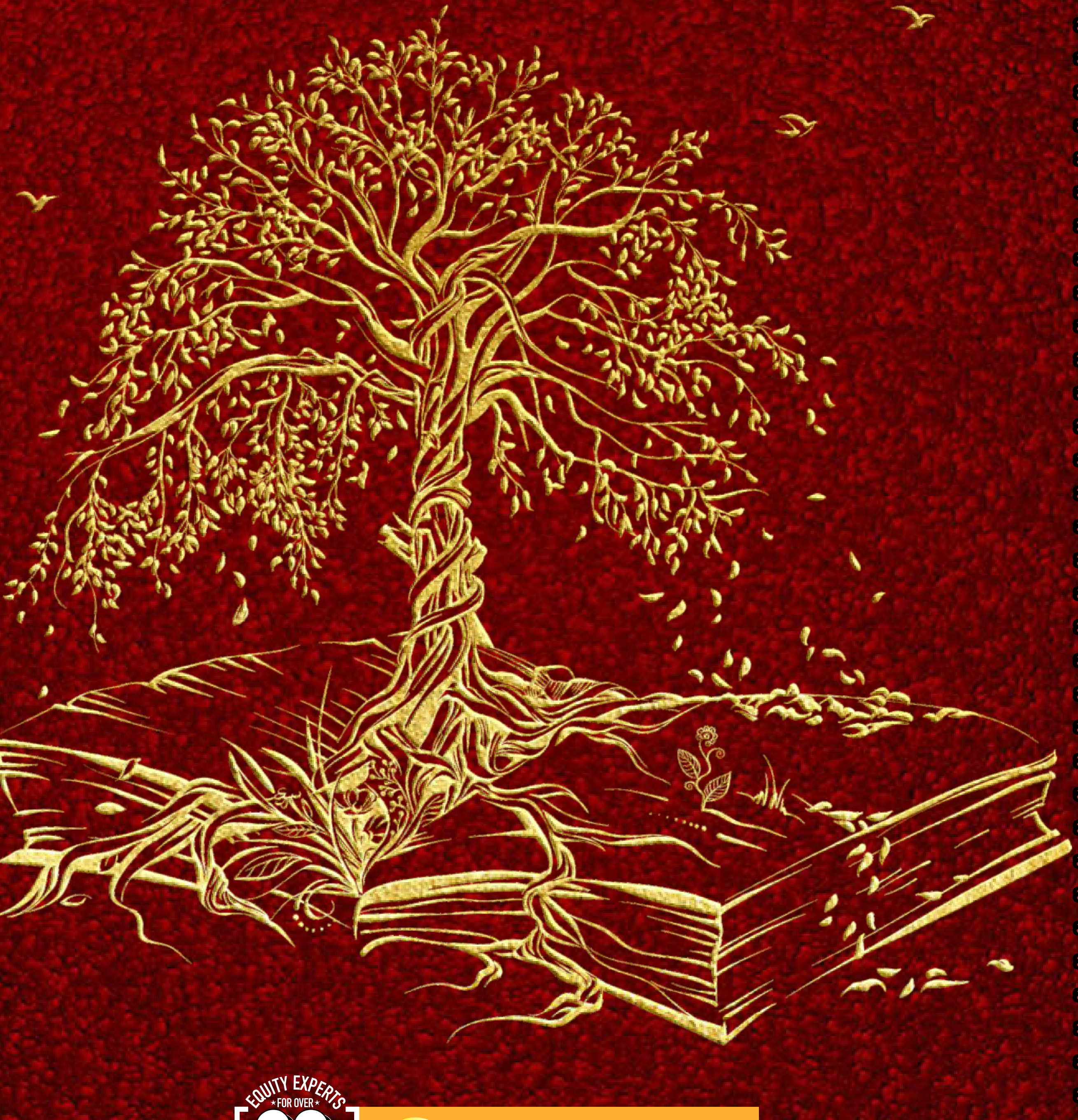
WINNING WITH KNOWLEDGE



EQUITY EXPERTS FOR OVER 30 YEARS

MOTILAL OSWAL

SUBSIDIARY COMPANIES
FINANCIAL STATEMENT 2020-21

CONTENTS

Motilal Oswal Asset Management Company Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of Motilal Oswal Asset Management Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Asset Management Company Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

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

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 April 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021 and

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company Limited, on the Financial Statements for the year ended 31 March 2021

ANNEXURE I

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

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which all property, plant and equipment are verified once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, property, plant and equipment were verified by the Company during the year except for certain assets amounting to ₹ 49 lacs which could not be verified by the management on account of the ongoing Covid-19 pandemic restrictions and the management has planned to physically verify such assets during the financial year ending 31 March 2022. No material discrepancies were noticed on verification performed in the current year."

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

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

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of 186 of the Act, in respect of investments and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans and guarantees.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹) in lacs	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act,1961	Income Tax	2	Nil	AY 2017-18	Commissioner of Income Tax (Appeals)	Disallowances of Employee stock options expenses amounting to ₹ 5 lacs

Name of the statute	Nature of dues	Amount (₹) in lacs	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act,1961	Income Tax	336	Nil	AY 2018-19	Appeal pending to be filed with Commissioner of Income Tax (Appeals)	Disallowances of Employee stock options expenses amounting to ₹ 970 lacs
Income Tax Act,1961	Income Tax	19	Nil	AY 2018-19	Appeal pending to be filed with Commissioner of Income Tax (Appeals)	Disallowances under section 14A amounting to ₹ 56 lacs

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

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

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

(xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

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

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company Limited on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Asset Management Company Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

BALANCE SHEET AS AT MARCH 31, 2021

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

Particulars	Note No.	As at 31-March-2021	As at 31-March-2020
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	56	723
(b) Receivables			
(I) Trade receivables	5	9,174	4,816
(c) Loans	6	14	1
(d) Investments	7	73,326	26,671
(e) Other financial assets	8	63	86
Sub - total financial assets (A)		**82,633**	**32,297**
2. Non-financial assets			
(a) Property, plant and equipment	9(A)	155	296
(b) Other intangible assets	9(B)	93	65
(c) Other non-financial assets	10	8,443	9,815
Sub - total non-financial assets (B)		**8,691**	**10,176**
TOTAL ASSETS (A+B)		**91,324**	**42,473**
II. LIABILITIES AND EQUITY			
A. LIABILITIES			
1. Financial liabilities			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	11	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		5,691	4,158
(b) Borrowings (Other than debt securities)	12	385	–
(c) Other financial liabilities	13	433	858
Sub - total financial liabilities (A)		**6,509**	**5,016**
2. Non - financial liabilities			
(a) Current tax liabilities (net)	14	1,557	374
(b) Provisions	15	2,725	1,295
(c) Deferred tax liabilities (net)	16	4,601	1,074
(d) Other non-financial liabilities	17	343	225
Sub - total non-financial liabilities (B)		**9,226**	**2,968**
B. Equity			
(a) Equity share capital	18	6,774	6,774
(b) Other equity	19	68,815	27,715
Sub -total equity (C)		**75,589**	**34,489**
TOTAL LIABILITIES AND EQUITY (A+B+C)		**91,324**	**42,473**

The accompanying notes 1 to 52 form an integral part of the financial statements

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

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 27 April 2021

Place : Mumbai
Date : 27 April 2021

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2021

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

Particulars	Note No.	For the Year ended 31 March 2021	For the Year ended 31 March 2020
REVENUE FROM OPERATIONS			
(i) Fees and commission income	20	51,048	55,058
(ii) Interest income	21	87	2
(iii) Net gain on fair value changes	22	29,599	–
1) Total revenue from operations		**80,734**	**55,060**
2) Other income	23	**216**	**68**
3) Total income (1 + 2)		**80,950**	**55,128**
EXPENSES			
(i) Finance costs	24	77	107
(ii) Fees and commission expense	25	21,478	23,402
(iii) Employee benefit expense	26	7,298	5,358
(iv) Depreciation and amortisation expense	9	188	157
(v) Net loss on fair value changes	27	–	6,970
(vi) Other expenses	28	3,474	5,442
4) Total expenses		**32,515**	**41,436**
5) Profit before tax (3 - 4)		**48,435**	**13,692**
Tax expenses / (credit)	29		
(i) Current tax		4,892	5,237
(ii) Deferred tax expenses / (credit)		3,511	(1,656)
(iii) Short / (excess) provision for earlier years		(969)	–
6) Total tax expenses		**7,434**	**3,581**
7) Profit for the period (5-6)		**41,001**	**10,111**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Acturial gain/ (loss) on post retirement benefit plans	42	60	14
b) Deferred tax impact on the above		(15)	(3)
8) Other comprehensive income/ (loss)		**45**	**11**
Total comprehensive income for the period (7+8)		**41,046**	**10,122**
Earnings per share (₹ 1 each)			
Basic (amount in ₹)	39	6.05	1.51
Diluted (amount in ₹)		6.00	1.47

The accompanying notes 1 to 52 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 27 April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**66,58,63,624**	**6,659**
Stock options exercised under the ESOS	1,15,24,259	115
As at 31 March 2020	**67,73,87,883**	**6,774**
Stock options exercised under the ESOS	–	–
As at 31 March 2021	**67,73,87,883**	**6,774**

(B) OTHER EQUITY

Particulars	Reserves and Surplus				Reserves and Surplus				Total	
	31 March 2021				31 March 2020				31 March 2021	31 March 2020
	Securities premium	Share based options outstanding account	Surplus/ (deficit) in the statement of profit and loss	Other comprehensive income	Securities premium	Share based options outstanding account	Surplus/ (deficit) in the statement of profit and loss	Other comprehensive income		
Balance at the beginning of the reporting period	855	437	26,427	(4)	374	557	31,580	(15)	27,715	32,496
Issue of equity share, net of transaction cost	–	–	–	–	481	–	–	–	–	481
Stock option expense for the year	–	54	–	–	–	(120)	–	–	54	(120)
Profit for the year	–	–	41,001	–	–	–	10,111	–	41,001	10,111
Other comprehensive income	–	–		45	–	–	–	11	45	11
Dividends	–	–	–	–	–	–	(12,661)	–	–	(12,661)
Distribution tax on dividend	–	–	–	–	–	–	(2,603)	–	–	(2,603)
Balance at the end of the reporting period	855	491	67,428	41	855	437	26,427	(4)	68,815	27,715

The accompanying notes 1 to 52 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 27 April 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**48,435**	**13,692**
Adjustment for:		
Interest expense	77	107
Profit on sale of investment- realised gain	(18)	(950)
Unrealised (gain)/loss	(29,581)	7,920
Depreciation and amortisation expense	188	157
Interest income	(87)	(2)
Bad debts written off	37	–
Employee stock option scheme expenditure	54	(120)
Acturial (gain)/loss	60	14
Operating profit	**19,165**	**20,818**
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	(284)	223
2) Increase/(decrease) in non-financial liabilities	118	57
3) Increase/(decrease) in trade payables	1,533	192
4) (Increase)/decrease in trade receivables	(4,358)	1,526
5) (Increase)/decrease in financial assets - loans	(13)	6
6) (Increase)/decrease in other financial assets	23	(54)
7) (Increase)/decrease in other non-financial assets	1,372	(974)
8) Increase/(decrease) in provision	1,430	(42)
Cash generated from operations	**18,986**	**21,752**
Direct taxes paid net	(2,740)	(6,003)
Net cash generated from operating activities	**16,246**	**15,749**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits & others	74	2
Purchase of fixed assets	(101)	(84)
Sale of fixed assets	1	8
Purchase of mutual fund units (including dividend reinvested)	(35,271)	(327,703)
Proceeds (including profit) from sale of mutual fund units (current investments)	18,216	326,821
Purchase of equity shares of wholly owned subsidiary	–	(211)
Net cash used in investing activities	**(17,081)**	**(1,167)**

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	–	115
Short-term borrowings	13,442	27,861
Share premium Account	–	481
Repayment of short-term borrowings	(13,057)	(27,861)
Interest paid	(51)	(73)
Dividend and dividend distribution tax paid	–	(15,264)
Cash payment of lease liability and interest	(166)	(97)
Net cash generated from/(used in) financing activities	**168**	**(14,838)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(667)**	**(256)**
Cash in hand	3	2
Scheduled bank - In current account	720	977
Cash & cash equivalents as at beginning of the year	**723**	**979**
Cash and cheques in hand	1	3
Scheduled bank - In current account	55	720
Cash & cash equivalents as at end of the year	**56**	**723**
Components of cash & cash equivalents (also refer note 4)		
Cash in hand	1	3
Balances with banks		
in current accounts	55	720
Total	**56**	**723**

Notes:

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

(ii) Figures in brackets indicate cash outflows.

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 27 April 2021

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

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

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

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

These financial statements contain financial information of the company and were authorised for issue by board of directors on 27 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis of preparation

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

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

(iv) Use of estimates and judgements

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

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

2.2. Revenue Recognition

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

(i) Portfolio management fee income

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

a) Processing fees is recognized on upfront basis in the year of receipt;

b) Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;

c) Return based fees is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

(ii) Mutual fund management fee income

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

(iii) Alternative investment fund management fee income

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

(iv) Investment advisory fees

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

(v) Dividend income

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

2.3. Distribution cost

Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid is amortised over the contractual period. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.

Alternate Investment Fund Services

Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

Fund related expenses

New fund offer expenses

Expenses relating to initial issue of Mutual Fund Schemes of the Fund are charged to the Statement of Profit and Loss in the year in which such expenses are incurred which is in compliance with SEBI (Mutual Funds) Regulations, 1996.

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund till 22nd October 2018 are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

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

2.4. Income Tax

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

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

Current Tax:

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

Deferred Tax:

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

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.

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

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

– 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.

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 32.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 "Financial Instruments" and classifies its financial assets in the following measurement categories:

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

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

3. Investments in mutual funds 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.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

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

(iii) Derecognition

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.8. Offsetting financial instruments

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

2.9. Financial guarantee contracts and loan commitments

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

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

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

2.10. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the

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

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 sue and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation and amortization, if no impairment loss had been recognized.

2.13. Provisions and contingencies:

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

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

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

of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

The Company does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum no. of days. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (“the Scheme”) has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 43.

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

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

2.16. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

2.17. Borrowing costs

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

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

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

2.18. Dividends

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

2.19. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.20. Segment Reporting

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

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

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

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

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 standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

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

that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

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

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

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	1	3
Balances with banks		
In current accounts	55	720
Total	**56**	**723**

NOTE 5 : TRADE RECEIVABLES

Particulars	As at 31 March 2021	As at 31 March 2020
a) Considered good-secured	–	–
b) Considered good-unsecured	9,078	4,679
c) Significant increase in credit risk	97	138
Less : Allowance for impairment losses	(1)	(1)
Total	**9,174**	**4,816**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and as not recognised any ECLs in the current year. Receivables outstanding for more than 90 days are considered under significant increase in credit risk.

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

2) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which director is a partner, a director or a member.

NOTE 6 : LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans - At amortised cost		
(A) Others		
Loans to employees	1	1
Interest accrued	13	–
Total (A) Net	**14**	**1**
(B) (i) Unsecured (Gross)	14	1
Less : Impairment loss allowance	–	–
Total (B) Net	**14**	**1**
(C) Loans in India		
(i) Public sector	–	–
(ii) other than public sector	14	1
Total (C) Gross	**14**	**1**
Less : Impairment loss allowance	–	–
Total (C) Net	**14**	**1**

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
A. Investments at fair value through profit and loss					
1) Investment in mutual funds					
Motilal Oswal Most Focused 25 Fund	others	17,532,193	5,772	17,532,193	3,564
Most Focused Multicap 35 Fund Growth	others	57,391,017	20,763	57,391,017	11,832
Motilal Oswal Midcap 30 Fund - Direct Plan Growth	others	31,085,035	11,030	31,085,035	6,449
Motilal Oswal NASDAQ 100 FOF	others	200,000	40	200,000	26
Motilal Oswal Most Focused Dynamic Equity Fund	others	500,000	77	500,000	59
Motilal Oswal Equity Hybrid Fund - Direct (G)	others	500,000	72	500,000	49
Motilal Oswal Liquid Fund - Direct (G)	others	500,000	55	500,000	53
Motilal Oswal Large and Midcap Fund	others	31,500,000	4,314	31,500,000	2,498
Motilal Oswal Nifty 50 Index Fund	others	4,896,490	594	4,896,490	347
Motilal Oswal Nifty Next 50 Index Fund	others	4,081,490	489	4,081,490	306
Investment in Short Term Ultra Bond	others	876,376	122	876,376	118
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	others	250,000	30	250,000	18
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	others	200,000	32	200,000	16
Motilal Oswal Nifty 500 Fund - Direct Growth Option	others	475,146	66	475,146	38
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	others	200,000	31	200,000	14
Motilal Oswal S&P 500 Index Fund	others	500,000	66		–
Motilal Oswal Multi Asset Fund	others	499,975	52		–
Motilal Oswal 5 Year G-Sec ETF	others	112,401	54		–
Motilal Oswal Asset Allocation Passive Fund of Fund - Aggressive - Direct Plan option	others	499,975	50		–
Motilal Oswal Asset Allocation Passive Fund of Fund - Conservative - Direct Plan option	others	499,975	50		–

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

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
2) Investment in private equity funds				–	–
India Business Excellence Fund III	others	1,756,890	28,284	–	–
Total (1+2)			**72,042**		**25,387**
B. Investment at amortised cost					
1) Investment in equity shares of					
MF utilities India Private Limited	others	500,000	5	500,000	5
2) Investment in subsidiaries/fellow subsidiaries					
Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	332,599	479	332,599	479
Motilal Oswal Capital Limited	Subsidiary	8,000,000	800	8,000,000	800
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	Fellow Subsidiary	1	0	1	0
Total (1+2)			**1,284**		**1,284**
Total Gross (A+B)			**73,326**		**26,671**
i) Investment outside India			479		479
ii) Investment in India			72,847		26,192
C. Total (I+II)			**73,326**		**26,671**
D. Less: Allowance for impairment loss			–		–
E. Total Net (C-D)			**73,326**		**26,671**

NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	63	86
Total	**63**	**86**

NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Improvement to leasehold premises	155	12	–	167	136	6	–	142	25	19
Computers	149	27	1	175	109	25	0	134	41	40
Furniture & fixtures	33	0	–	33	27	1	–	28	5	6
Electrical equipments	3	–	–	3	2	0	–	2	0	1
Office equipments	21	3	–	24	9	3	–	12	12	12
Vehicles	27	–	–	27	18	2	–	20	7	9
Right of use (office premises)	301	–	24	277	92	120	–	212	65	209
Total (A)	**689**	**42**	**25**	**706**	**393**	**157**	**0**	**550**	**155**	**296**

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

NOTE 9(B) : INTANGIBLE ASSETS

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Customer rights to Portfolio Management clients	38	–	–	38	38	–	–	38	–	–
Computer software	180	59	–	239	115	31	–	146	93	65
Total (B)	**218**	**59**	**–**	**277**	**153**	**31**	**–**	**184**	**93**	**65**
Total (A+B)	**907**	**101**	**25**	**983**	**546**	**188**	**0**	**734**	**248**	**361**

NOTE 9(A) : PROPERTY, PLANT & EQUIPMENT

Previous Year	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Improvement to leasehold premises	154	1	–	155	132	4	–	136	19	23
Computers	121	36	8	149	86	24	1	109	40	35
Furniture & fixtures	32	1	–	33	26	1	–	27	6	6
Electrical equipments	3	–	–	3	0	2	–	2	1	2
Office equipments	17	4	–	21	7	2	–	9	12	10
Vehicles	27	–	–	27	16	2	–	18	9	11
Right to usage	–	301	–	301	–	92	–	92	209	–
Total (A)	**354**	**344**	**8**	**689**	**267**	**127**	**1**	**393**	**296**	**87**

NOTE 9(B) : INTANGIBLE ASSETS

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

NOTE 10 : OTHER NON - FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	8,413	8,718
For supply of services	30	78
Indirect tax credit receivable	–	1,019
Total	**8,443**	**9,815**

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

NOTE 11 : TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Due to creditors micro enterprise and small enterprise (Refer Note 35)	–	–
Due to creditors other than micro enterprise and small enterprise	5,691	4,158
Total	**5,691**	**4,158**

NOTE 12 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2021	As at 31 March 2020
At Amortised cost		
Unsecured- From related parties (refer note 42)	385	–
Total (A)	**385**	**–**
Borrowings in India	385	–
Borrowings outside India	–	–
Total (B)	**385**	**–**
Unsecured	385	–
Total (C)	**385**	**–**

NOTE 13 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Employee stock option charges payable	53	6
Accrued salaries and benefits	29	66
Interest accrued and not due on borrowings	10	–
Interest accrued and due on borrowings	1	3
Provision for expenses	14	78
Lease Liability	87	236
Other payables (includes payable to vendors)	239	469
Total	**433**	**858**

NOTE 14 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for taxes(Net of advance tax paid)	1,557	374
Total	**1,557**	**374**

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

NOTE 15 : PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 37)		
Gratuity	330	311
Heritage obligation	26	41
Compensated absences	85	62
Ex-gratia payable (also refer note)	2,284	881
Total	**2,725**	**1,295**

NOTE 16 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability on		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	–
Amortization of distribution costs	2,101	2,183
Reimbursement of post retirement benefit	15	–
Provision for doubtful debt	0	0
Unrealised gain	2,570	–
Total deferred tax liabilities (A)	**4,691**	**2,183**
Deferred tax asset on		
Gratuity provision	83	77
Heritage provision	7	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	15
Unrealised gain/(loss)	–	1,017
Total deferred tax asset (B)	**90**	**1,109**
Net deferred tax liability (A-B)	**4,601**	**1,074**

NOTE 17 : OTHER NON - FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Withholding and other taxes payable	343	225
Total	**343**	**225**

NOTE 18 : SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	In Lakhs	Number of shares	In Lakhs
Authorised				
Equity shares of ₹ 1 each (previous year ₹ 1 each)	70,60,00,000	7,060	70,60,00,000	7,060
	70,60,00,000	**7,060**	**70,60,00,000**	**7,060**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	In Lakhs	Number of shares	In Lakhs
Issued, subscribed and paid up				
Equity shares of ₹ 1 each fully paid up (previous year ₹ 1 each)	677,387,883	6,774	677,387,883	6,774
	677,387,883	**6,774**	**677,387,883**	**6,774**

18.1 Rights, preferences and restrictions attached to shares

Equity shares :

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

18.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	In Lakhs	Number of shares	In Lakhs
At beginning of the year	677,387,883	6,774	665,863,624	6,659
Stock options exercised under the ESOS	–	–	11,524,259	115
At the end of the year	**677,387,883**	**6,774**	**677,387,883**	**6,774**

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	668,163,564	98.64%	668,163,564	98.64%

18.4 Shares held by holding company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	668,163,564	98.64%	668,163,564	98.64%

18.5 The company has not issued any bonus shares for consideration other than cash nor there been any buy back of shares during the year immediately preceding 31st March 2021.

