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,77,09,763		1,77,09,763	1,14,93,995		1,14,93,995
Trade receivables	20,68,121		20,68,121	50,77,653		50,77,653
Other financial asset	5,79,435		5,79,435	5,69,469		5,69,469
<b>Total Assets</b>	<b>2,03,57,319</b>	<b>–</b>	<b>2,03,57,319</b>	<b>1,71,41,117</b>	<b>–</b>	<b>1,71,41,117</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Payables	1,68,221		1,68,221	1,65,328		1,65,328
Other financial liabilities	8,06,815		8,06,815	7,88,855		7,88,855
<b>Total Liabilities</b>	<b>9,75,036</b>	<b>–</b>	<b>9,75,036</b>	<b>9,54,183</b>	<b>–</b>	<b>9,54,183</b>

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## NOTE 18 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's principal activity is to distribute research (produced by MOFSL) and render financial advice on Indian equities to institutional investors in Hongkong.

### 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	Amounts	
	31 March 24	31 March 23
Total revenue from contracts with customers	1,65,95,260	1,34,48,776
<b>Geographical markets</b>		
In Hongkong	1,65,95,260	1,34,48,776
Outside Hongkong	-	-
Total revenue from contracts with customers	1,65,95,260	1,34,48,776
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	1,65,95,260	1,34,48,776
Total revenue from contracts with customers	1,65,95,260	1,34,48,776

### b) Contract balances

Trade receivable are non-interest bearing balances.

### c) Performance obligations

The Company's principal activity is to distribute research (produced by MOFSL) and render financial advice on Indian equities to institutional investors in Hongkong. The usual payment term for the performance obligation of the company is three months.

## NOTE 19 : TRANSACTIONS IN FOREIGN CURRENCY

### (i) Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Recovery of Expenses	-	-
<b>Total</b>	-	-

### (ii) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Legal and professional charges	45,104	35,613
Advisory referral Fees	-	-
<b>Total</b>	45,104	35,613

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## (iii) Unhedged foreign currency exposure:

### a) Receivables

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Foreign currency exposure outstanding	INR (Indian Rupees)	20,68,121	50,77,653
	HKD (HK Dollar)	1,94,187	4,85,110
Foreign currency receivable in next 5 years including interest	INR (Indian Rupees)	–	–
	HKD (HK Dollar)	–	–
Unhedged foreign currency exposure	INR (Indian Rupees)	–	–
	HKD (HK Dollar)	–	–

Source for conversion rate as on 31 March : Oanda.com

## NOTE 20 : SFC LICENSE

Motilal Oswal Capital Markets (Hong Kong) Private Limited (“Motilal HK”) was incorporated in Hong Kong on 30 September 2011 (CR No 1668413).

The Company received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301.

The license allows Motilal HK to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors .

Motilal HK is a 100% subsidiary of Motilal Oswal Financial Services Limited which is ultimately holding company.

## NOTE 21 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year Rupees 12,58,697/- (Previous year Rupees 12,17,835 ) being lease rentals for the current year are recognized in the statement of profit and loss under the head “ rent “ as at March 31, 2024 , the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

## NOTE 22 : 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 March 2024	For the year ended 31 March 2023
Profit / (Loss) attributable to equity shareholders (Rupees)	28,92,968	23,23,776
<b>Weighted average number of equity shares outstanding during the year</b>	60,00,000	60,00,000
Nominal value per share (Rupees)	6.87	6.87
<b>Earnings per share (Basic and diluted) (Rupees)</b>	<b>0.48</b>	<b>0.39</b>

## NOTE 23 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

## NOTE 24 : RELATED PARTIES TRANSACTIONS

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.

### A) Enterprises where control exists

- Motilal Oswal Financial Services Limited– Holding Company

# Summary of Material Accounting Policies and Other Explanatory Information (Contd..)

(All amounts are converted in Rupees, unless otherwise stated)

## B) Fellow subsidiaries

- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Finvest Limited
- Motilal Oswal Wealth Limited
- MO Alternate investment Advisors 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
- India Business Excellence Management Company
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Motilal Oswal Broking And Distribution Ltd. (Formerly Glide Tech Investment Advisory Private Ltd.)
- 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, 2024

Transactions	Name of the related Party	For the year ended March 31, 2024	For the year ended March 31, 2023
Director's Remuneration	Martin Brendon Marnick	61,56,735	59,61,675
Fees and commission income	Motilal Oswal Financial Services Limited	30,78,092	–
<b>Total</b>		<b>92,34,827</b>	<b>59,61,675</b>

Note: 'Income / receipts figures are shown in brackets.

## NOTE 25 :

Previous period's figures have regrouped / rearranged where necessary to confirm the current year's classifications.

### For PGS & Associates

Chartered Accountants  
Firm Reg No. 122384W

### For Motilal Oswal Capital Markets (Hong Kong) Private Limited

**Premal H Gandhi**  
Partner  
M.No.: 111592

Place : Mumbai  
Date : 26th April, 2024

**Martin Brendon Marnick**  
Director

Place : Mumbai  
Date : 26th April, 2024

**Gaurav Kedia**  
Director