NOTE 19 : OTHER EQUITY

Particulars	As at 31 March 2021	As at 31 March 2020
a) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	26,427	31,580
Add: Transfer from Statement of Profit and Loss	41,001	10,111
Less : Dividend paid	–	(12,661)
Less : Distribution Tax on Dividend	–	(2,603)
Balance at the end of year	**67,428**	**26,427**

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

Particulars	As at 31 March 2021	As at 31 March 2020
b) Other comprehensive income		
Balance at the beginning of the year	(4)	(15)
Add: Transfer from Statement of Profit and Loss	45	11
Balance at the end of year	**41**	**(4)**
b) Employee Stock Option Plan Reserve		
Balance at the beginning of the year	437	557
Add: Option granted during the year (also refer note 43)	54	(120)
Balance at the end of year	**491**	**437**
c) Securities premium		
Balance at the beginning of the year	855	374
Add: Transferred during the year	–	481
Balance at the end of year	**855**	**855**
	68,815	**27,715**

Nature and Purpose of Reserves

Profit and loss

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

Employee Stock Option Plan Reserve

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

Share Premium

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

NOTE 20 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Portfolio management fees	35,121	36,998
Investment management fees from:		
– Mutual Fund Income	11,766	12,752
– Alternate investment funds	3,760	4,652
Investment advisory fees	401	656
Total	**51,048**	**55,058**

NOTE 21 : INTEREST INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised cost		
Interest on loans	87	–
Other interest income	0	2
Total	**87**	**2**

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

NOTE 22 : NET GAIN ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on financial instruments at fair value through profit or loss		
Realised gain	18	–
Unrealised gain	29,581	–
Total	**29,599**	**–**

NOTE 23 : OTHER INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Commission income	216	68
Net gain/(loss) on foreign currency transactions and translation	0	0
Total	**216**	**68**

NOTE 24 : FINANCE COST

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial liabilities measured at amortised cost		
Interest on borrowings	59	75
Interest on lease	18	32
Total	**77**	**107**

NOTE 25 : FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Distribution cost and spillover expense		
–for Portfolio management services	18,240	20,445
– for Alternate investment funds	3,031	2,729
–for Advisory fees	6	29
Depository and processing charges	201	199
Total	**21,478**	**23,402**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, bonus and allowances	6,672	5,039
Contribution to provident fund (refer note 42)	49	33
Staff welfare expenses	13	74
Gratuity (also refer note 42)	129	89
Employee stock option scheme (also refer note 43)	435	123
Total	**7,298**	**5,358**

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

NOTE 27 : NET LOSS ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net loss on financial instruments at fair value through profit or loss		
Realised (gain)	–	(950)
Unrealised loss	–	7,920
Total	**–**	**6,970**

NOTE 28 : OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent (refer note 38)	589	593
Rates and taxes	8	53
Insurance	38	27
Computer maintenance	155	67
Business Support charges	582	1,214
Registration and filing charges	34	5
Legal and professional fees	290	258
Auditor's Remuneration (refer note 36)	12	12
Marketing and brand promotion expenses	223	358
Advertisement expenses	460	1,091
Printing and stationery	13	65
Power and fuel	32	45
Communication expenses	169	145
Travelling and conveyance expenses	227	373
Entertainment expenses	95	126
Data processing charges	89	96
Miscellaneous expenses	207	269
Donation to political party	–	90
Corporate social responsibility expenses (refer note 41)	214	555
Bad debts written off	37	–
Total	**3,474**	**5,442**

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

NOTE 29.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the balance sheet method, on temporary differences at the reporting date between the tax bases of

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

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 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	4,892	5,237
Total current tax expense	**4,892**	**5,237**
Deferred taxes		
Change in deferred tax liabilities	3,511	(1,656)
Net deferred tax expense	**3,511**	**(1,656)**
Short/(excess) provision for earlier years	**(969)**	**–**
Total tax expense / (credit)	**7,434**	**3,581**

NOTE 29.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of defined benefit plan	15	3
Total	**15**	**3**

NOTE 29.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	**48,435**	**13,692**
Tax at the rate of 25.168% (for 31 March 2020 - 25.168%)	12,190	3,446
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	(969)	–
Exempt Income	–	(216)
Expenses not deductible for tax purposes	58	54
Remeasurement of defined benefit plan	15	
Tax at different rate	(3,860)	297
Income tax expense	**7,434**	**3,581**

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

NOTE 29.4 : EFFECTIVE TAX RATE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Effective tax rate	**15.349%**	**26.151%**

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

NOTE 29.5 : NET DEFERRED TAX

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax liability on account of :		
Amortization of distribution costs	2,101	2,183
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	–
Unrealised gain	2,570	–
Remeasurement of defined benefit plan	15	–
Provision for doubtful debt	0	0
Total deferred tax liabilities (A)	**4,691**	**2,183**
Deferred tax assets on account of:		
Provision for gratuity	83	77
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	15
Unrealised loss	–	1,017
Provision for heritage	7	–
Total deferred tax assets (B)	**90**	**1,109**
Net deferred tax liability/ (assets) (A-B)	**4,601**	**1,074**

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

	As at 31 March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2019
Deferred tax liabilities on account of:							
Amortization of distribution costs	2,101	(82)	–	2,183	(734)	–	2,917
Provision for doubtful debt	0	–	–	0	(0)	–	1
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	5	5	–	–	(4)	–	4
Unrealised gain	2,570	2,570	–	–	–	–	–
Remeasurement of defined benefit plan	15	–	15	–	–	–	–
Total deferred tax liabilities	**4,691**	**2,493**	**15**	**2,183**	**(738)**	**–**	**2,922**

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

	As at 31 March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2019
Deferred tax assets on account of:							
Provision for gratuity	83	6	–	77	1	(3)	79
Provision for heritage	7	7	–	–	–	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	(15)	–	15	15	–	–
Unrealized loss	–	(1,017)	–	1,017	902	–	115
Total deferred tax assets	**90**	**(1,018)**	**–**	**1,109**	**918**	**(3)**	**194**
Total deferred tax assets/liability (net)	**4,601**	**3,511**	**15**	**1,074**	**(1,656)**	**3**	**2,728**

Note:

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

NOTE 30 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note 1)	357	2
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account	–	25

1) Demand/disallowance in respect of Income tax matters for which appeal is pending or to be filed is ₹ 357 lakh (Previous Year ₹ 2 lakh).This is disputed by the Company and hence not provided for in the books of accounts. Above liability does not include interest u/s 234 B and 234 C as the same depends on the outcome of the demand.

2) The Company is contesting the demands and the management believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

NOTE 31 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	56	–	56	723	–	723
Trade receivables	9,134	40	9,174	4,710	106	4,816
Loans	14	–	14	1	–	1
Investments	–	73,326	73,326	–	26,671	26,671
Other financial assets	57	6	63	11	75	86

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

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets						
Property, plant and equipment	–	155	155	–	296	296
Intangible assets under development			–	–	–	–
Other Intangible assets	–	93	93	–	65	65
Other non-financial assets	3,525	4,918	8,443	3,713	6,102	9,815
Total Assets	**12,786**	**78,538**	**91,324**	**9,158**	**33,314**	**42,473**
Liabilities						
Financial liabilities						
Trade payables	5,691	–	5,691	4,158	–	4,158
Borrowings	385	–	385	–	–	–
Other financial liabilities	424	9	433	738	120	858
Non-financial liabilities						
Current tax liabilities (net)	1,557	–	1,557	374	–	374
Provisions	2,425	300	2,725	1,013	282	1,295
Deferred tax liabilities	–	4,601	4,601	–	1,074	1,074
Other non-financial liabilities	343	–	343	225	–	225
Total Liabilities	**10,825**	**4,910**	**15,735**	**6,508**	**1,476**	**7,984**

NOTE 32 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	56	–	723
Trade receivables	–	9,174	–	4,816
Loans	–	14	–	1
Investments	72,042	1,284	25,386	1,285
Other financial assets	–	63	–	86
Total Financial Assets	**72,042**	**10,591**	**25,386**	**6,911**
Financial Liabilities				
Trade payables	–	5,691	–	4,158
Borrowings	–	385	–	–
Other financial liabilities	–	433	–	858
	–	**6,509**	**–**	**5,016**

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

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

the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

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

Investments are categorised as per below as on 31 March 2021

Particulars	Level 1	Level 2	Level 3
Investment in Mutual funds	43,758	–	–
Investment in private equity funds	–	–	28,284

Investments are categorised as per below as on 31 March 2020

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

III. Financial instruments not measured at fair value

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

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Particulars	PE - Business Excellence Funds
As at March 31, 2019	–
Additions	–
Disposals	–
Gains/(losses) recognised in statement of profit and loss	–
As at March 31, 2020	**–**
Additions	15,321
Disposals	–
Gains/(losses) recognised in statement of profit and loss	12,963
As at March 31, 2021	**28,284**

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.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of PE funds	28,284	–
Significant unobservable inputs		
NAV of the fund at Fair value		
– increase by 100 bps	283	–
– decrease by 100 bps	(283)	–

Note:

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

NOTE 33 : FINANCIAL RISK MANAGEMENT

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

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

A Credit risk

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

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans to employees, investment in mutual fund units, investment in private equity fund, trade receivables and other financial assets.

Balances with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Age of receivables that are past due:

Particulars	As at 31 March 2021	As at 31 March 2020
Upto 3 months	9,077	4,680
3 - 6 months	11	30
6 - 12 months	46	–
More than 12 months	40	106
Total	**9,174**	**4,816**

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.

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

(i) Maturities of non-derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	5,691	–	–	**5,691**
Borrowings	385	–	–	**385**
Other financial liabilities	424	**9**	–	**433**
Total	**6,500**	**9**	–	**6,509**

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	4,158	–	–	**4,158**
Other financial liabilities	738	**120**	–	**858**
Total	**4,896**	**120**	–	**5,016**

(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 2021	As at 31 March 2020
Exposure to price risk	72,042	25,386

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 2021	31 March 2020
Impact on profit before tax for 10% increase in NAV/price	7,204	2,539
Impact on profit before tax for 10% decrease in NAV/price	(7,204)	(2,539)

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

NOTE 34 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets		
Investments	23,352	12,879
Total assets pledged as security	**23,352**	**12,879**

Terms and conditions:

1. The Mutual Funds of the Company are pledged for the loan facility of the holding company i.e. Motilal Oswal Financial Services Limited.
2. The margin of two times cover is provided against the loan facility availed by Motilal Oswal Financial Services Limited.
3. The Company earns commission on the pledged assets at the rate of 75 bps on facility amount availed by Motilal Oswal Financial Services Limited.

NOTE 35 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. 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 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

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

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
As Auditors:		
Statutory audit	12	12
Out of pocket expenses	0	0
Total	**12**	**12**

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

NOTE 37 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 1 April 2020	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2021
Ex-gratia	881	2,399	996	2,284
Gratuity	311	129	110	330
Compensated absences	62	23	–	85
Heritage club	41	45	60	26

For the year ended 31 March 2020

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

NOTE 38 : LEASES

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

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

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

(A) Right of use Assets

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Balance at the beginning of the year	209	–
Adjustment on transition to Ind AS	–	118
Movement during the year	(24)	183
Depreciation on Right-Of-Use (ROU) assets	(120)	(92)
Balance at the end of the year	**65**	**209**

(B) Lease liabilities

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Balance at the beginning of the year	**236**	**–**
Adjustment on transition to Ind AS	–	118
Movement during the year	(24)	183
Add: Interest cost accrued during the period	17	32
Less: Payment of lease liabilities	(142)	(97)
Balance at the end of the year	**87**	**236**

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
Less than three months	31	32
Three to twelve months	47	84
One to five years	9	120
More than five years	–	–
Total	**87**	**236**

(D) Amount recognised in statement of profit & loss

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Interest cost on lease liabilities	17	32
Depreciation on right of use assets	120	92
Rental Expenses recorded for short-term lease payments and payments for leases of low value assets not included in the measurement of the lease liability	589	593

(E) Amount recognised in statement of cash flows

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Cash payments for the principal & interest portion of the lease liability within financing activities	(166)	(97)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	589	593

NOTE 39 : EARNINGS PER SHARE

Basic earnings per share

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders (Lakhs) [A]	41,001	10,111
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	6,774	6,708
Basic earnings per share [A] / [B] (Rupees)	**6.05**	**1.51**

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 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders (Lakhs)	41,001	10,111
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]	**41,001**	**10,111**

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average number of equity shares used in computing basic earnings per share	6,774	6,708
Effect of potential equity shares for stock options outstanding	62	158
Weighted number of equity shares used in computing diluted earnings per share [B]	**6,836**	**6,866**
Diluted earnings per share (Rupees) [A] / [B]	**6.00**	**1.47**

NOTE 40 : DIVIDEND ON EQUITY SHARE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend on equity shares declared and paid during the year		
Interim dividend of Nil per share for FY 2020-21 (2019-20: ₹ 0.79 per share)	–	5,345
Dividend distribution tax on interim dividend	–	1,099
Interim dividend of Nil per share for FY 2020-21 (2019-20: ₹ 1.08 per share)	–	7,316
Dividend distribution tax on interim dividend	–	1,504

NOTE 41: CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2020-21.

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Donation for police cyber cell	12	–
Donation for the project of school support	7	–
Donation for skill development centre	100	–
Donation for food	2	–
Donation for construction of school	–	66
Donation for construction of hostel	50	251
Donation for School	25	17
Donation for environment sustainability drip irrigation	–	16
Donation for Medical expenses	18	2
Donation for welfare activities	–	2
Donation for construction of technical institution	–	1
Donation for PM care funds	–	200

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year ₹ 429.92 lakhs (Previous year ₹ 336.43 lakhs). However, company has utilised excess amount paid of ₹ 216.26 lakhs in previous year against the CSR liabilities of current year and balance ₹ 213.67 lakhs spent as a CSR expenditure in the current year.

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

2) Amount spent during the year on

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	150	–	150
On purposes other than above	64	–	64
Particulars (previous year)	**Amount paid**	**Amount yet to be paid**	**Total**
Construction / acquisition of any assets	335	–	335
On purposes other than above	220	–	220

Above includes a contribution of ₹ 213.66 lakhs (Previous year ₹ 353.26 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures". (refer note 46)

NOTE 42 : EMPLOYEE BENEFITS

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

Defined contribution plan:

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employers' contribution to provident fund	49	33

Defined benefit plan:

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

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	3.93%	4.80%	3.93%	4.80%
Rate of escalation in salary (per annum)	8.14%	12.95%		
Expected rate of return on plan assets (per annum)				
Employee attrition rate (past service)	PS: 0 to 40 : 17.28%	PS: 0 to 40 : 20.74%	PS: 0 to 37 YRS: 54.43%	PS: 0 to 37 YRS: 50.04%
Expected average remaining service	4.57	3.72	0.29 to 0.52	0.99 to 1
I) Changes in present value of obligations (PVO)				
PVO at beginning of period	311	243	41	24
Interest cost	14	16	–	–
Current service cost	93	79	(15)	17
Transfer in liabilities	23	1	–	–
Transfer out liabilities	(1)	(7)	–	–
Past service cost - (non vested benefits)	–	–	–	–

Notes to Financial Statement *(Contd..)*

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Past service cost - (vested benefits)	–	–	–	–
Benefits paid	(50)	(7)	–	–
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain)/loss on obligation	(60)	(14)	–	–
PVO at end of period	330	311	26	41
II) Interest expense				
Interest cost	14	16	–	–
III) Fair value of plan assets			–	–
Fair value of plan assets at the beginning	–	–	–	–
Interest income	–	–	–	–
IV) Net liability				
PVO at beginning of period	311	243	–	–
Fair value of the assets at beginning report	–	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net Liability at the beginning	311	243	–	–
V) Net Interest				
Interest expenses	14	16	–	–
Interest income	–	–	–	–
Net interest	14	16	–	–
VI) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VII) Actuarial (gain)/loss on obligation				
Due to demographic assumption	14	19	–	–
Due to financial assumption	(49)	7	–	–
Due to experience	(25)	(40)	–	–
Total actuarial (gain)/loss	**(60)**	**(14)**	**–**	**–**
VIII) Fair value of plan assets				
Opening fair value of plan asset	–	–	–	–
Adjustment to opening fair value of plan asset	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
Interest income	–	–	–	–
Contributions by employer	50	7	–	–
Contributions by employee	–	–	–	–
Benefits paid	(50)	(7)	–	–
Fair value of plan assets at end	–	–	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
IX) Past service cost recognised				
Past service cost- (non vested benefits)	–	–	–	–
Past service cost– (vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised past service cost- non vested benefits	–	–	–	–
Recognised past service cost- vested benefits	–	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	330	311	–	–
Fair value of plan assets at end of period	–	–	–	–
Funded Status	(330)	(311)	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net asset/(liability) recognized in the balance sheet	(330)	(311)	–	–
XI) Expense recognised in the statement of profit and loss				
Current service cost	93	79	(15)	–
Net interest	14	16	–	–
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	106	95	(15)	–
XII) Other comprehensive income (OCI)				
Actuarial (gain)/loss recognized for the period	(60)	(14)	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	**(60)**	**(14)**	**–**	**–**
XIII) Movement in liability recognized in balance sheet				
Opening net liability	311	243	41	–
Adjustment to opening balance	–	–	–	–
Expenses as above	106	95	(15)	–
Transfer in liability	23	1		
Transfer out liability	(1)	(7)		
Contribution paid	(50)	(7)	–	–
Other comprehensive income(OCI)	(60)	(14)	–	–
Closing net liability	330	311	26	–

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

XIV) Projected service cost

	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Projected service cost 31 March 2022	94	93	–	–

XV) Sensitivity analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	312	350	343	317

XVI) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten
Payouts	40	40	40	37	35	124

XVII) Asset liability comparisons

Year	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
PVO at end of period	120	171	243	311	330
Plan assets	–	–	–	–	–
Surplus / (deficit)	(120)	(171)	(243)	(311)	(330)
Experience adjustments on plan assets	–	–	–	–	–

Weighted average remaining duration of defined benefit obligation **4.38**

Risk associated with defined benefit plan:

1) Investment/interest risk:

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

2) Longevity risk:

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

NOTE 43 : EMPLOYEE STOCK OPTION PLAN

a) Scheme details

The company has two stock option schemes.

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

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

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

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

During the year ended 31 March 2017, the Company has sub divided 650 lakhs equity share of ₹ 10 each into 6500 lakhs equity share of ₹ 1 each. Hence, the options granted are also sub-divided in the same proportion.

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

b) Compensation expenses arising on account of the share based payments

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses arising from equity - settled share-based payment transactions	435	123

c) Fair value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. All the underlying assumption considered for fair valuation is based on Motilal Oswal Financial Services Limited fair valuation.

The model inputs for options granted includes:

Particulars	Scheme I	Scheme II
Particulars	Scheme I	Scheme II
Date of grant	Various dates	Various dates
Date of board approval	Various dates	Various dates
Date of shareholder's approval	22-Jul-10	21-Jul-11
Method of settlement	Equity shares	Equity shares
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant
Risk free interest rate	6.97%	7.13%
Dividend yield	1%	1%
Expected volatility	40%	40%
Weighted average remaining contractual life		
Current year - granted but not vested	3.01 Years	3.6 Years
Current year - vested but not exercised	1.87 Years	3.84 Years
Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.
Weighted average remaining contractual life		
Previous year - granted but not vested	3.58 Years	7.58 Years
Previous year - vested but not exercised	1.89 Years	5.14 Years
Exercise Period	Within a period of 36 months from the date of vesting	Within a period of 84 months from the date of vesting
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/ Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/ Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.
Weighted average fair value of options as on grant date	5.28	5.96

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

d) Movement in share option during the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of share options	Weighted average exercise price (In ₹)	Number of share options	Weighted average exercise price (In ₹)
ESOP I				
Balance at beginning of the year	12,900,000	13.40	15,000,000	13.40
Add: Granted during the year	–	NA	–	NA
Less: Exercised during the year	–	NA	2,100,000	13.40
Less: Forfeited during the year	–	NA	–	NA
Less: Lapsed during the year	4,700,000	13.40	–	NA
Balance at end of the year	**8,200,000**	**13.40**	**12,900,000**	**13.40**
Exercisable at end of the year	**3,800,000**	**13.40**	**1,350,000**	**13.40**
ESOP II				
Balance at beginning of the year	2,225,741	10.67	11,650,000	3.73
Add: Granted during the year	1,000,000	22.00	–	NA
Less: Exercised during the year	–	NA	9,424,259	2.09
Less: Forfeited during the year	–	NA	–	NA
Less: Lapsed during the year	1,700,000	13.40	–	NA
Balance at end of the year	**1,525,741**	**15.06**	**2,225,741**	**10.67**
Exercisable at end of the year	**525,741**	**1.85**	**825,741**	**6.04**

e) Exercise pricing formula

ESOP I

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

ESOP II

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

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

Impact on the income statement of a change in leaver assumptions	Year ended 31 March 2021	Year ended 31 March 2020
(+)5%	(26.46)	(12.10)
(-)5%	29.20	15.48

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

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

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

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

a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	Type of service		
	Asset Management and Advisory Activities	Portfolio management fees	Investment advisory services
Total Revenue from contracts with customers	**15,526**	**35,121**	**401**
Geographical Markets			
India	15,526	35,121	395
Outside India	–	–	6
Total Revenue from contracts with customers	**15,526**	**35,121**	**401**
Timing of revenue recognition			
Services transferred over time	15,526	35,121	401
Total Revenue from contracts with customers	**15,526**	**35,121**	**401**

b) Contract balances

Trade receivable are non-interest bearing balances.

c) Performance obligations

The performance obligation of the Company is to provide investment asset management and portfolio management services, which is completed as per the terms and conditions of the asset management agreement. The usual payment term for the performance obligation of the company is one to three month.

NOTE 45 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment advisory fees	6	41

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Travelling and conveyance expenses	1	61
Marketing and brand promotion expenses	2	12
Advertisement	8	–
Legal and professional fees	18	0
Portfolio management services	15	73
Distribution fees	4	–
Software charges	88	–
Membership and subscription fees	66	–
Registration charges	3	–
Total	**205**	**146**

NOTE 46 : RELATED PARTY DISCLOSURE

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

(A) List of related parties and their relationship

(i) Holding company

– Motilal Oswal Financial Services Limited(Formerly known as Motilal Oswal Securities Limited)

(ii) Ultimate holding company

– Passionate Investment Management Private Limited

(iii) Wholly owned subsidiaries

– Motilal Oswal Asset Management (Mauritius) Private Limited

– Motilal Oswal Capital Limited

(iv) Fellow subsidiaries

– Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Alternet Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Investment Advisors Limited
– MOPE Investment Advisors Private Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Markets (Singapore) Pte. Limited
– Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited
– India Business Excellence Management Company
– Glide Tech Investment Advisors Private Limited
– Motilal Oswal Finsec Private Limited
– TM Investment Technologies Private Limited

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

(v) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

- Mr. Aashish P Somaiyaa (till 30 July 2020)
- Mr. Navin Agarwal (w.e.f. 31 July 2020)

(b) Executive directors

- Mr. Raamdeo Agarawal

(c) Non -executive directors

- Mr. Ashok Jain
- Mr. Abhaya P. Hota
- Ms. Rekha Shah (till 01 October 2020)
- Ms. Swanubhuti Jain (w.e.f. 31 December 2020)
- Mr. Himanshu Vyapak (w.e.f. 17 October 2019)

(vi) Relative of KMP

- Suneeta Agrawal (wife of Raamdeo Agarawal)
- Vaibhav Agrawal (son of Raamdeo Agarawal)
- Shalini Somaiyaa (wife of Aashish Somaiyaa)
- Shital Agarwal (wife of Navin Agarwal)

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

- Motilal Oswal Foundation

(viii) Enterprises in which KMP have control

- OSAG Enterprises LLP

(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		Key Managerial Personnel / Relative of KMP/Associates (C)		Total (A+B+C)	
		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Commission received	Motilal Oswal Financial Services Limited	68	68	–	–	–	–	68	68
Interest received	Motilal Oswal Financial Services Limited	87	–	–	–	–	–	87	–
Interest paid	Motilal Oswal Finvest Limited	–	–	59	75	–	–	59	75
Rent paid	Motilal Oswal Financial Services Limited	585	585	–	–	–	–	585	585
Marketing & Business promotion expense	Motilal Oswal Wealth Management Limited	–	–	8	10	–	–	8	10
Distribution cost expense for portfolio management services	Motilal Oswal Financial Services Limited	4,433	5,033	–	–	–	–	4,433	5,033

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

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		Key Managerial Personnel / Relative of KMP/Associates (C)		Total (A+B+C)	
		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Business support charges	Motilal Oswal Financial Services Limited	582	1,214	–	–	–	–	582	1,214
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited	–	–	3,088	2,983	–	–	3,088	2,983
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Financial Services Limited	412	566	–	–	–	–	412	566
	Motilal Oswal Wealth Management Limited	–	–	483	459	–	–	483	459
Investment advisory fees received	Motilal Oswal Wealth Management Limited	–	–	20	5	–	–	20	5
Investment advisory fees	Motilal Oswal Capital Limited	–	–	22	36	–	–	22	36
Advisory fess expense	Motilal Oswal Capital Limited	–	–	6	29	–	–	6	29
Portfolio management fees	Mr. Raamdeo Agarawal	–	–	–	–	3	3	3	3
	Mr. Aashish P Somaiyaa	–	–	–	–	0	1	0	1
	Mr. Ashok Jain	–	–	–	–	3	3	3	3
	Ms. Rekha Shah	–	–	–	–	1	1	1	1
	Ms. Shalini Somaiyaa	–	–	–	–	0	0	0	0
	Ms. Suneeta Agarwal	–	–	–	–	25	23	25	23
	Mr. Prasanna S Patankar	–	–	–	–	0	–	0	–
	Ms. Archana Karamse	–	–	–	–	0	–	0	–
	Mr. Vaibhav Agarwal	–	–	–	–	7	7	7	7
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	29	40	–	–	–	–	29	40
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	18	45	–	–	–	–	18	45
Employee compensation - Managerial remuneration	Mr. Aashish P Somaiyaa	–	–	–	–	299	342	299	342
Consideration received on exercise of options	Mr. Aashish P Somaiyaa	–	–	–	–	6	170	6	170

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

Nature of transactions	Name of the Related party	Holding Company (A)		Subsidiary Company / Fellow Subsidiary (B)		Key Managerial Personnel / Relative of KMP/Associates (C)		Total (A+B+C)	
		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee compensation - Managerial remuneration	Mr. Navin Agarwal	–	–	–	–	149	–	149	–
Commission paid	Mr. Raamdeo Agarwal	–	–	–	–	228	114	228	114
Reimbursement of expenses	Mr. Raamdeo Agarwal	–	–	–	–	108	54	108	54
Director sitting fees	Mr. Abhaya P. Hota	–	–	–	–	3	2	3	2
	Mr. Ashok Jain	–	–	–	–	3	2	3	2
	Ms. Swanubhuti Jain	–	–	–	–	1	–	1	–
	Mr. Himanshu Vyapak	–	–	–	–	3	1	3	1
	Ms. Rekha Shah	–	–	–	–	1	2	1	2
Subscription to equity share capital	Motilal Oswal Asset Management (Mauritius) Private Limited	–	–	–	211	–	–	–	211
Loan taken during the year	Motilal Oswal Finvest Limited	–	–	13,442	27,761	–	–	13,442	27,761
Loan repaid during the year	Motilal Oswal Finvest Limited	–	–	13,057	27,761	–	–	13,057	27,761
Loan given during the year	Motilal Oswal Financial Services Limited	20,400	–	–	–	–	–	20,400	–
Loan payment received during the year	Motilal Oswal Financial Services Limited	20,400	–	–	–	–	–	20,400	–
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	381	125	–	–	–	–	381	125
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	–	–	–	–	214	353	214	353

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.

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

(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	As at 31 March 2021	As at 31 March 2020
Interest payable	Motilal Oswal Financial Services Limited	–	0
	Motilal Oswal Finvest Limited	1	3
Interest receivable	Motilal Oswal Financial Services Limited	13	–
Loan payable	Motilal Oswal Finvest Limited	385	–
Rent payable	Motilal Oswal Financial Services Limited	34	26
Trade payables	Motilal Oswal Wealth Management Limited	973	301
	Motilal Oswal Financial Services Limited	894	505
Trade receivables	Motilal Oswal Capital Limited	6	11
Prepaid Expenses	Motilal Oswal Financial Services Limited	1,662	947
	Motilal Oswal Wealth Management Limited	1,627	177
Employee stock option charges payable	Motilal Oswal Financial Services Limited	53	6
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	479	479
	Oswal Capital Limited	800	800
	Motilal Oswal Home Finance Limited	0	0

NOTE 47 : SEGMENT REPORTING

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

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

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

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

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

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue :								
External revenue	51,351	55,126	29,561	(7,060)	38	92	80,950	48,158
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**51,351**	**55,126**	**29,561**	**(7,060)**	**38**	**92**	**80,950**	**48,158**

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Result :								
Segment result	19,052	21,428	29,561	(7,064)	38	92	48,613	14,364
Unallocated corporate expenses	–	–	–	–	–	–	226	657
Unallocated revenue	–	–	–	–	–	–	38	92
Operating profit	**–**	**–**	**–**	**–**	**–**	**–**	**48,425**	**13,799**
Interest expenses	–	–	–	–	–	–	77	107
Interest income	–	–	–	–	–	–	87	–
Tax expense :								
Current tax	–	–	–	–	–	–	4,892	5,237
Deferred tax	–	–	–	–	–	–	3,511	(1,656)
Income tax for earlier years	–	–	–	–	–	–	(969)	–
MAT credit adjustments of previous year	–	–	–	–	–	–	–	–
Profit from Ordinary Activities	**–**	**–**	**–**	**–**	**–**	**–**	**41,001**	**10,111**
Extra-ordinary/exceptional items	–	–	–	–	–	–	–	–
Profit after tax	**–**	**–**	**–**	**–**	**–**	**–**	**41,001**	**10,111**
Other information :								
Segment assets	17,984	15,802	72,042	25,387	1,298	1,284	91,324	42,473
Segment liabilities	9,577	6,535	–	–	6,158	1,449	15,735	7,984
Capital expenditure	101	84	–	–	–	–	101	84
Depreciation	188	157	–	–	–	–	188	157
Non-cash expenses other than depreciation	–	–	–	–	–	–	–	–

NOTE 48 : ESOP EXPENSE TO HOLDING COMPANY

Motilal Oswal Financial Services Limited has granted stock options to the eligible employees of the Company. The Company has reimbursed to the Holding Company in current year ₹ 380.66 Lakhs (previous year ₹ 124.92 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 49 : COVID–19

The current second wave of Covid-19 pandemic have resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19 , the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. The Company’s capital and liquidity position stands very strong as on reporting date. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE : 50 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

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

its business in a way in which it's capital is protected, satisfactory business growth is ensured and cash flows are monitored. The equity share capital and other equity are considered as capital for the purpose of company's capital management.

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

NOTE 51 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhadged foreign currency exposure as on 31 March 2021.

NOTE 52 :

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

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABE8448

Place : Mumbai
Date : 27 April 2021

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

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

Raamdeo Agarwal
Director
DIN No : 0024533

Aparna Karmase
Company Secretary and Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Date : 27 April 2021

Motilal Oswal Trustee Company Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of Motilal Oswal Trustee Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Trustee Company Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.,. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 April 21 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Murad D. Daruwalla
Partner
Membership. No. : 043334
UDIN: 21043334AAAABD1051

Place : Mumbai
Date : 27 April, 2021

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited, on the financial statements for the year ended 31 March 2021

ANNEXURE I

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

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

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

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

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute

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

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

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

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

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

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla
Partner
Membership. No. : 043334
UDIN: 21043334AAAABD1051

Place : Mumbai
Date : 27 April, 2021

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited on the financial statements for the year ended 31 March 2021

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of Motilal Oswal Trustee Company Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership. No. : 043334
UDIN: 21043334AAAABD1051

Place : Mumbai
Date : 27 April, 2021

BALANCE SHEET AS AT MARCH 31, 2021

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

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
A. Non-current assets			
a) Property, plant and equipment	4	0	71
b) Financial assets			
Investments	5	44,553	27,035
c) Non - current tax assets (net)	6	435	11
d) Deferred tax assets (net)	7	–	323
Total non-current assets (A)		**44,988**	**27,440**
B. Current assets			
a) Financial assets			
i) Trade receivables	8	2,739	1,468
ii) Cash and cash equivalents	9	5,291	2,254
b) Other current assets	10	8	247
Total Current assets (B)		**8,038**	**3,969**
TOTAL ASSETS (A+B)		**53,026**	**31,409**
II. EQUITY AND LIABILITIES			
A. Equity:			
Equity share capital	11	10,000	10,000
Other equity	12	40,955	20,716
Total equity (A)		**50,955**	**30,716**
B. Liabilities			
1. Non-current liabilities			
a) Deferred tax liabilities (net)	7	784	–
Total current liabilities (B)		**784**	**–**
2. Current liabilities			
a) Financial liabilities			
Other financial liabilities	13	983	559
b) Other current liabilities	14	304	135
Total current liabilities (C)		**1,287**	**694**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**53,026**	**31,409**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 30 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 27 April, 2021

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

Brij Gopal Daga
Director
DIN : 00004858

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 27 April, 2021

Statement of Profit and Loss

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2021

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

Particulars	Note No.	For the Year ended 31 March 2021	For the Year ended 31 March 2020
REVENUE			
1) Revenue from operations	15	20,392	14,967
2) Other income	16	17,517	9
3) **Total Income (1 + 2)**		**37,909**	**14,976**
EXPENSES			
(i) Depreciation	4	70	57
(ii) Other expenses	17	15,198	17,793
4) **Total expenses**		**15,268**	**17,850**
5) **Profit/(loss) before tax (3 - 4)**		**22,641**	**(2,874)**
Tax expense/(credit):	18		
(i) Current tax		1,295	1,486
(ii) Deferred tax expense/(credit)		1,107	(297)
6) **Total tax expenses (i+ii)**		**2,402**	**1,188**
7) **Profit/(loss) for the period (5 - 6)**		**20,239**	**(4,063)**
8) **Other comprehensive income**		**–**	**–**
Total comprehensive income/(loss) for the period (7 + 8)		**20,239**	**(4,063)**
Earnings/(loss) per equity share			
Basic and diluted (in Rupees)	26	20.24	(4.06)
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 30 form an integral part of the financial statements

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

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Brij Gopal Daga
Director
DIN : 00004858

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 27 April, 2021

Place : Mumbai
Date : 27 April, 2021

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

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

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**1,00,000**	**10,000**
Changes during the year	–	–
As at 31 March 2020	**1,00,000**	**10,000**
Changes during the year	–	–
As at 31 March 2021	**1,00,000**	**10,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Retained earnings
Balance as at 31 March 2019	**24,778**
Loss for the year	(4,063)
Balance as at 31 March 2020	**20,716**
Loss for the year	20,239
Balance as at 31 March 2021	**40,955**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 30 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 27 April, 2021

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

Brij Gopal Daga
Director
DIN : 00004858

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 27 April, 2021

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	22,641	(2,874)
Adjustment for		
Net (gain)/loss on fair value change	(17,517)	9,390
Depreciation	70	57
Operating profit/(loss) before working capital changes	**5,194**	**6,573**
Adjustment for working capital changes :		
Increase/(Decrease) in other current financial liabilities	425	212
Increase/(Decrease) in other current liabilities	169	25
(Increase)/Decrease in trade receivables	(1,271)	(407)
(Increase)/Decrease in other current assets	239	309
Net changes in working capital	**(438)**	**139**
Cash generated from operating activities (A)	**4,755**	**6,712**
Income taxes paid (net of refunds)	(1,719)	(1,295)
Net cash flow (used in)/ generated from operating activities	**3,037**	**5,417**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of non-current investments	–	(8,000)
Net cash flow (used in) investing activities (B)	**–**	**(8,000)**
C. CASH FLOW FROM FINANCING ACTIVITIES (C)	–	–
Net (decrease) in cash and cash equivalents {(A) + (B) + (C)}	**3,037**	**(2,583)**
Cash and cash equivalents comprises of		
Balance with bank in Current Account	**2,254**	**4,837**
Cash and cash equivalents at the beginning of the year	**2,254**	**4,837**
Cash and cash equivalent (refer note 9)		
Balance with bank in Current Account	5,291	2,254
Cash and cash equivalents at the end of the year	**5,291**	**2,254**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 27 April, 2021

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

Brij Gopal Daga
Director
DIN : 00004858

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 27 April, 2021

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Trustee Company Limited ("MOTC"/the "Company") was incorporated on 14 November 2008. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company acts as the Trustee to Motilal Oswal Mutual Fund vide Trust Deed dated 21 May 2009. Security Exchange Board of India ("SEBI") has granted registration to Motilal Oswal Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide Registration No. MF/063/09/04 dated 29 December 2009.

The financial statements were approved for issue by the company's Board of Directors on 27 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- • It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(iv) Use of estimates and judgments

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

(i) Trustee fees

Performance obligations are satisfied over a period of time and trustee fees are recognized at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Trust Deed and is applied on the assets under management of each scheme of Motilal Oswal Mutual Fund.

2.3. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives & residual value

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

Assets	Useful life
Computers	3 years

Derecognition

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

2.4. Income Tax

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

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

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

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

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 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, and bank overdrafts.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

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

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of variousassets and liabilities are disclosed in Note 21.

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.

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

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

(iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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 sue and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation and amortization, if no impairment loss had been recognized.

2.10. 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.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

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

2.11. 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.

2.12. Rounding of amounts

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

2.13. Events after reporting date

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

2.14. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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.

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

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

(a) Provision and contingent liability: On an 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 amortiseferd 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 : PROPERTY, PLANT AND EQUIPMENT

Current Year	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer	1,404	–	–	1,404	1,333	70	–	1,403	0	71
	1,404	**–**	**–**	**1,404**	**1,333**	**70**	**–**	**1,403**	**0**	**71**

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

NOTE 5 : INVESTMENT

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Quoted)					
Motilal Oswal Most Focused Multicap 35 Fund	Others	1,04,344.91	35,106	1,04,344.91	21,511
Motilal Oswal Most Focused Midcap 30 Fund (growth)	Others	26,623.80	9,446	26,623.80	5,524
Total			**44,553**		**27,035**

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

NOTE 6 : NON CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax and tax deducted at source[(Net of provision for income tax 31 March 2021 ₹ 1,294.91 31 March 2020 ₹ 1,485.52)]	435	11
Total	**435**	**11**

NOTE 7 : DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of:		
Timing difference	18	12
Loss on mutual fund investment measured at FVTPL	(802)	311
Deferred tax assets/(liabilities) (net)	**(784)**	**323**

NOTE 8 : TRADE RECEIVABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good - unsecured (refer note 22)	2,739	1,468
Total	**2,739**	**1,468**

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

2) No trade are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 9 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks		
In current accounts	5,291	2,254
Total	**5,291**	**2,254**

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

NOTE 10 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Other	8	8
Indirect tax credit receivable	–	239
Total	**8**	**247**

Note

1) The Company's financial assets include cash and cash equivalent and trade receivables. Financial assets are classified as being at FVTPL or as loans and receivables. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

NOTE 11 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,00,000	10,000	1,00,000	10,000
Issued, Subscribed and fully Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,00,000	10,000	1,00,000	10,000
	1,00,000	**10,000**	**1,00,000**	**10,000**

11.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	–	–	–	–
At the end of the year	**1,00,000**	**10,000**	**1,00,000**	**10,000**

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial services Limited	1,00,000	100%	1,00,000	100%
	1,00,000	**100%**	**1,00,000**	**100%**

11.3 Shares held by holding company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial services Limited	1,00,000	100%	1,00,000	100%

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

11.4 Rights of shareholders

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

11. 5 The company has not issued any bonus shares for consideration other than cash nor there been any buybacks of shares during five years immediately preceding 31 March 2021.

NOTE 12 : OTHER EQUITY

Particulars	As at 31 March 2021	As at 31 March 2020
a) Surplus in the statement of profit and loss		
Balance at beginning of the year	20,716	24,778
Add: Transfer from Statement of Profit and Loss	20,239	(4,063)
Balance at the end of year	**40,955**	**20,716**

Nature and Purpose of Reserves

Retained earnings

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

NOTE 13 : FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Other financial liabilities	983	559
Total	**983**	**559**

NOTE 14 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Withholding and other taxes payable	304	135
Total	**304**	**135**

NOTE 15 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Trusteeship fees	20,392	14,967
Total	**20,392**	**14,967**

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

NOTE 16 : OTHER INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on mutual fund investment measured at FVTPL	17,517	–
Interest on income tax refund	–	9
Total	**17,517**	**9**

NOTE 17 : OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net loss on mutual fund investment measured at FVTPL	–	9,390
Legal and professional fees	547	621
Auditors remuneration (Refer Note no. 24)	250	267
Director's fees, allowances and expenses	14,400	7,500
Miscellaneous expenses	1	15
Total	**15,198**	**17,793**

NOTE 18.1 : TAX EXPENSE

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	1,295	1,486
Total current tax expense	**1,295**	**1,486**
Deferred taxes		
Change in deferred tax liabilities	1,107	(297)
Net deferred tax expense	**1,107**	**(297)**
Tax expense for the year	**2,402**	**1,188**

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

NOTE 18.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	**22,641**	**(2,874)**
Tax at the rate of 22.88% (for 31 March 2020 - 22.88%)	5,698	(658)
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Net gain/(loss) on mutual fund investment measured at FVTPL	(3,295)	1,844
Deferred tax on account of :		
Change due to deferred tax	(1)	3
Income tax expense	**2,402**	**1,188**

NOTE 18.3

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax assets on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	18	12
Unrealised gain/(loss)	(802)	311
Total deferred tax assets	**(784)**	**323**
Net deferred tax assets	**(784)**	**323**

NOTE 18.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2021	Recognised through profit and loss	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019
Deferred tax assets on account of:					
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	18	7	12	(8)	20
Unrealised loss	(802)	(1,114)	311	305	6
Total deferred tax assets	**(784)**	**(1,107)**	**323**	**297**	**26**
Total deferred tax Assets/liability (net)	**(784)**	**(1,107)**	**323**	**297**	**26**

NOTE 19 : CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured and cash flows are monitored.

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital requirement of SEBI regulations.

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

NOTE 20 : REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The application of Ind AS 115 has had no impact on the cash flows of the Company.

The Company determines revenue recognition through the following steps:

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

The Company acts as the Trustee to Motilal Oswal Mutual Fund. The company earns Trustee fees from Motilal Oswal Mutual Fund.

a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	Type of service
	Trustee fees
Total Revenue from contracts with customers	**20,392**
Geographical Markets	
India	20,392
Outside India	–
Total Revenue from contracts with customers	**20,392**
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	20,392
Total Revenue from contracts with customers	**20,392**

b) Contract balances

Trade receivable are non-interest bearing balances. The outstanding balances as on 31 March 2021 is ₹ 2,739 hundreds, 31 March 2020 is ₹ 1,468 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.

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

NOTE 21 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Balance with banks	–	5,291	–	2,254
Trade receivables	–	2,739	–	1,468
Investments	44,553	–	27,035	–
Total Financial Assets	**44,553**	**8,030**	**27,035**	**3,722**
Financial Liabilities				
Other current financial liabilities	–	1,287	–	694
Total Financial Liabilities	**–**	**1,287**	**–**	**694**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in mutual fund are based on the NAV.

The carrying amounts of Cash and cash equivalent, trade receivables, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Investment includes investment in Mutual funds only which have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

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

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

NOTE 22 : FINANCIAL RISK MANAGEMENT

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

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

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2021	As at 31 March 2020
Upto 3 months	2,739	1,468
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**2,739**	**1,468**
Provision for expected credit loss	–	–

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. other payables.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	983	–	–	**983**
Total	**983**	**–**	**–**	**983**

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

As at 31 March 2020

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

(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 2021	31 March 2020
Impact on profit before tax for 1% increase in NAV/price	446	270
Impact on profit before tax for 1% decrease in NAV/Price	(446)	(270)

NOTE 23 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Sensitivity	31 March 2021	31 March 2020
The principal amount remaining unpaid at the end of the year	–	–
The interest amount remaining unpaid at the end of the year	–	–
Balance of Micro and Small enterprise at the end of the year	**–**	**–**

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

NOTE 24 : AUDITORS' FEES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	250	250
Out of pocket expenses	–	17
	250	**267**

NOTE 25 : SEGMENT INFORMATION

The Company's principal activity is to acts as a Trustee for the schemes of Motilal Oswal Mutual Fund and primarily operated in India and regularly reviewed by Chief Operating decision maker for Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers the operations as single business segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

NOTE 26 : EARNINGS/(LOSS) PER EQUITY SHARE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) attributable to equity shareholders	20,239	(4,063)
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Nominal value per share (in Rupees)	10	10
Earnings/(loss) per share (Basic and diluted) (in Rupees)	**20.24**	**(4.06)**

NOTE 27 : RELATED PARTY DISCLOSURE

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

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Financial Services Limited (Formerly known as Motilal Oswal Securities Limited)

(ii) Ultimate holding company:

Passionate Investment Management Private Limited

(iii) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)
Motilal Oswal Asset Management Company Limited
Motilal Oswal Alternet Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited
MOPE Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
India Business Excellence Management Company
Motilal Oswal Wealth Management Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets Singapore Pte Limited

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

Motilal Oswal Securities International Private Limited
Motilal Oswal Home Finance Limited (formerly known as Aspire home finance Limited)
Motilal Oswal Asset Management (Mauritius) Private Limited
Nagori Agro and Cattle Feeds Private Limited
Motilal Oswal Capital Limited
Glide Tech Investment Advisors Private Limited
Motilal Oswal Finsec Private Limited

(iv) Key Management Personnel (KMP)

(a) Non - executive directors

Mr. B. G. Daga

Mr. Sunil Goyal

Mr. Viraj Kulkarni

Mr. Sandip Ghose

Mr. Vishal Tulsyan

(v) Associate enterprises

Indian Reality Excellence Fund II LLP

b. Transactions and balances with related parties

Nature of transactions	Name of the Related party	Key Managerial Personnel / Relative of KMP (B)	
		Year ended 31 March 2021	Year ended 31 March 2020
Director sitting fees	Non - executive directors	14,400	7,500

NOTE 28 : CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at the balance sheet date.

NOTE 29 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2021

NOTE 30

Amounts below ₹ 50 have been rounded off and shown as “0”.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 27 April, 2021

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

Brij Gopal Daga
Director
DIN : 00004858

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Date : 27 April, 2021

Motilal Oswal Wealth Management Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To,

The Members Motilal Oswal Wealth Management Limited,

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Wealth Management Limited** which comprises the Balance Sheet as at March 31, 2021, 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, 2021, and profit, and its cash flows for the year ended on March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PGS & ASSOCIATES**
Chartered Accountants

Firm Registration No.: 122384W

UDIN: 21111592AAAACM1353

Premal H Gandhi
Partner

Membership No. 111592

Place: Mumbai
Date: 23rd April, 2021

ANNEXURE A TO THE AUDITORS' REPORT

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.

3. The Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.

4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.

5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.

6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.

7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, direct and indirect taxes and other material statutory dues as applicable with the appropriate authorities in India.

   (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of direct and indirect taxes as at March 31, 2021 which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.

11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Indian Accounting Standard (IndAS) 24 – Related Party Disclosure.

14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **PGS & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 122384W
UDIN: 21111592AAAACM1353

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 23rd April, 2021

ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Motilal Oswal Wealth Management Limited** ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PGS & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 122384W
UDIN: 21111592AAAACM1353

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 23rd April, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31-Mar-2021 (In ₹)	As at 31-Mar-2020 (In ₹)
I. ASSETS			
1. Financial assets			
a) Cash and cash equivalents	4	5,17,57,241	90,27,680
b) Other bank balances	5	13,50,000	13,50,000
c) Receivables	6		
(i) Trade receivables		24,24,94,202	13,58,12,577
(ii) Other receivables		43,14,327	1,36,77,673
d) Loans	7	1,14,10,435	25,342
e) Investments	8	88,97,05,138	70,06,19,641
f) Other financial assets	9	43,48,945	45,22,157
2. Non - financial assets			
a) Current tax assets (net)	10	–	4,29,55,597
b) Deferred tax asset (Net)	11	26,73,088	1,69,70,858
c) Property, plant and equipment	12(a)	3,57,57,953	4,25,40,452
d) Intangible assets	12(b)	92,63,653	53,27,123
e) Other non - financial assets	13	80,40,344	72,46,755
TOTAL		**1,26,11,15,326**	**98,00,75,855**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
a) Borrowings (Other than debt securities)	14	–	3,88,00,000
b) Other financial liabilities	15	4,02,21,341	3,68,02,577
2. Non - financial liabilities			
a) Current tax liabilities (net)		1,22,06,492	–
b) Provisions	16	14,50,46,212	8,59,56,652
c) Other non - financial liabilities	17	5,91,22,392	2,63,70,331
3. Equity			
(a) Equity share capital	18	8,13,200	8,13,200
(b) Other equity	19	1,00,37,05,689	79,13,33,095
TOTAL		**1,26,11,15,326**	**98,00,75,855**

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 : 23rd April, 2021

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 23rd April, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
INCOME			
(a) Revenue from operations			
Fees and commission income	20	1,19,18,50,165	99,21,54,918
Rental Income	21	1,09,53,900	1,09,53,900
Net gain on fair value changes	22	21,16,92,905	–
Total Revenue from operations		**1,41,44,96,970**	**1,00,31,08,818**
(b) Other Income	23	81,20,110	6,34,795
Total Income (a+b)		**1,42,26,17,080**	**1,00,37,43,613**
EXPENSES			
Employee benefit Expenses	24	68,41,61,006	63,92,57,943
Finance Cost	25	7,71,982	43,98,271
Depreciation	12	1,07,66,547	98,47,060
Fees and commission expense	26	3,35,04,639	2,97,75,076
Other Expenses	27	17,05,64,187	24,05,00,893
Net loss on fair value change	22	–	3,62,68,951
Total Expenses		**89,97,68,361**	**96,00,48,194**
Profit before tax		**52,28,48,719**	**4,36,95,420**
Less: Tax expenses			
Current tax		9,90,45,467	2,42,48,334
Deferred tax		1,30,28,874	(65,53,049)
Total tax expense	28	**11,20,74,341**	**1,76,95,285**
Profit for the period		**41,07,74,378**	**2,60,00,134**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Acturial Gain/(losses) on post retirement benefit plans		50,41,700	36,46,726
(b) Deferred tax impact on the above		(12,68,895)	(9,17,808)
Other comprehensive income		**37,72,805**	**27,28,918**
Total comprehensive income		**41,45,47,183**	**2,87,29,052**
Earnings per share (Face value per share ₹ 1/-)	30		
Basic		505.13	32.03
Diluted		505.13	31.25

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 : 23rd April, 2021

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 23rd April, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(A) Equity share capital

Particulars	Equity share capital		Total (In ₹)
	Number of shares	Amount (In ₹)	
As at 31 March 2020	**8,13,200**	**8,13,200**	**8,13,200**
Changes in Equity Share capital during the year	–	–	–
As at 31 March 2021	**8,13,200**	**8,13,200**	**8,13,200**

(B) Other Equity

(in ₹)

Particulars	31 March 2021				31 March 2020				Total	
	Reserve and surplus			Items of other comprehensive income	Reserve and surplus			Items of other comprehensive income	31 March 2021	31 March 2020
	Securities premium	Share option outstanding account	Retained earnings	Remeasure-ments of net defined benefit plans	Securities premium	Share option outstanding account	Retained earnings	Remeasure-ments of net defined benefit plans		
Balance at the beginning of the reporting period	5,02,73,108	85,36,132	73,45,02,476	(19,78,622)	4,69,86,308	88,85,333	70,85,02,340	(47,07,540)	**79,13,33,094**	75,96,66,442
Addition during the year	–	11,25,411	–	–	32,86,800	(3,49,201)	–	–	**11,25,411**	29,37,599
Total comprehensive income for the year	–	–	41,07,74,378	37,72,805	–	–	2,60,00,136	27,28,918	**41,45,47,183**	2,87,29,054
Dividend	–	–	(20,33,00,000)	–	–	–	–	–	**(20,33,00,000)**	–
Balance at the end of the reporting period	**5,02,73,108**	**96,61,543**	**94,19,76,854**	**17,94,183**	**5,02,73,108**	**85,36,132**	**73,45,02,476**	**(19,78,622)**	**1,00,37,05,688**	79,13,33,094

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

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

Place : Mumbai
-Date : 23rd April, 2021

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

Ajay Menon, *Director*
DIN No: 00024589

Harsh Joshi, *Director*
DIN No: 02951058

Place : Mumbai
Date : 23rd April, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	**52,28,48,719**	**4,36,95,421**
Add /Less :		
1) ESOP Expenditure	11,25,411	(3,49,201)
2) (Profit)/ Loss on Sale of Investment-Realised	(7,12,62,738)	(1,37,62,017)
3) (Profit)/ Loss on Sale of Investment - Unrealised	(14,04,30,167)	5,00,30,968
4) Depreciation	1,07,66,547	98,47,060
5) Gratuity	1,30,62,518	1,20,05,708
OPERATING PROFIT	**33,61,10,291**	**10,14,67,939**
Adjustment For:		
1) (Increase) in receivables	(10,66,81,623)	6,56,31,600
2) (Increase)/decrease in other receivables	(43,04,327)	
3) Decrease in loans	(1,13,85,094)	(18,035)
4) (Increase)/Decrease in financial assets	1,73,213	(19,953)
5) Decrease in other non financial assets	(7,93,589)	45,83,068
6) Increase/(Decrease) in borrowings	(3,88,00,000)	88,00,000
7) Increase/(Decrease) in other financial liabilities	1,70,86,438	64,59,649
8) Increase/(Decrease) in provisions	5,10,68,743	(1,50,46,623)
9) Increase/(Decrease) in other non-financial liabilities	3,27,52,061	(54,07,634)
CASH FLOW FROM OPERATIONS	**27,52,26,112**	**16,64,50,012**
Taxes Paid	(4,38,83,379)	(5,18,37,177)
NET CASH FLOW FROM OPERATIONS	**23,13,42,733**	**11,46,12,835**
CASH FLOW FROM INVESTING ACTIVITIES		
1) (Purchase) of Investments		(12,00,00,000)
2) Proceeds of sale of Investments	2,26,07,407	1,37,62,017
3) (Purchase) of Fixed Assets	(79,20,578)	(83,47,401)
NET CASH FLOW FROM INVESTING ACTIVITIES	**1,46,86,829**	**(11,45,85,384)**
CASH FLOW FROM FINANCING ACTIVITIES		
1) Issue of Share capital including Securities premium		33,00,000
2) Interim dividend paid	(20,33,00,000)	
NET CASH FLOW FROM FINANCING ACTIVITIES	**(20,33,00,000)**	**33,00,000**

Cash Flow Statement *(Contd..)*

Particulars	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
NET CASH FLOW FOR THE YEAR	**4,27,29,562**	**33,27,451**
Cash and Bank Balances comprise of:		
Cash in hand	1,10,223	63,854
Scheduled bank - In Current Account	89,17,457	56,36,375
Fixed Deposit with Bank		
Total Cash & Cash Equivalents as at beginning of year	**90,27,679**	**57,00,228**
Cash and Bank Balances comprise of:		
Cash in hand	98,354	1,10,223
Scheduled bank - In Current Account	5,16,58,887	89,17,457
Total Cash & Cash Equivalents as at end of year	**5,17,57,240**	**90,27,679**

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

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 23rd April, 2021

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 23rd April, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Wealth Management Limited (MOWML) was incorporated on March 6, 2002. The principal shareholder of the Company as at March 31, 2021 is Motilal Oswal Financial Services Limited (MOFSL). The company has license from SEBI Motilal Oswal Wealth Management Limited (Reg. No. INP000004409 date of Reg. Nov. 29, 2012) for doing business of portfolio management services.

Company is carrying the business of distribution of all kinds of financial instruments including portfolio management services, mutual funds, alternative investment funds, private equity funds, unit linked policies, insurance policies and providing financial and investment advisory services and wealth management services in accordance with the applicable laws.

NOTE 2 : BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2021 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

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

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

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOWML's functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make 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.

(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 fulfilment 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.

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Classification and subsequent measurement

(a) Financial Assets

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

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

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

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

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.

(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.

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.

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 impairement loss, if any. Includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(iv) Gain or Loss on disposal

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

3.7 Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent cost

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

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

3.8 Employee benefits

(i) Short-term employee benefit

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

(ii) Post-employment benefit

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefit

(a) Heritage club benefit

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

(b) Compensated absences

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

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

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

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

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

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

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

3.9 Earnings per share

(a) Basic earnings per share

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

(b) Diluted earnings per share

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

3.10 Provisions and Contingent Liabilities:

Provisions are 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 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.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Cash on hand	98,354	1,10,223
Balance with bank		
Scheduled banks - In current accounts	5,16,58,887	89,17,457
TOTAL	**5,17,57,241**	**90,27,680**

NOTE 5 : OTHER BANK BALANCES

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Fixed Deposits with Bank (maturity more than 3 months)	13,50,000	13,50,000
TOTAL	**13,50,000**	**13,50,000**

NOTE 6 : RECEIVABLES

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
(i) Trade receivables		
Unsecured, Considered Good	24,20,25,138	13,53,51,457
Significant increase in credit risk	4,69,064	4,61,119
(ii) Other receivables		
Unsecured, Considered Good	43,14,327	1,36,77,673
TOTAL	**24,68,08,529**	**14,94,90,249**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 7: LOANS

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
At amortised cost		
Loans to employees	86,146	25,342
Interest accrued	13,24,289	–
Loans to related parties (subsidiaries)	1,00,00,000	–
TOTAL	**1,14,10,435**	**25,342**

NOTE 8 : INVESTMENTS

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Units	Amount In (₹)	Units	Amount In (₹)
I. Investments carried at cost				
Investments at equity instruments				
Investments in fellow subsidiaries - Unquoted				
Aspire Home Finance Corporation Limited	19,23,07,692	50,00,00,010	19,23,07,692	50,00,00,010
II. Mandatorily measured at FVTPL				
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted				
Motilal Oswal MOSt Focused Multicap 35 Fund	16,99,433	5,71,76,587		
Motilal Oswal Most Focused Multicap 25 Fund	48,03,867	15,81,54,359	48,03,867	9,76,60,219
Motilal Oswal Large And Midcap Fund	47,50,000	6,50,44,125	47,50,000	3,76,69,400
Motilal Oswal Nifty 50 Index Fund	35,00,000	4,24,93,850	35,00,000	2,47,88,400
Motilal Oswal Nifty 50 Index Fund	37,50,000	4,49,60,250	37,50,000	2,81,05,875
Investment in Alternative Investment Funds - Fully paid up - Unquoted				
Motilal Oswal Focused Multicap Opportunities Fund	9,14,381	1,12,98,279	9,14,381	67,33,687
Motilal Oswal Focused Emergence Fund	9,27,834	1,01,30,278	10,58,956	54,09,890
Motilal Oswal Focused Multicap Opportunities Fund (Carry Unit)	17,500	2,15,248	17,500	1,28,186
Motilal Oswal Focused Emergence Fund (Carry Unit)	20,905	2,32,153	24,000	1,23,974
Total Gross (A)		**88,97,05,138**		**70,06,19,641**

NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Rent deposits	43,37,061	44,95,803
Accrued interest	11,884	26,354
TOTAL	**43,48,945**	**45,22,157**

Notes to Financial Statement *(Contd..)*

NOTE 10 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Advance Tax and TDS	–	4,29,55,597
TOTAL	**–**	**4,29,55,597**

NOTE 11 : DEFERRED TAX ASSET (NET)

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Deferred tax asset (net)	26,73,088	1,69,70,858
Total	**26,73,088**	**1,69,70,858**

NOTE 12 : PROPERTY, PLANT & EQUIPMENTS

Current Year (in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01-04-2020	Additions	As at 31-03-2021	As at 01-04-2020	Additions	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
(A) Tangible Assets								
Office Premises	4,47,76,849		4,47,76,849	2,25,54,441	11,41,918	2,36,96,359	2,10,80,490	2,22,22,408
Renovation of Leased Office Premises	1,26,37,705		1,26,37,705	41,98,141	22,14,158	64,12,299	62,25,406	84,39,564
Computer	1,40,32,773	17,55,578	1,57,88,351	97,23,261	25,21,405	1,22,44,666	35,43,685	43,09,512
Furniture	7,49,550		7,49,550	1,19,055	72,092	1,91,147	5,58,403	6,30,495
Electrical Equipment	2,63,510		2,63,510	37,156	24,924	62,080	2,01,430	2,26,354
Air Conditioner	14,24,486		14,24,486	3,48,794	2,62,641	6,11,435	8,13,051	10,75,692
Mobile	92,499		92,499	78,298	5,162	83,460	9,039	14,201
Office Equipments	15,02,706		15,02,706	7,06,291	2,62,777	9,69,069	5,33,637	7,96,414
Television	39,990		39,990	38,480	–	38,480	1,510	1,510
Network Equipments	1,02,360		1,02,360	22,938	16,207	39,145	63,215	79,422
Projector	38,800		38,800	1,833	7,372	9,205	29,595	36,967
Car	82,52,006		82,52,006	37,31,770	19,86,730	57,18,500	25,33,506	45,20,236
Scooter	2,31,083		2,31,083	43,409	22,691	66,100	1,64,983	1,87,674
Total (A)	**8,41,44,317**	**17,55,578**	**8,58,99,895**	**4,16,03,868**	**85,38,077**	**5,01,41,945**	**3,57,57,950**	**4,25,40,449**
(B) Intangible Assets								
Commercial Rights	5,00,000		5,00,000	4,99,851		4,99,851	149	149
Computer Software	1,40,45,023	61,65,000	2,02,10,023	87,28,726	22,28,470	1,09,57,196	92,52,827	53,16,297
PMS Licence	1,00,000		1,00,000	89,323		89,323	10,677	10,677
Total (B)	**1,46,45,023**	**61,65,000**	**2,08,10,023**	**93,17,900**	**22,28,470**	**1,15,46,370**	**92,63,653**	**53,27,123**
TOTAL (A+B)	**9,87,89,340**	**79,20,578**	**10,67,09,918**	**5,09,21,768**	**1,07,66,547**	**6,16,88,315**	**4,50,21,603**	**4,78,67,572**

Previous Year (in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01-04-2019	Additions	As at 31-03-2020	As at 01-04-2019	Additions	As at 31-03-2020	As at 31-03-2019	As at 31-03-2018
(A) Tangible Assets								
Office Premises	4,47,76,849		4,47,76,849	2,14,12,523	11,41,918	2,25,54,441	2,22,22,408	2,33,64,326
Renovation of Leased Office Premises	1,17,19,510	9,18,195	1,26,37,705	19,76,961	22,21,181	41,98,141	84,39,564	97,42,550
Computer	1,13,57,723	26,75,050	1,40,32,773	70,54,576	26,68,686	97,23,261	43,09,512	43,03,147
Furniture	7,49,550		7,49,550	46,963	72,092	1,19,055	6,30,495	7,02,587
Electrical Equipment	2,63,510		2,63,510	12,232	24,924	37,156	2,26,354	2,51,278
Air Conditioner	14,24,486		14,24,486	75,525	2,73,269	3,48,794	10,75,692	13,48,961
Mobile	92,499		92,499	68,539	9,759	78,298	14,201	23,960
Office Equipments	14,50,556	52,150	15,02,706	4,46,087	2,60,204	7,06,291	7,96,414	10,04,468
Television	39,990		39,990	38,426	54	38,480	1,510	1,564
Network Equipments	1,02,360		1,02,360	6,731	16,207	22,938	79,422	95,629
Projector		38,800	38,800	–	1,833	1,833	36,967	–
Car	70,08,050	12,43,956	82,52,006	17,94,280	19,37,490	37,31,770	45,20,236	52,13,770
Scooter	2,31,083		2,31,083	20,719	22,691	43,409	1,87,674	2,10,364
Total (A)	**7,92,16,166**	**49,28,151**	**8,41,44,317**	**3,29,53,560**	**86,50,307**	**4,16,03,868**	**4,25,40,449**	**4,62,62,606**
(B) Intangible Assets								
Commercial Rights	5,00,000		5,00,000	4,99,851		4,99,851	149	149
Computer Software	1,06,25,773	34,19,250	1,40,45,023	75,31,973	11,96,753	87,28,726	53,16,297	30,93,800
PMS Licence	1,00,000		1,00,000	89,323		89,323	10,677	10,677
Total (B)	**1,12,25,773**	**34,19,250**	**1,46,45,023**	**81,21,147**	**11,96,753**	**93,17,900**	**53,27,123**	**31,04,626**
TOTAL (A+B)	**9,04,41,939**	**83,47,401**	**9,87,89,340**	**4,10,74,707**	**98,47,060**	**5,09,21,768**	**4,78,67,572**	**4,93,67,232**

NOTE 13 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Unsecured, considered good		
Capital Advances	37,07,548	42,51,048
Prepaid Expenses	18,87,077	16,53,332
Advance for expenses	24,39,485	13,36,140
Advances to employees	–	–
Balance with Government Authorities	6,234	6,235
TOTAL	**80,40,344**	**72,46,755**

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
At Amortised cost		
From related parties (Motilal Oswal Finvest Limited)	–	3,88,00,000
TOTAL	**–**	**3,88,00,000**

NOTE 15 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Advance Received From Client		–
For Other Liabilities:		
Security Deposit (Against premises given on lease)	54,76,950	54,76,950
Other Payables	3,19,16,220	2,34,48,457
Other provisions (includes provision for expenses)	28,28,171	75,58,345
Interest payable	–	3,18,825
TOTAL	**4,02,21,341**	**3,68,02,577**

NOTE 16 : CURRENT TAX LIABILITY (NET)

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Advance Tax and TDS	1,22,06,492	–
TOTAL	**1,22,06,492**	**–**

NOTE 16 : PROVISIONS

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Provision for employee benefits		
Provision for Gratuity	4,11,58,591	3,72,10,913
For Gratuity and benefits	51,52,871	71,19,645
Ex-Gratia	9,87,34,750	4,16,26,094
TOTAL	**14,50,46,212**	**8,59,56,652**

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
Withholding and other Taxes Payable	5,91,22,392	2,63,70,331
TOTAL	**5,91,22,392**	**2,63,70,331**

NOTE 18 : SHARE CAPITAL

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)
AUTHORISED				
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	15,00,000	15,00,000	15,00,000	15,00,000
	15,00,000	**15,00,000**	**15,00,000**	**15,00,000**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 1/- each (previous year ₹ 1 each)	8,13,200	8,13,200	8,00,000	8,00,000
Changes in Equity Share capital during the year	–	–	13,200	13,200
	8,13,200	**8,13,200**	**8,13,200**	**8,13,200**

18.1 Rights, preferences and restrictions attached to shares

Equity Shares :

All the Equity shares are held by Motilal Oswal Financial Services Limited, the holding company (including 60 share held jointly with nominee)

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.2 Reconciliation of number of shares outstanding

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount In (₹)	Number of shares	Amount In (₹)
Number of share at beginning	8,13,200	8,13,200	8,00,000	8,00,000
Addition During the Year	–	–	13,200	13,200
At the end of the year	**8,13,200**	**8,13,200**	**8,13,200**	**8,13,200**

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding company)	**8,13,140**	**99.99**	**8,13,140**	**99.99**

18.4 Shares held by holding company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited	**8,13,140**	**99.99**	**8,13,140**	**99.99**

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

NOTE 19 : OTHER EQUITY

Particulars		As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
a)	**Securities Premium**		
	Balance at the beginning of the year	5,02,73,108	4,69,86,308
	Add: Addition during the year	–	32,86,800
	Balance at the end of year	**5,02,73,108**	**5,02,73,108**
b)	**Share option outstanding account**		
	Balance at the beginning of the year	85,36,133	88,85,334
	Add: Addition during the year	11,25,411	(3,49,201)
	Balance at the end of year	**96,61,544**	**85,36,133**

Particulars		As at 31-Mar-2021 In (₹)	As at 31-Mar-2020 In (₹)
c)	**Retained earnings**		
	Balance at the beginning of the year	73,45,02,476	70,85,02,340
	Add: Transfer from Statement of Profit and Loss	41,07,74,378	2,60,00,136
	Less: Interim dividend	(20,33,00,000)	
	Balance at the end of year	**94,19,76,854**	**73,45,02,476**
d)	**Other comprehensive income**		
	Balance at the beginning of the year	(19,78,622)	(47,07,540)
	Add: Transfer from Statement of Profit and Loss	37,72,805	27,28,918
	Balance at the end of year	**17,94,183**	**(19,78,622)**
	TOTAL	**1,00,37,05,689**	**79,13,33,095**

Nature and purpose of Reserves

Securities Premium

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

Share option outstanding account

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

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

NOTE 20 : FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Brokerage Mutual Fund	21,76,70,450	21,12,00,847
AIF Fees Income	27,12,74,577	9,12,07,926
Portfolio Management Commission	45,15,33,309	44,11,06,399
Placement fee - Private equity funds	3,76,23,157	11,62,02,667
Commission and Referral Income	19,11,07,203	11,37,99,970
Advisory Fees	2,26,41,469	1,86,37,109
TOTAL	**1,19,18,50,165**	**99,21,54,918**

NOTE 21 : RENTAL INCOME

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Rent Income	1,09,53,900	1,09,53,900
TOTAL	**1,09,53,900**	**1,09,53,900**

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

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On financial instruments designated at fair value through profit or loss	21,16,92,905	(3,62,68,951)
Fair Value changes:		
Realised	7,12,62,738	1,37,62,017
Unrealised	14,04,30,167	(5,00,30,968)
TOTAL	**21,16,92,905**	**(3,62,68,951)**

NOTE 23 : OTHER INCOME

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Interest income at amortised cost	81,22,913	1,09,881
Miscellaneous Income	(2,803)	5,24,914
TOTAL	**81,20,110**	**6,34,795**

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Salary and Bonus	64,28,89,523	59,88,36,232
Contribution to provident & other funds	1,51,07,253	1,36,34,473
Staff Welfare	19,46,276	78,28,646
Employee Stock option expense (refer note 41)	1,11,55,436	69,52,884
Gratuity (refer note 39)	1,30,62,518	1,20,05,708
TOTAL	**68,41,61,006**	**63,92,57,943**

NOTE 25 : FINANCE COST

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Interest on borrowings	7,71,982	43,98,271
TOTAL	**7,71,982**	**43,98,271**

Notes to Financial Statement *(Contd..)*

NOTE 26 : FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Brokerage Sharing with Intermediaries	3,35,04,639	2,97,75,076
TOTAL	**3,35,04,639**	**2,97,75,076**

NOTE 27 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Business Support	5,88,30,750	8,06,14,500
Rent Paid (refer note 32)	6,53,83,284	6,74,09,475
Insurance	39,83,631	36,25,646
Marketing & Brand Promotion Expenses	21,98,585	1,83,41,203
Travelling Expenses and Conveyance	46,81,105	1,93,51,959
Printing & Stationery Expenses	17,47,988	64,14,022
Client Entertainment	7,64,938	25,34,201
Legal & Professional Fees	74,93,215	73,16,573
Data Processing Charges	63,20,345	76,90,354
Membership & Subscription Fees	2,36,072	13,09,044
Communication Expenses	7,85,285	11,12,938
Power and Fuel	31,65,425	44,97,563
Software Charges	12,03,432	6,43,864
Training Expenses	20,219	5,16,268
Auditors Remuneration (refer note 29)	75,000	75,000
Rates and Taxes	5,51,512	7,16,194
Repairs And Maintenance	17,78,208	18,71,713
Corporate Solcial Responsibility (refer note 35)	41,12,400	63,99,982
Donation	–	1,65,748
Miscellaneous Expenses	72,32,793	98,94,645
TOTAL	**17,05,64,187**	**24,05,00,892**

NOTE 28 : TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Note : 28.1 Tax expense		
Current tax expense		
Current tax for the year	9,90,45,467	2,42,48,334
Total current tax expense	**9,90,45,467**	**2,42,48,334**
Deferred taxes		
Change in deferred tax liabilities	1,30,28,874	(65,53,049)
Net deferred tax expense	**1,30,28,874**	**(65,53,049)**
TOTAL	**11,20,74,342**	**1,76,95,285**

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
Note : 28.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**52,28,48,719**	**4,36,95,420**
Tax at the rate of 25.17% (for 31 March 2020 - 25.17%)	13,15,90,566	1,09,97,263
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax at different rate	(1,97,39,753)	84,32,021
Expenses not deductible for tax purposes	10,50,592	5,73,568
Exempt Income / Deduction on income	(8,27,063)	(37,17,562)
Change due to deferred tax		14,09,994
	11,20,74,341	**1,76,95,285**
Total	**11,20,74,341**	**1,76,95,285**
Note : 28.3 Items of deferred tax asset / (liability)		
Deferred tax assets on account of:		
Difference between book depreciation and tax depreciation	10,65,223	7,07,782
Provision for Gratuity	1,16,55,669	1,11,57,115
Unrealised gain/loss on investments	(1,00,47,803)	51,05,961
Total deferred tax assets (A)	**26,73,088**	**1,69,70,858**

NOTE 29 : REMUNERATION TO AUDITORS

Particulars	For the Year Ended 31-Mar-2021 In (₹)	For the Year Ended 31-Mar-2020 In (₹)
As Auditors:		
Audit Fees	75,000	75,000
In any other capacity, in respect of:		
Other Certification	–	–
Total	**75,000**	**75,000**

NOTE 30 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-Mar-2021 In (₹)	31-Mar-2020 In (₹)
Net Profit attributable to equity shareholders [A] (₹)	41,07,74,378	2,60,00,134
Weighted Average Number of equity shares issued (face value of ₹ 1 each) [B] (₹)	8,13,200	8,11,830
Basic EPS [A/B] (₹)	**505.13**	**32.03**
Net Profit attributable to equity shareholders [A] (₹)	41,07,74,378	2,60,00,134
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]	41,07,74,378	2,60,00,134
Weighted average number of equity shares issued (face value of ₹ 1 each) (In numbers) [D]	8,13,200	8,11,830

Particulars	31-Mar-2021 In (₹)	31-Mar-2020 In (₹)
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	–	20,044
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	8,13,200	8,31,873
Diluted EPS [C/F] (₹)	**505.13**	**31.25**

NOTE 31 : ACTIVITY IN FOREIGN CURRENCY

Particulars	31-Mar-2021 In (₹)	31-Mar-2020 In (₹)
Earnings in foreign currency		
Income from Advisory	88,90,145	84,85,207
Interest received from banks and others		
Total	**88,90,145**	**84,85,207**
Expenditure in foreign currency		
Expenditure in foreign currency		
Courier Charges	50,183	37,011
Meeting Event And Seminar Expenses	8,54,359	–
Staff Welfare Expenses		14,344
Total	**9,04,542**	**51,355**

NOTE 32 : LEASE

The Company has taken offices on short term lease for the period which withing 12 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2021 aggregated RS. 6,53,83,284/- (PY RS. 6,74,09,475/-) 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 2021

NOTE 33 : DUES TO MICRO AND SMALL ENTERPRISES

There is no amount outstanding for more than thirty days to any small scale industrial undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the Company owes the dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information provided by the vendors to the Company

NOTE 34 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 97,38,964 (Previous Year : ₹ 84,52,879)

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹ 46,38,373 (Previous year : ₹ 5,500,182)

b) Amount spent during the period ended 31st March, 2021 on :

Particulars		31-Mar-2021	31-Mar-2020
a)	Construction/acquisition of any asset	20,00,000	26,96,644
b)	on Purposes other than (a) above	21,12,400	37,03,338
Total		**41,12,400**	**63,99,982**

NOTE 36 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2021 COMPRISES OF:

Particulars	Opening balance as on 1-Apr-2020	Provided for the Year F.Y 2020-21	Provision reversed / paid for the year F.Y 2020-21	Closing balance as on 31-Mar-2021
Ex-gratia	4,16,26,093	9,94,03,698	4,22,95,042	**9,87,34,749**
Provision for Gratuity	3,82,57,602	80,20,818	51,19,829	**4,11,58,591**
Other long term benefits	60,72,956	–	9,20,085	**51,52,871**
Leave Availment	73,73,540	1,09,30,184	73,73,540	**1,09,30,184**

Particulars	Opening balance as on 1-Apr-2019	Provided for the Year F.Y 2019-20	Provision reversed / paid for the year F.Y 2019-20	Closing balance as on 31-Mar-2020
Ex-gratia	5,81,34,197	4,16,26,093	5,81,34,197	**4,16,26,093**
Provision for Gratuity	3,08,57,622	83,58,982	9,59,002	**3,82,57,602**
Other long term benefits	36,52,473	32,01,146	7,80,663	**60,72,956**
Leave Availment	10,13,939	73,73,540	10,13,939	**73,73,540**

NOTE 37: CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTE 38 : RELATED PARTY DISCLOSURE

Related Party Disclosure:

I. Names of Related Parties:-

Holding Company

– Motilal Oswal Financial Services Limited

Ultimate Holding Company:

– Passionate Investment Management Private Limited

Fellow subsidiaries:

1. Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Market Limited)
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Limited
4. MOPE Investment Advisors Private Limited
5. Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
6. Motilal Oswal Asset Management Co. Limited
7. Motilal Oswal Trustee Co. Limited
8. Motilal Oswal Securities International Pvt. Limited

9. Motilal Oswal Capital Markets (Hongkong) Pvt. Limited
10. Motilal Oswal Capital Markets (Singapore) Pte. Limited
11. Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)
12. Motilal Oswal Real Estate Investment Advisors Private Limited
13. Motilal Oswal Real Estate Investment Advisors II Private Limited
14. India Business Excellence Management Company
15. Motilal Oswal Asset Management (Mauritius) Co. Limited
16. Motilal Oswal Capital Limited
17. Motilal Oswal Financial Services Limited
18. Glide Tech Investment Advisory Private Limited
19. Motilal Oswal Finsec IFSC Limited

Key managerial personnel

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

II. Transactions with related parties: 31-03-2021:

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rent Expense / (Income)	Motilal Oswal Financial Services Ltd.	(1,09,53,900)	(1,09,53,900)	–	–	(1,09,53,900)	(1,09,53,900)
	Motilal Oswal Financial Services Ltd.	5,74,91,700	5,74,91,700	–	–	5,74,91,700	5,74,91,700
Interest Expense / (Income)	Motilal Oswal Financial Services Ltd.	(60,01,828)	–	–	–	(60,01,828)	–
	Motilal Oswal Financial Services Ltd.	–	3,32,072	–	–	–	3,32,072
	Motilal Oswal Finvest Ltd.	–		7,25,758	40,55,637	7,25,758	40,55,637
Advisory & Placement fees (Income) /Expense	Motilal Oswal Financial Services Ltd.	(78,88,000)	–	–	–	(78,88,000)	–
	MOPE Investment Advisors Pvt. Ltd.	–	–	(90,22,619)	(5,00,77,248)	(90,22,619)	(5,00,77,248)
	Motilal Oswal Asset Management Company Ltd.	–	–	19,86,210	4,52,837	19,86,210	4,52,837
	Motilal Oswal Real Estate Investment Advisors II Private Ltd.	–	–	(2,86,00,538)	(6,10,15,419)	(2,86,00,538)	(6,10,15,419)
	Motilal Oswal Finvest Ltd.	–	–	(21,63,000)	–	(21,63,000)	–
	Motilal Oswal Home Finance Ltd.	–	–	(20,79,000)	(56,04,777)	(20,79,000)	(56,04,777)
Referral Fees (Income) Expense	Motilal Oswal Financial Services Ltd.	6,37,060	5,65,386	–	–	6,37,060	5,65,386
Setup Fees	MOPE Investment Advisors Pvt. Ltd.	–	–	–	–	–	–
	Motilal Oswal Asset Management Company Ltd.	–	–	(30,50,000)	–	(30,50,000)	–
	Motilal Oswal Real Estate Investment Advisors II Private Ltd.	–	–	–	(51,10,000)	–	(51,10,000)
Brokerage Mutual Fund (Income)	Motilal Oswal Asset Management Company Ltd.	–	–	–	–	–	–
PMS Sharing (Income)	Motilal Oswal Asset Management Company Ltd.	–	–	(30,33,06,291)	(29,14,00,006)	(30,33,06,291)	(29,14,00,006)
AIF Distribution Income	Motilal Oswal Asset Management Company Ltd.	–	–	(19,58,09,147)	(3,85,35,386)	(19,58,09,147)	(3,85,35,386)
Marketing Commission (Income)/Expense	Motilal Oswal Asset Management Company Ltd.	–	–	(7,61,245)	(10,47,075)	(7,61,245)	(10,47,075)
Brokerage Commission (Income) / Expense	Motilal Oswal Financial Services Ltd.	(16,90,03,911)	(10,41,54,990)	–	–	(16,90,03,911)	(10,41,54,990)
	Motilal Oswal Financial Services Ltd.	–	9,08,346	–	–	–	9,08,346
	MOPE Investment Advisors Pvt. Ltd.	–		5,74,706	40,970	5,74,706	40,970

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Business Support Charges	Motilal Oswal Financial Services Ltd.	5,88,30,750	8,06,14,500	–	–	5,88,30,750	8,06,14,500
Loan (Taken) / (Repayment) received for loan given	Motilal Oswal Financial Services Ltd.	53,50,00,000	10,25,00,000	–	–	53,50,00,000	10,25,00,000
	Motilal Oswal Finvest Ltd.	–	–	6,20,00,000	57,73,00,000	6,20,00,000	57,73,00,000
Loan Given/Repayment of loan taken	Motilal Oswal Financial Services Ltd.	(54,50,00,000)	(13,25,00,000)		–	(54,50,00,000)	(13,25,00,000)
	Motilal Oswal Finvest Ltd.	–	–	(10,08,00,000)	(53,85,00,000)	(10,08,00,000)	(53,85,00,000)
Maximum Balance	Motilal Oswal Financial Services Ltd.	9,00,00,000	4,00,00,000			9,00,00,000	4,00,00,000
	Motilal Oswal Finvest Ltd.	–	–	3,88,00,000	6,50,00,000	3,88,00,000	6,50,00,000
Outstanding Balances:							
Trade Receivable / (Payables)	Motilal Oswal Asset Management Company Ltd.	–	–	9,73,01,385	3,00,94,329	9,73,01,385	3,00,94,329
	MOPE Investment Advisors Pvt. Ltd.	–	–	(36,868)	(13,269)	(36,868)	(13,269)
	Motilal Oswal Real Estate Investment Advisors II Private Ltd.	–	–	71,89,042	1,06,87,909	71,89,042	1,06,87,909
	Motilal Oswal Home Finance Ltd.	–	–	–	6,09,750	–	6,09,750
	Motilal Oswal Finvest Ltd.	–	–	1,37,573	–	1,37,573	–
	Motilal Oswal Financial Services Ltd.	3,75,46,582	1,90,16,055	–	–	3,75,46,582	1,90,16,055
Payable for Expenses	Motilal Oswal Financial Services Ltd.	(11,82,415)	(4,29,611)	–	–	(11,82,415)	(4,29,611)
	Motilal Oswal Finvest Ltd.	–	–	–	(3,18,825)	–	(3,18,825)
Deposit Rent Receivable / (Payable)	Motilal Oswal Financial Services Ltd.	(54,76,950)	(54,76,950)	–	–	(54,76,950)	(54,76,950)
Loan Given / (Taken)	Motilal Oswal Financial Services Ltd.	1,00,00,000	–	–	–	1,00,00,000	–
	Motilal Oswal Finvest Ltd.	–	–	–	(3,88,00,000)	–	(3,88,00,000)

Note: 'Income / receipts figures are shown in brackets.

NOTE 39 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

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

(A) Defined contribution plan :

Particulars	31-Mar-2021	31-Mar-2020
Employer's contribution to provident fund	1,35,36,860	1,22,75,519
Employer's contribution to ESIC		
Employer's contribution to National Pension Scheme	8,77,977	7,39,869
	1,44,14,837	**1,30,15,388**

(B) Defined benefit plan

	Gratuity		Other Long Term Benefits	
I) Assumptions as at	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2021**	**31-Mar-2020**
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	3.93%	4.80%	3.93%	4.80%
Rate of increase in compensation	6.65%	10.15%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 19.82%	PS: 0 to 40 : 22.55%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 50.04%
Expected average remaining service	3.89	3.35	0.29 to 0.51	0.98 to 1.00

Notes to Financial Statement *(Contd..)*

	Gratuity		Other Long Term Benefits	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
II Changes in present value of obligations (PVO)				
PVO at beginning of period	3,82,57,602	3,08,57,622	–	–
Interest cost	16,94,818	20,60,599	–	–
Current Service Cost	1,15,65,241	99,48,078	51,52,871	60,72,956
Past Service Cost- (non vested benefits)	–	–	–	–
Past Service Cost - (vested benefits)	–	–	–	–
Benefits Paid	(51,19,829)	(9,59,002)	–	–
Contributions by plan participants	–	–	–	–
Transfer in liability	–	6,11,533	–	–
Transfer out liability	(1,97,541)	(6,14,502)	–	–
Business Combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (Gain)/Loss on obligation	(50,41,700)	(36,46,726)	–	–
PVO at end of period	4,11,58,591	3,82,57,602	51,52,871	60,72,956
IV) Fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
V) Net Liability				
PVO at beginning of period	3,82,57,602	3,08,57,622	–	–
Fair Value of the Assets at beginning report	–	–	–	–
Net Liability	3,82,57,602	3,08,57,622	–	–
VI) Net Interest				
Interest Expenses	16,94,818	20,60,599	–	–
Interest Income	–	–	–	–
Net Interest	16,94,818	20,60,599	–	–
VII) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VIII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	10,81,837	(22,34,860)	–	–
Due to Financial Assumption	(37,96,111)	27,61,512	–	–
Due to Experience	(23,27,426)	(41,73,378)	–	–
Total Actuarial (Gain)/Loss	(50,41,700)	(36,46,726)	–	–
IX) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–	–	–
Return on Plan Assets excl. interest income	–	–	–	–
Interest Income	–	–	–	–
Contributions by Employer	51,19,829	9,59,002	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	(51,19,829)	(9,59,002)	–	–
Fair Value of Plan Assets at end	–	–	–	–
X) Past Service Cost Recognised	–	–	–	–
Past Service Cost - (non vested benefits)	–	–	–	–
Past Service Cost - (vested benefits)	–	–	–	–

	Gratuity		Other Long Term Benefits	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service Cost - non vested benefits	–	–	–	–
Recognised Past service Cost - vested benefits	–	–	–	–
Unrecognised Past Service Cost - non vested benefits	–	–	–	–
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	4,11,58,591	3,82,57,602	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(4,11,58,591)	(3,82,57,602)	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(4,11,58,591)	(3,82,57,602)	–	–
XII) Expense recognised in the statement of profit and loss				
Current service cost	1,15,65,241	99,48,078	51,52,871	60,72,956
Net Interest	16,94,818	20,60,599	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Curtailment Effect	–	–	–	–
Settlement Effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (Gain)/Loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	1,32,60,059	1,20,08,677	51,52,871	60,72,956
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(50,41,700)	(36,46,726)	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(50,41,700)	(36,46,726)	–	–
XIV) Movement in liability recognized in balance sheet				
Opening net liability	3,82,57,602	3,08,57,622	–	–
Adjustment to opening balance	–	–	–	–
Expenses as above	1,32,60,059	1,20,08,677	51,52,871	60,72,956
Transfer in liability	–	6,11,533	–	–
Transfer out liability	(1,97,541)	(6,14,502)	–	–
Contribution paid	(51,19,829)	(9,59,002)	–	–
Other Comprenehsive Income(OCI)	(50,41,700)	(36,46,726)	–	–
Closing net liability	4,11,58,591	3,82,57,602	51,52,871	60,72,956

Particulars	Gratuity		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
XV) Schedule III of The Companies Act 2013				
Current liability	58,46,865	57,00,233	31,32,597	37,22,055
Non - current liability	3,53,11,726	3,25,57,369	20,20,274	23,50,901
XVI) Projected Service Cost 31 Mar 2020	1,06,52,161	1,15,65,241	–	–

Particulars	Gratuity		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
XVII) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund ()	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–
XVIII) Assumptions as at	–	–	–	–
	DR: Discount Rate		**ER : Salary escalation rate:**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
XVIII) Sensitivity Analysis				
PVO	3,92,56,958	4,32,43,378	4,27,73,380	3,95,96,560

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
XIX) Expected Payout						
Payouts	58,46,865	57,87,238	56,52,358	51,25,160	51,23,166	1,41,14,626

Year	31–03–2017	31–03–2018	31–03–2019	31–03–2020	31–03–2021
XX) Asset Liability Comparisons					
PO at End of period	**1,34,43,493**	2,21,08,303	3,08,57,622	3,82,57,602	4,11,58,591
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	**(1,34,43,493)**	**(2,21,08,303)**	**(3,08,57,622)**	**(3,82,57,602)**	**(4,11,58,591)**
Experience adjustments on plan assets	–	–		–	–

NOTE 40 : SEGMENT REPORTING

In accordance with Ind AS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India, the Company has determined business segment as under.

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

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

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

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

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as “unallocable” in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

(Amount in rupees)

Particulars	Fees and Commission Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2020	31 March 2019
Revenue :								
External revenue	1,19,18,50,165	99,21,54,918	22,26,46,805	(2,53,15,051)	81,20,110	6,34,795	1,42,26,17,081	96,74,74,663
Inter-segment revenue								
Total revenue	**1,19,18,50,165**	**99,21,54,918**	**22,26,46,805**	**(2,53,15,051)**	**81,20,110**	**6,34,795**	**1,42,26,17,081**	**96,74,74,663**
Result :								
Segment result	29,22,18,720	6,86,78,340	22,25,84,889	(2,53,76,967)	80,45,110	3,94,047	52,28,48,719	4,36,95,420
Operating profit							**52,28,48,719**	**4,36,95,420**
Tax expense :								
Current tax							9,90,45,467	2,42,48,334
Deferred tax							1,30,28,874	(65,53,049)
Profit after tax							**41,07,74,378**	**2,60,00,134**
Other information :								
Segment assets	36,87,37,099	21,95,29,760	88,97,05,138	70,06,19,641	26,73,088	5,99,26,455	1,26,11,15,326	98,00,75,855
Segment Liabilities	25,65,96,437	18,79,29,560	–	–	–	–	25,65,96,437	18,79,29,560
Capital Expenditure	79,20,578	83,47,401	–	–	–	–	79,20,578	83,47,401
Depreciation	1,07,66,547	98,47,060	–	–	–	–	1,07,66,547	98,47,060

NOTE 41 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

Details of Stock options

The company has One Stock option Schemes

Motilal Oswal Wealth Management Company Limited -Employees' Stock Option Scheme - I (ESOS - I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22, 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each.

Pursuant to approval of the members at its meeting dated February 20, 2017 for sub-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 2021 and March 2020 is set below:

Particulars	For the Year Ended			
	31-Mar-2021		31-Mar-2020	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
The MOWML (ESOS-I) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the year	22,000	404.09	78,000	293.46
Add: Granted	–	NA	–	NA
Less: Exercised	–	NA	13,200	250.00
Less: Forfeited	–	NA	–	NA
Less: Lapsed	16,000	250.00	42,800	250.00
Option outstanding, end of the year	**6,000**	**815.00**	**22,000**	**404.09**
Exercisable at the end of the period	**2,000**	**815.00**	**6,000**	**438.33**

Employees' Stock Options Scheme (ESOS) :

During the year NIL Employee Stock Options (Previous Year NIL) have been granted to the employees of the company.

Particulars	Scheme I
Date of grant	Various dates
Date of Board Approval	22-Apr-16
Date of Shareholder's approval	29-Apr-16
Method of Settlement	Equity Shares
Vesting Period	Not later than 7 years from the date of grant
Weighted Average Remaining Contarctual Life	
Granted but not Vested	5.00 Years (Previous year : 5.81 Years)
Vested but not exercised	2.00 Years (Previous year : 3.00 Years)
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	858.76

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

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2020-21	2019-20
ESOP Expenses	1,11,55,436	69,52,884
Reserve and surplus - Share option outstanding account	96,61,543	85,36,134

Impact on the income statement of a change in leaver assumptions	2020-21	2019-20
(+)5%	27,145	(25,126)
(-)5%	3,39,444	13,20,076

NOTE: 42 FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2021		March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents		5,17,57,241		90,27,680
Bank balance other than cash and cash equivalents above		13,50,000		13,50,000
Derivative financial instruments				
Receivables				
(i) Trade receivables		24,24,94,202		13,58,12,577
(ii) Other receivables		43,14,327		1,36,77,673
Loans		1,14,10,435		25,342
Investments	38,97,05,128	50,00,00,010	20,06,19,631	50,00,00,010
Other financial assets		43,48,945		45,22,157
Total financial assets	**38,97,05,128**	**81,56,75,159**	**20,06,19,631**	**66,44,15,439**
Financial liabilities				
Other payables		3,19,16,220		2,34,48,457
Borrowings (Other than debt securities)		–		3,88,00,000
Deposits		54,76,950		54,76,950
Other financial liabilities		28,28,171		78,77,169
Total financial liabilities	**–**	**4,02,21,341**	**–**	**7,56,02,576**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 1 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

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

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

Assets measured at fair value - recurring fair value measurements	As at 31 March 2021		As at 31 March 2020	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
– Mutual funds	36,78,29,170	–	18,82,23,894	–
– Alternative investment funds	2,18,75,958	–	1,23,95,737	–
Total	**38,97,05,128**	**–**	**20,06,19,631**	**–**

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE 43 : FINANCIAL RISK MANAGEMENT

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

A Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due: (Amount in rupees)

Particulars	31-Mar-2021	31-Mar-2020
Upto 3 months	24,06,40,198	13,53,43,514
3 - 6 months	13,79,065	–
6 - 12 months	5,876	–
More than 12 months	4,69,064	
Total	**24,24,94,202**	**13,58,12,577**

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 2021 (Amount in rupees)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	3,19,16,220			3,19,16,220
Other current financial liabilities	28,28,171	54,76,950		83,05,121
Total	**3,47,44,391**	**54,76,950**	**–**	**4,02,21,341**

As at 31 March 2020 (Amount in rupees)

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

C Market Risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds ,classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

(Amount in rupees)

Sensitivity	31 March 2021	31 March 2020
Impact on profit before tax for 1% increase in NAV/price	38,97,051	20,06,196
Impact on profit before tax for 1% decrease in NAV/Price	(38,97,051)	(20,06,196)

NOTE 44 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(Amount in rupees)

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	5,17,57,241		5,17,57,241	90,27,680		90,27,680
Other bank balances	13,50,000		13,50,000	13,50,000		13,50,000
Receivables						
(i) Trade receivables	24,20,25,138	4,69,064	24,24,94,202	13,58,12,576		13,58,12,576
(ii) Other receivables	43,14,327		43,14,327	1,36,77,673		1,36,77,673
Loans	1,14,10,435		1,14,10,435	25,342		25,342
Investments		88,97,05,138	88,97,05,138	–	70,06,19,641	70,06,19,641
Other financial assets	11,884	43,37,061	43,48,945	26,354	44,95,803	45,22,157
Non-financial assets						
Current tax assets (Net)	–		–	4,29,55,597		4,29,55,597
Deferred tax assets (Net)	26,73,088		26,73,088	1,69,70,858		1,69,70,858
Property, plant and equipment	–	3,57,57,953	3,57,57,953	–	4,25,40,452	4,25,40,452
Other intangible assets	–	92,63,653	92,63,653	–	53,27,123	53,27,123
Other non-financial assets	–	80,40,344	80,40,344	–	72,46,755	72,46,755
Total assets	**31,35,42,113**	**94,75,73,213**	**1,26,11,15,326**	**21,98,46,080**	**76,02,29,774**	**98,00,75,855**
Financial liabilities						
Trade payables	3,19,16,220		3,19,16,220	2,34,48,457		2,34,48,457
Borrowings (Other than debt securities)	–		–	3,88,00,000		3,88,00,000
Deposits	–	54,76,950	54,76,950	–	54,76,950	54,76,950
Other financial liabilities	28,28,171		28,28,171	78,77,169		78,77,169
Non-financial Liabilities						
Current tax liabilities (net)	1,22,06,492		1,22,06,492	–		–
Provisions	14,50,46,212		14,50,46,212	8,59,56,652		8,59,56,652
Other non-financial liabilities	5,91,22,392		5,91,22,392	2,63,70,331		2,63,70,331
Total liabilities	**25,11,19,486**	**54,76,950**	**25,65,96,436**	**18,24,52,609**	**54,76,950**	**18,79,29,559**

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

Premal H. Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Date : 23rd April, 2021

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

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 23rd April, 2021

MOPE Investment Advisors Private Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of MOPE Investment Advisors Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **MOPE Investment Advisors Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

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

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Murad D. Daruwalla
Partner
Membership No : 043334
UDIN: 21043334AAAABQ7045

Place : Mumbai
Date : 29 April 2021

Annexure I to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited, on the Financial Statements for the year ended 31 March 2021

ANNEXURE I

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

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which all property, plant and equipment are verified once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, property, plant and equipment were verified by the Company during the year except for certain assets amounting to ₹ 3 lacs which could not be verified by the management on account of the ongoing Covid-19 pandemic restrictions and the management has planned to physically verify such assets during the financial year ending 31 March 2022. No material discrepancies were noticed on verification performed in the current year."

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

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

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

(xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla
Partner
Membership No : 043334
UDIN: 21043334AAAABQ7045

Place : Mumbai
Date : 29 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of **MOPE Investment Advisors Private Limited** ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No : 043334
UDIN: 21043334AAAABQ7045

Place : Mumbai
Date : 29 April 2021

Balance Sheet

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

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	2,136	627
(b) Receivables			
(I) Trade receivables	5	130	676
(c) Loans	6	0	0
(d) Investments	7	7,018	2,592
Sub - total financial assets (A)		**9,284**	**3,895**
2. Non - financial assets			
(a) Current tax assets (net)	8	–	316
(b) Property, plant and equipment	9(A)	77	72
(c) Other intangible assets	9(B)	0	0
(d) Other non - financial assets	10	3,650	3,812
Sub - total non - financial assets (B)		**3,727**	**4,200**
Total assets (A+B)		**13,011**	**8,095**
II. LIABILITIES AND EQUITY			
Liabilities			
A. Financial liabilities			
(a) Payables			
(I) Trade payables	11		
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		9	11
(b) Other financial liabilities	12	162	76
Sub - total financial liabilities (A)		**171**	**87**
B. Non - financial liabilities			
(a) Current tax liabilities (net)	13	205	–
(b) Deferred tax liabilities (net)	14	212	218
(c) Provisions	15	1,541	1,489
(d) Other non - financial liabilities	16	936	229
Sub - total non - financial liabilities (B)		**2,894**	**1,936**

Balance Sheet *(Contd..)*

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

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
C. Equity			
(a) Equity share capital	17	6	6
(b) Other equity	18	9,940	6,066
Sub - total equity (C)		**9,946**	**6,072**
Total Liabilities and equity (A+B+C)		**13,011**	**8,095**

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

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April 2021

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

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 29 April 2021

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
REVENUE FROM OPERATIONS			
(i) Fees and commission income	19	5,715	5,336
(ii) Dividend income	20	207	1,690
(iii) Net gain on fair value change	21	2,605	–
1) Total revenue from operations		**8,527**	**7,026**
2) Other income	22	**11**	**238**
3) Total income (1 + 2)		**8,538**	**7,264**
EXPENSES			
(i) Finance cost	23	36	101
(ii) Fees and commission expense	24	541	457
(iii) Employee benefits expense	25	2,344	2,326
(iv) Depreciation and amortisation expense	9	21	20
(v) Net loss on fair value change	26	–	592
(vi) Other expenses	27	766	1,020
4) Total expenses		**3,708**	**4,516**
5) Profit before tax (3-4)		**4,830**	**2,748**
Tax expense/(credit):	28		
(i) Current tax		882	519
(ii) Deferred tax expense/(credit)		(7)	229
(iii) Short/(excess) provision for earlier years		(26)	9
6) Total tax expenses		**849**	**757**
7) Profit after tax (5 - 6)		**3,981**	**1,991**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		2	(11)
(b) Deferred tax impact on the above		(1)	3
8) Other comprehensive income/(loss)		**1**	**(8)**
Total comprehensive income for the period (7 + 8)		**3,982**	**1,983**
Earnings per share (₹ 10 each)	36		
Basic & Diluted		6,767.03	3,385.32

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

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April 2021

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

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 29 April 2021

Cash Flow Statement

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	**4,830**	**2,748**
Adjustment for:		
Depreciation	21	20
Interest expenses	36	101
Dividend income	(207)	(1,690)
Profit on sale of investment- realised gain	(28)	(9)
Net loss/(gain) on fair value change	(2,577)	601
Partnership (gain)	(11)	(24)
Acturial gain /(loss)	2	(12)
Operating profit before working capital changes	**2,066**	**1,737**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in financial liabilities	86	37
2) Increase/(decrease) in non - financial liabilities	707	(689)
3) Increase/(decrease) in trade payables	(2)	(225)
4) (Increase)/decrease in trade receivables	546	1,890
5) (Increase)/decrease in financial assets - loans	–	80
6) (Increase)/decrease in other non - financial assets	161	(602)
7) Increase/(decrease) in provision	52	15
Cash generated from operations	**3,617**	**2,242**
Income tax paid (net of refunds and including MAT credit utilised)	(335)	(445)
Net cash generated from operating activities	**3,282**	**1,797**
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(26)	(77)
Proceed from sale of investments	3,266	159
Purchase of investments	(5,075)	–
Dividend received	207	1,690
Partnership gain	–	24
Net cash flow generated from/(used in) investing activities	**(1,628)**	**1,795**
C. Cash flow from financing activities		
Receipts from borrowings	4,140	6,232
Repayment of borrowings	(4,140)	(7,457)
Interest paid	(36)	(109)
Dividend paid	(108)	(1,690)
Net cash flow used in financing activities	**(144)**	**(3,023)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**1,510**	**569**

Cash Flow Statement *(Contd..)*

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash and cash equivalent comprise of		
Cash on hand	5	1
Scheduled bank - In current accounts	622	58
Cash & cash equivalents as at beginning of the year	**627**	**59**
Cash & cash equivalents as at end of the year		
Cash on hand	5	5
Scheduled bank - in current accounts	2,131	622
Total cash & cash equivalents as at end of the year	**2,136**	**627**

Notes:

(i) The above cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Statement of cash flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April 2021

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

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 29 April 2021

Statement of Changes in Equity

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**58,825**	**6**
Changes during the year	–	–
As at 31 March 2020	**58,825**	**6**
Changes during the year	–	–
As at 31 March 2021	**58,825**	**6**

(B) Other equity

Particulars	Reserves and Surplus		Reserves & Surplus		Total	
	31 March 2021		31 March 2020		31 March 2021	31 March 2020
	Surplus/ (deficit) in the statement of profit and loss	Other compre-hensive income	Surplus/ (deficit) in the statement of profit and loss	Other compre-hensive income		
Balance at the beginning of the reporting period	**6,085**	**(19)**	**5,784**	**(11)**	**6,066**	**5,773**
Dividends	(108)	–	(1,690)	–	(108)	(1,690)
Profit during the year	3,981	–	1,991	–	3,981	1,991
Actuarial gain/(loss) during the year (net of tax)	–	1	–	(8)	1	(8)
Balance at the end of the reporting period	**9,958**	**(18)**	**6,085**	**(19)**	**9,940**	**6,066**

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

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

Murad D. Daruwalla
Partner
Membership. No : 043334

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 29 April 2021

Place : Mumbai
Date : 29 April 2021

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

MOPE Investment Advisors Private Limited ('the Company') is an Investment Manager and Venture Capital Advisor managing various funds including Business Excellence Funds, Realty Excellence Fund, etc. The Company is also engaged in providing financial, investment advisory services, management & facilitation services and identifying investment opportunities etc.

The Company holds license of Investment Advisor issued by SEBI Reg. No. for same is INA000000508 date of registration is 12 December 2013. Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

These financial statements contain financial information of the Company and were authorized for issue by the Board of Directors on 29 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 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 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 30.

(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.

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

(i) Management fee income

Performance obligations are satisfied over a period of time and management fees in respect of private equity funds are recognized on monthly basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(ii) Advisory, setup fee and referral fee

Performance obligations are satisfied over a period of time and advisory, setup fee and referral fee of private equity fund are recognized on monthly basis in accordance with the terms of contracts entered into between the Company and the counter party.

2.3. Income Tax

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

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

Current tax:

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

Deferred tax:

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

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

2.4. Leases

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.

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

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.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in 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.

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

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

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.

c. 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.

(All amounts are in INR lakhs, 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.

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.

2.7. Offsetting financial instruments

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

2.8. 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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Computer software	3 years

Derecognition:

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

2.9. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.10. Provisions and Contingent Liabilities:

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

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

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

2.11. Borrowing costs

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

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

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

2.12. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

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

Defined benefits plan:

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

(iii) Other long-term employee benefit obligations

Heritage club benefit:

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

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.13. Foreign currency translation

(i) Functional and presentation currency

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

2.14. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.15. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements under Division III of Schedule III to the Companies Act, 2013.

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

2.16. Events after reporting date

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

2.17. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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.

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

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	5	5
Balance with banks		
In current accounts	2,131	622
	2,136	**627**

NOTE 5 : TRADE RECEIVABLE

Particulars	As at 31 March 2021	As at 31 March 2020
a) Considered good - unsecured	130	676
b) Significant increase in credit risk	–	–
Less: Allowances for impairment losses	–	–
	130	**676**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

2) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6 : FINANCIAL ASSETS - LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans - At amortised cost		
(A) Others		
Loan to employees	0	0
Less : Impairment loss allowance	–	–
Total (A) Net	**0**	**0**
(B) Unsecured (Gross)	0	0
Less : Impairment loss allowance	–	–
Total (B) Net	**0**	**0**
(C) (I) Loans in India		
(i) Public sector	–	–
(ii) Others	0	0
Total (C) (I) Gross	**0**	**0**
Less : Impairment loss allowance	–	–
Total (C) (I) Net	**0**	**0**

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

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
Investment - at Fair value through profit and loss (A)					
Investment in partnership firm					
India Realty Excellence Fund II LLP					
Opening Balance			881		1,144
Add : Contribution made during the year			–		–
Add : Share of profit			11		24
Add : Unrealised gain/(loss)			(277)		(216)
Less : Return/Receipts during the year			–		(71)
India Realty Excellence Fund II LLP	Others	2,000	615	2,000	881
Investment in Private Equity Funds					
India Business Excellence Fund II	Others	135,500	2,219	135,500	1,552
India Business Excellence Fund III	Others	250,000	4,025		–
Investment in Equity Instruments					
Shubham Housing Development Finance Company Private Limited	Others	15	0	15	0
Investment at amortised cost (B)					
Investment in subsidiaries/fellow subsidiaries					
Equity					
India Business Excellence Management Co	Subsidiary	40,000	58	40,000	58
Motilal Oswal Real Estate Investment Advisors Private Limited	Subsidiary	1,000,000	100	1,000,000	100
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	Fellow Subsidiary	10	0	10	0
Total gross (A+B)			**7,018**		**2,592**
(I) Investment outside India			58		58
(II) Investment in India			6,960		2,534
C) Total (I+II)			**7,018**		**2,592**
D) Less : Allowance for Impairment loss			**–**		**–**
E) Total net (C-D)			**7,018**		**2,592**

NOTE 8 : CURRENT TAX ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax (net of provision)	–	316
	–	**316**

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

NOTE 9(A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Leasehold improvements	103	–	–	103	103	–	–	103	0	0
Computers	39	2	–	41	32	4	–	36	5	7
Furniture and fixtures	25	–	–	25	22	0	–	23	2	2
Office equipments	15	–	–	15	15	0	–	15	1	1
Vehicles	140	24	–	164	78	17	–	95	69	62
Total (A)	**322**	**26**	**–**	**348**	**250**	**21**	**–**	**271**	**77**	**72**

NOTE 9(B) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computer software	4	–	–	4	4	–	–	4	0	0
Total (B)	**4**	**–**	**–**	**4**	**4**	**–**	**–**	**4**	**0**	**0**
Total (A+B)	**326**	**26**	**–**	**352**	**254**	**21**	**–**	**275**	**77**	**72**

NOTE 9(A) : PROPERTY, PLANT AND EQUIPMENT

Previous Year

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

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

NOTE 9(B) : INTANGIBLE ASSETS

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer software	4	–	–	4	4	–	–	4	0	0
Total (B)	**4**	**–**	**–**	**4**	**4**	**–**	**–**	**4**	**0**	**0**
Total (A+B)	**249**	**77**	**–**	**326**	**233**	**20**	**–**	**254**	**72**	**16**

NOTE 10 : OTHER NON - FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	3,645	3,781
Advances	0	31
Indirect tax credit receivable	5	–
	3,650	**3,812**

NOTE 11 : TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Due to creditors micro and small enterprise (Refer Note 33)	–	–
Others	9	11
	9	**11**

NOTE 12 : OTHER FINANCE LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables	142	55
Interest accrued and due on borrowings	0	–
Accrued salaries & benefits	2	1
Provision for expenses	18	20
	162	**76**

NOTE 13 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance)	205	–
	205	**–**

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

NOTE 14 : DEFERRED TAX LIABILITIES (NET) (also refer note 28)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
Placement fees amortisation	1,036	1,077
Unrealised gain	341	89
	1,377	**1,166**
Deferred tax assets		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	28
Gratuity provision	29	27
Heritage provision	2	–
MAT credit receivable	1,109	893
	1,165	**948**
Net deferred tax (assets)/liabilities (A-B)	**212**	**218**

NOTE 15 : PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer note 35 & 43)		
Gratuity obligation	99	93
Heritage obligation	7	6
ExGratia payable	1,411	1,373
Compensated Absences	24	17
	1,541	**1,489**

NOTE 16 : OTHER NON - FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Advance received from customers	869	182
Statutory dues payable	67	47
	936	**229**

NOTE 17 : SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	500,000	50	500,000	50
Non convertible preference shares of ₹ 10 each (previous year ₹s 10 each)	500,000	50	500,000	50
	1,000,000	**100**	**1,000,000**	**100**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed & paid up				
Equity shares of ₹ 10 each fully paid up (previous year ₹ 10 each)	58,825	6	58,825	6
	58,825	**6**	**58,825**	**6**

17.1 : RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

Equity shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. Each equity share has the same right of dividend. In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 10 each and there are no preference shares issued and subscribed as at 31 March 2021 and 31 March 2020.

17.2 : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	58,825	6	58,825	6
Additions during the year	–	–	–	–
At the end of the year	**58,825**	**6**	**58,825**	**6**

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Motilal Oswal Financial Services Limited (Holding Company) *	51,272	87	50,000	85
Mr. Vishal Tulsyan	6,345	11	6,345	11

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

17.4 : SHARES HELD BY HOLDING COMPANY

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Motilal Oswal Financial Services Limited	51,272	87	50,000	85

17.5 : The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2021.

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

NOTE 18 : OTHER EQUITIES

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Surplus/(deficit) in Profit & Loss Account		
Balance at the beginning of the year	6,085	5,784
Add: Transfer from Statement of Profit and Loss	3,981	1,991
Less: Dividend paid	(108)	(1,690)
Balance at the end of year	**9,958**	**6,085**
(ii) Other comprehensive income		
Balance at the beginning of the year	(19)	(11)
Add: Transfer from Statement of Profit and Loss	1	(8)
Balance at the end of year	**(18)**	**(19)**
	9,940	**6,066**

Nature and purpose of reserves

Surplus in the Statement of Profit and Loss

Surplus in the Statement of Profit and Loss pertain to the accumulated earnings made by the company over the years.

NOTE 19 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Advisory fees and referral fees	690	811
Management fees (also refer note 44)	4,709	4,172
Setup fees	–	33
Recovery of out of pocket expenses	316	320
	5,715	**5,336**

NOTE 20 : DIVIDEND INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend	207	1,690
	207	**1,690**

NOTE 21 : NET GAIN ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on financial instruments at fair value:		
Unrealised gain	2,577	–
Realised gain	28	–
	2,605	**–**

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

NOTE 22 : OTHER INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Partnership gain	11	24
Miscellaneous income	–	213
Interest on staff loan	–	1
	11	**238**

NOTE 23 : FINANCE COST

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest cost	36	101
	36	**101**

NOTE 24 : FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Placement fees	541	457
	541	**457**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, bonus and allowances	2,273	2,242
Contribution to provident & other funds (also refer note 43)	43	41
Staff welfare expenses	20	24
Gratuity (also refer note 43)	8	19
	2,344	**2,326**

NOTE 26 : NET LOSS ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net loss on financial instruments at fair value		
Unrealised loss	–	601
Realised (gain)	–	(9)
	–	**592**

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

NOTE 27 : OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Business support charges (refer note below)	218	195
Rates and taxes	0	0
Rent (refer note 45)	190	190
Insurance	3	3
Computer repairs and maintenance	0	1
Legal and professional charges	194	177
Remuneration to auditors (also refer note 34)	7	5
Marketing and brand promotion expenses	6	8
Printing and stationery	2	14
Power and fuel	9	18
Meeting and seminar expense	–	4
Communication expenses	9	2
Travelling expenses	48	117
Miscellaneous expenses	43	60
CSR donation (also refer note 40)	37	226
	766	**1,020**

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

NOTE 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 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	856	528
Total current tax expense	**856**	**528**
Deferred taxes		
Change in deferred tax liabilities	(7)	229
Net deferred tax expense	**(7)**	**229**
	849	**757**

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

NOTE 28.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of defined benefit plan	1	(3)
Total	**1**	**(3)**

NOTE 28.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	**4,830**	**2,748**
Tax at the rate of 29.12% (for 31 March 2020 - 29.12%)	1,407	800
Tax effect of:		
Tax adjustment of previous years	(26)	9
Expenses not deductible for tax purposes	6	4
Temporary tax difference	–	–
Tax at different rate	(538)	(53)
Change due to deferred tax	1	(3)
Income tax expense	**849**	**757**

NOTE 28.4 : EFFECTIVE TAX RATE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Effective tax rate	17.57%	27.54%

NOTE 28.5 : NET DEFERRED TAX

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets on account of:		
Provision for gratuity	29	27
Provision for heritage	2	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	28
MAT credit receivable	1,109	893
Total deferred tax assets (A)	**1,165**	**948**
Deferred tax liability on account of :		
Amortization of distribution costs	1,036	1,077
Unrealised gain	341	89
Total deferred tax liabilities (B)	**1,377**	**1,166**
Net deferred tax assets / (liabilities) (A-B)	**(212)**	**(218)**

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

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

Particulars	As at 31 March 2021	Recognised through profit and loss	Recognised through other comprehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through other comprehensive income	As at 31 March 2019
Deferred tax assets on account of:							
Provision for gratuity	29	3	(1)	27	12	3	12
Provision for heritage	2	2	–	–	–	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	(2)	–	28	(3)	–	31
MAT credit receivable	1,109	215	–	893	(42)		935
Total deferred tax assets	**1,165**	**218**	**(1)**	**948**	**(33)**	**3**	**978**
Deferred tax liabilities on account of:							
Amortization of distribution costs	1,036	(41)	–	1,077	225	–	852
Unrealised gain	341	252	–	89	(29)	–	118
Total deferred tax liabilities	**1,377**	**211**	**–**	**1,166**	**196**	**–**	**970**
Total deferred tax assets/liability (net)	**(212)**	**7**	**(1)**	**(218)**	**(229)**	**3**	**8**

Note:

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

NOTE 29 : CAPITAL MANAGEMENT

A Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital and retained earnings.

B The capital composition is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt (A)	(2,136)	(627)
Total equity (B)	9,946	6,072
Gearing ratio (A / B)	**-21%**	**-10%**

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

NOTE 30 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,136	–	2,136	627	–	627
Trade receivables	130	–	130	676	–	676
Loans	0	–	0	0	–	0
Investments	6,860	158	7,018	2,434	158	2,592
Other financial assets	–	–	–	–		
Non-Financial assets						
Current tax assets (net)	–	–	–	–	316	316
Property, plant and equipment	–	77	77	–	72	72
Other intangible assets	–	0	0	–	0	0
Other non-financial assets	556	3,094	3,650	573	3,239	3,812
Total assets	**9,682**	**3,329**	**13,011**	**4,310**	**3,785**	**8,095**
Liabilities						
Financial liabilities						
Trade payables	9	–	9	11	–	11
Other financial liabilities	162	–	162	76	–	76
Non financial liabilities						
Current tax liabilities (net)	–	205	205	–	–	–
Deferred tax liabilities (net)	–	212	212	–	218	218
Provisions	1,452	89	1,541	1,409	80	1,489
Other non financial liabilities	936	–	936	229	–	229
Total liabilities	**2,559**	**506**	**3,065**	**1,725**	**298**	**2,023**

NOTE 31 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	2,136	–	627
Trade receivables	–	130	–	676
Loans	–	0	–	0
Investments	6,860	158	2,434	158
Total financial assets	**6,860**	**2,424**	**2,434**	**1,461**
Financial liabilities				
Trade payables	–	9	–	11
Other financial liabilities	–	162	–	76
	–	**171**	**–**	**87**

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

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in private equity funds are based on the estimation of the fair value of Investee company by using Available Market Prices (AMP)and the Price of Recent Investments (PRI) method.

The carrying amounts of cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are valued at amortised cost.

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

Particulars	As on 31 March 2021			As on 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in partnership firm	–	–	615	–	–	881
Investment in private equity funds	–	–	6,244	–	–	1,552

III. Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

IV. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Total
As at 1 April 2019	**2,040**	**1,144**	**3,184**
Additions	–	–	–
Disposals	–	(71)	(71)
Gains/(losses) recognised in statement of profit and loss	(488)	(192)	(680)
As at 31 March 2020	**1,552**	**881**	**2,433**
Additions	2,175	–	2,175
Disposals	(360)	–	(360)
Gains/(losses) recognised in statement of profit and loss	2,877	(266)	2,611
As at 31 March 2021	**6,244**	**615**	**6,859**

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

V. Valuation inputs and relationships to fair value

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

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of instruments	6,860	2,433
Significant unobservable inputs		
Net worth of the fund at Fair value		
– increase by 10%	686	243
– decrease by 10%	(686)	(243)

Note:

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

NOTE 32 : FINANCIAL RISK MANAGEMENT

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

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

A Credit risk

Credit risk refers to risk that counter party will default in its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

	As at 31 March 2021	As at 31 March 2020
Upto 3 months	127	668
3 - 6 months	–	3
6 - 12 months	–	–
More than 12 months	3	5
Total	**130**	**676**

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.

(All amounts are in INR lakhs, 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 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities				
Trade payables	9	–	–	9
Other current financial liabilities	162	–	–	162
Total	**171**	**–**	**–**	**171**

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities				
Trade payables	11	–	–	11
Other current financial liabilities	76	–	–	76
Total	**87**	**–**	**–**	**87**

(C) Market risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

(iii) Price risk

The company is exposed to price risk from its investment in private equity funds and partnership firm, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	As at 31 March 2021	As at 31 March 2020
Impact on profit before tax for 10% increase in NAV/price	686	243
Impact on profit before tax for 10% decrease in NAV/Price	(686)	(243)

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

NOTE 33 : DUE TO MICRO AND SMALL ENTERPRISES

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

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 34 : AUDITOR'S REMUNERATION

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As Auditors:		
Statutory audit	5	5
Interim audit	2	
Out of pocket expenses	0	0
Certification charges	–	0
Total	**7**	**5**

NOTE 35 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2021

Particulars	Opening balance as at 1 April 2020	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2021
Gratuity (also refer not 43)	93	6	–	99
Heritage obligation	6	1	–	7
Ex–gratia	1,373	1,422	1,384	1,411
Compensated absences	17	7	–	24
Total	**1,489**	**1,436**	**1,384**	**1,541**

For the year ended 31 March 2020

Particulars	Opening balance as at 1 April 2019	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2020
Gratuity (also refer not 43)	62	31	–	93
Heritage obligation	9	6	9	6
Ex-gratia	1,400	1,384	1,411	1,373
Compensated absences	3	14	–	17
Total	**1,473**	**1,435**	**1,420**	**1,489**

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

NOTE 36 : EARNINGS PER SHARE

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders [A]	3,981	1,991
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share ₹ 10 each) [B]	58,825	58,825
Basic earnings per share [A] / [B] (Rupees)	**6,766.95**	**3,385.32**

NOTE 37 : SEGMENT REPORTING

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

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

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

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

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

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue :								
External revenue	5,715	5,336	2,812	1,098	11	238	8,538	6,672
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**5,715**	**5,336**	**2,812**	**1,098**	**11**	**238**	**8,538**	**6,672**
Result :								
Segment result	2,086	1,745	2,812	1,098	11	238	4,898	2,843
Unallocated corporate expenses	–	–	–	–	–	–	43	231
Unallocated revenue	–	–	–	–	–	–	11	238
Operating profit	**–**	**–**	**–**	**–**	**–**	**–**	**4,866**	**2,850**
Interest expenses	–	–	–	–	–	–	36	101
Interest income	–	–	–	–	–	–	–	–
Tax expense :								
Current tax	–	–	–	–	–	–	882	519
Deferred tax	–	–	–	–	–	–	(7)	229

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

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Income tax for earlier years	–	–	–	–	–	–	(26)	9
MAT credit adjustments of previous year	–	–	–	–	–	–	–	–
Profit from Ordinary Activities	**–**	**–**	**–**	**–**	**–**	**–**	**3,981**	**1,991**
Extra-ordinary / exceptional items	–	–	–	–	–	–	–	–
Profit after tax	**–**	**–**	**–**	**–**	**–**	**–**	**3,981**	**1,991**
Other information :								
Segment assets	5,993	5,187	7,018	2,592		316	13,011	8,095
Segment liabilities	2,648	1,805	–	–	416	218	3,065	2,023
Capital expenditure	26	77	–	–	–	–	26	77
Depreciation	21	20	–	–	–	–	21	20

NOTE 38 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Travelling and conveyance expenses	1	2
Total	**1**	**2**

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

(a) No contingent liability and commitments in the current financial year and previous financial year.

NOTE 40 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2020-21.

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 2021	For the year ended 31 March 2020
Donation for education	5	10
Donation for science lab	2	–
Donation for school support	10	–
Donation for construction of hostel	10	9
Donation for environment sustainability	–	5
Donation for construction of technical institution	–	1
Donation to PM care funds	–	200
Donation for medical treatment	10	1

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

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 36 lakh (Previous year : 25 lakh)

2) Amount spent during the year

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	10	–	10
On purposes other than above	27	–	27
Particulars (previous year)		**Amount yet to be paid**	**Total**
Construction / acquisition of any assets	10	–	10
On purposes other than above	216	–	216

Above includes a contribution of ₹ 37 lakh (Previous year ₹ 26 lakh) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures" (Refer note 42).

NOTE 41 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2021.

NOTE 42 : RELATED PARTY DISCLOSURE

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

(i) List of related parties and their relationship

Ultimate holding company

– Passionate Investment Management Private Limited

Holding company

– Motilal Oswal Financial Services Limited

Subsidiaries and step-down subsidiaries

– Motilal Oswal Real Estate Investment Advisors Private Limited
– India Business Excellence Management Company
– Motilal Oswal Real Estate Investment Advisors II Private Limited

Fellow subsidiaries:

– Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Alternet Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Asset Management Company Limited
– Motilal Oswal Investment Advisory Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Markets (Singapore) Pte. Limited
– Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
– Motilal Oswal Asset Management (Mauritius) Private Limited
– Motilal Oswal Capital Limited
– Glide Tech Investment Advisors Private Limited

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

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

Associates

- India Realty Excellence Fund II LLP

Enterprises in which key management personnel have control

- OSAG Enterprises LLP

Key management personnel

(a) Managing director and Chief Executive Officer

- Mr. Vishal Tulsyan

(b) Non - executive directors

- Mr. Raamdeo Agarawal
- Mr. Motilal Oswal

Enterprises in which key management personnel and their relatives exercise significant Influence

- Motilal Oswal Foundation (Trust)

(ii) Transactions with related parties for the year ended 31 March 2021

Transaction	Name of the related Party	Holding Company/ Subsidiary Company/ Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Business support service	Motilal Oswal Financial Services Limited	218	195	–	–	–	–	218	195
Referral fees	Motilal Oswal Wealth Management Limited	6	0	–	–	–	–	6	0
Profit from IREF II LLP (Partner-ship firm)	India Reality Excellence Fund II LLP	–	–	–	–	11	24	11	24
Placement fees expense	Motilal Oswal Wealth Management Limited	193	151	–	–	–	–	193	151
	Motilal Oswal Financial Services Limited	271	201	–	–	–	–	271	201
Setup fees expense	Motilal Oswal Wealth Management Limited	–	11	–	–	–	–	–	11
	Motilal Oswal Financial Services Limited	–	16	–	–	–	–	–	16
Advisory fees	India Business Excellence Management Co.	683	810	–	–	–	–	683	810
Dividend paid	Motilal Oswal Financial Services Limited	94	1,473	–	–	–	–	94	1,473
	Mr. Vishal Tulsyan	–	–	12	182	–	–	12	182
Interest expense	Motilal Oswal Finvest Limited	36	88	–	–	–	–	36	88
	Motilal Oswal Financial Services Limited	–	13	–	–	–	–	–	13
Rent expense	Motilal Oswal Financial Services Limited	190	190	–	–	–	–	190	190
Dividend income	India Business Excellence Management Co.	207	1,690	–	–	–	–	207	1,690
Reimbursement of expense	Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd.	300	300	–	–	–	–	300	300
Donation	Motilal Oswal Foundation (Trust)	–	–	37	226	–	–	37	226
Loan (Taken)	Motilal Oswal Financial Services Limited	–	775	–	–	–	–	–	775
	Motilal Oswal Finvest Limited	4,140	5,443	–	–	–	–	4,140	5,443
Repayment of loan taken	Motilal Oswal Financial Services Limited	–	2,000	–	–	–	–	–	2,000
	Motilal Oswal Finvest Limited	4,140	5,443	–	–	–	–	4,140	5,443

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

Transaction	Name of the related Party	Holding Company/ Subsidiary Company/ Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Loan taken (Maximum balance)	Motilal Oswal Finvest Limited	1,675	2,640	–	–	–	–	1,675	2,640
	Motilal Oswal Financial Services Limited	–	1,425	–	–	–	–	–	1,425
Repayment of loan given	Mr. Vishal Tulsyan	–	–	–	30	–	–	–	30
Interest income	Mr. Vishal Tulsyan	–	–	–	1	–	–	–	1
Employee compensation – Managerial remuneration	Mr. Vishal Tulsyan	–	–	1,257	1,255	–	–	1,257	1,255

(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	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Outstanding balances:							
Loan/Interest payables	Motilal Oswal Finvest Limited	0	–	–	–	0	–
Rent / MOT Cost	Motilal Oswal Financial Services Limited	102	21	–	–	102	21
Trade payable/ receivable	India Business Excellence Management Co	869	155	–	–	869	155
	Motilal Oswal Financial Services Limited	0	17	–	–	0	17
	Motilal Oswal Real Estate Investment Advisors II Private Limited	83	324	–	–	83	324
	Motilal Oswal Wealth Management Limited	0	0	–	–	0	0
Prepaid expenses	Motilal Oswal Financial Services Limited	1,819	1,780	–	–	1,819	1,780
	Motilal Oswal Wealth Management Limited	1,251	1,355	–	–	1,251	1,355
Investment	India Business Excellence Management Co	58	58	–	–	58	58
	Motilal Oswal Real Estate Investment Advisors Private Limited	100	100	–	–	100	100
	Aspire Home Finance Corporation Limited	0	0	–	–	0	0
	India Realty Excellence Fund II LLP	615	881	–	–	615	881

NOTE 43 : EMPLOYEE BENEFITS

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

Defined contribution plan:

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

(In Rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employers' contribution to provident fund	36	36
National Pension Scheme	7	5

(All amounts are in INR 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" 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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
I)	**Actuarial assumptions**				
	Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
	Discount rate (per annum)	3.93%	4.80%	3.93%	4.80%
	Rate of escalation in salary (per annum)	14.20%	16.67%	–	–
	Expected rate of return on plan assets (per annum)	–	–		
	Employee attrition rate (Past Service)	PS: 0 to 40 : 17.17%	PS: 0 to 40 : 22.14%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 50.04%
	Expected average remaining service	4.57	3.42	0.52	0.99
II)	**Changes in present value of obligations (PVO)**				
	PVO at beginning of period	93	62	6	9
	Interest cost	4	4	–	–
	Current service cost	19	13	1	6
	Transfer in liabilities	–	2	–	–
	Transfer out liabilities	(15)	–		
	Past service cost - (non vested benefits)	–	–	–	–
	Past service cost - (vested benefits)	–	–	–	–
	Benefits paid	–	–	–	(9)
	Contributions by plan participants	–	–	–	–
	Business combinations	–	–	–	–
	Curtailments	–	–	–	–
	Settlements	–	–	–	–
	Actuarial (gain)/less on obligation	(2)	12	–	–
	PVO at end of period	99	93	7	6
III)	**Interest expense**				
	Interest cost	4	4	–	–
IV)	**Fair value of plan assets**				
	Fair value of plan assets at the beginning	–	–	–	–
	Interest income	–	–	–	–
V)	**Net Liability**				
	PVO at beginning of period	93	62	–	–
	Fair value of the assets at beginning report	–	–	–	–
	Net Liability	93	62	–	–
VI)	**Net Interest**				
	Interest Expenses	4	4	–	–
	Interest Income	–	–	–	–
	Net Interest	4	4	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
VII) Actual return on plan assets				
Less: Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VIII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	5	0	–	–
Due to Financial Assumption	(1)	11	–	–
Due to Experience	(6)	0	–	–
Total Actuarial (Gain)/Loss	(2)	11	–	–
IX) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–	–	–
Return on Plan Assets excl. interest income	–	–	–	–
Interest Income	–	–	–	–
Contributions by Employer	–	–	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	–	–	–	–
Fair Value of Plan Assets at end	–	–	–	–
X) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	–	–	–	–
Past Service Cost -(vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service Cost- non vested benefits	–	–	–	–
Recognised Past service Cost- vested benefits	–	–	–	–
Unrecognised Past Service Cost- non vested benefits	–	–	–	–
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	99	93	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(99)	(93)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(99)	(93)	–	–
XII) Expense recognised in the statement of profit and loss				
Current service cost	19	13	7	6
Net Interest	4	4	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Transfer in liability	–	2	–	–
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	23	19	7	6

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
XIII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(2)	11	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(2)	11	–	–
XIV) Movement in liability recognized in balance sheet				
Opening net liability	93	62	6	9
Adjustment to opening balance	–	–	–	–
Expenses as above	23	18	1	6
Transfer in liabilities	–	1	–	–
Transfer out liabilities	(15)	–	–	–
Contribution paid	–	–	–	–
Other Comprehensive Income (OCI)	(2)	11	–	–
Closing net liability	99	93	7	6
XV) Projected Service Cost 31 March 2022	20	19	–	–
XVI) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund	–	–	–	–
Debt Security – Government Bond	–	–	–	–
Equity Securities – Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–

XVII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	94	105	101	97

XVIII) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	13	12	12	11	10	36

XIX) Asset Liability Comparisons

Year	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021
PO at End of period	40	58	62	93	99
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	(40)	(58)	(62)	(93)	(99)
Experience adjustments on plan assets	–	–	–	–	–

Weighted average remaining duration of defined benefit obligation	**4.44**

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

Risk associated with defined benefit plan:

1) **Investment/interest risk:**

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

2) **Longevity risk:**

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

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

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

The Company is an Investment Manager and provide, investment management and administrative services to the 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 2021			31 March 2020		
	Type of service			Type of service		
	Investment management fees	Referral fees	Investment advisory/ sub advisory services - Offshore	Investment management fees	Referral fees	Investment advisory/ sub advisory services - Offshore
Total revenue from contracts with customers	**4,709**	**6**	**683**	**4,172**	**0**	**811**
Geographical markets						
India	4,709	6	–	4,172	0	–
Outside India	–	–	683	–	–	811
Total revenue from contracts with customers	**4,709**	**6**	**683**	**4,172**	**0**	**811**
Timing of revenue recognition						
Services transferred at a point in time	–	–	–	–	–	–
Services transferred over time	4,709	6	683	4,172	0	811
Total revenue from contracts with customers	**4,709**	**6**	**683**	**4,172**	**0**	**811**

b) Contract balances

Trade receivable are non-interest bearing balances.

c) Performance obligations

The performance obligation of the Company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement. The usual payment term for the performance obligation of the company is three month.

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

NOTE 45 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 190 lacs (Previous Year ₹ 190 lacs) in the statement of profit and loss under the head "rent".

General description of lease terms: -

i) Lease rentals are charged on the basis of agreed terms.

ii) Assets are taken on lease for a period of less than 12 months.

iii) Lease agreement is cancellable and there is no escalation clause

NOTE 46 : MERGER & DEMERGER

The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company" or "the Demerged Company" or "the Transferor Company") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013.

NOTE 47 : COVID-19

The current second wave of Covid-19 pandemic has resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. The Company as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & Real Estate Funds). The Company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Profit & Loss account for the reporting period. Fair valuation of these Investments amounting to ₹ 6,860 lacs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Private Equity Funds and Real Estate Funds as at March 31, 2021, may be affected by the severity and duration of the outbreak.; however, the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 48 :

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

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

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April 2021

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

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN : 00139754

Motilal Oswal
Director
DIN : 00024503

Place : Mumbai
Date : 29 April 2021

Motilal Oswal Real Estate Investment Advisors Private Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of Motilal Oswal Real Estate Investment Advisors Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of Motilal Oswal Real Estate Investment Advisors Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABR5767

Place : Mumbai
Date : 29 April 2021

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors Private Limited, on the Financial Statements for the year ended 31 March 2021

ANNEXURE I

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

(i) (a) The Company does not have any property, plant and equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

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

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

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year.

Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit. (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

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

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABR5767

Place : Mumbai
Date : 29 April 2021

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors Private Limited on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of **Motilal Oswal Real Estate Investment Advisors Private Limited** ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABR5767

Place : Mumbai
Date : 29 April 2021

Balance Sheet

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

BALANCE SHEET AS AT MARCH 31, 2021

		Note No.	As at 31 March 2021	As at 31 March 2020
I.	**ASSETS**			
A.	**Non-current assets**			
	a) Financial assets			
	Investments	4	13,503	8,875
	Total non - current assets (A)		**13,503**	**8,875**
B.	**Current assets**			
	a) Financial assets			
	(i) Cash and cash equivalents	5	734	767
	(ii) Other current assets	6	1,145	1,026
	Total current assets (B)		**1,879**	**1,793**
	Total assets (A+B)		**15,382**	**10,668**
II.	**EQUITY AND LIABILITIES**			
A.	**Equity:**			
	a) Equity share capital	7	1,00,000	1,00,000
	b) Other equity	8	(86,495)	(90,031)
	Total equity (A)		**13,505**	**9,969**
B.	**Liabilities**			
	1. Non-current liabilities			
	a) Financial liabilities			
	(i) Borrowings (other than debt securities)	9	900	–
	b) Deferred tax liabilities (net)	10	507	278
	Total non - current liability (B)		**1,407**	**278**
	2. Current liabilities			
	a) Financial liabilities			
	(I) Other financial liabilities	11		
	(i) total outstanding dues of micro enterprise and small enterprise		–	–
	(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		**470**	**421**
	b) Other current liabilities	12	1	–
	Total current liability (C)		**471**	**421**
	Total equity and liabilities (A+B+C)		**15,382**	**10,668**

Summary of significant policies and other explanatory information

The accompanying notes 1 to 29 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Statement of Profit And Loss

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
REVENUE FROM OPERATIONS			
i) Net gain on fair value change	13	4,623	
1) Total revenue from operations		**4,623**	**–**
2) Other income	14	6	54
3) Total income (1+2)		**4,629**	**54**
EXPENSES			
(i) Finance cost	15	29	–
(ii) Other expenses	16	835	3,140
4) Total expenses		**864**	**3,140**
5) Profit/(loss) before tax (3 - 4)		3,765	(3,086)
Tax expense/(credit):	17		
(i) Current tax		–	–
(ii) Deferred tax expense		229	260
6) Total tax expenses		**229**	**260**
7) Profit/(loss) after tax (5 - 6)		**3,536**	**(3,346)**
8) Other comprehensive income		–	–
Total comprehensive income/ (loss) for the year (7 + 8)		**3,536**	**(3,346)**
Earnings per equity share			
Basic and diluted (in Rupees)	23	0.35	(0.33)
Face value per share (in Rupees)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 29 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Statement of Changes in Equity

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
Issued subscribed and paid up		
As at 1 April 2019	**10,00,000**	**1,00,000**
Changes during the year	–	–
As at 31 March 2020	**10,00,000**	**1,00,000**
Changes during the year	–	–
As at 31 March 2021	**10,00,000**	**1,00,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 1 April, 2019	(86,685)
Profit for the year	(3,346)
Balance as at 31 March 2020	(90,031)
Profit for the year	3,536
Balance as at 31 March 2021	**(86,495)**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 29 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

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

STATEMENT OF CASH FLOWS

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**3,765**	**(3,086)**
Adjustment for:		
Interest expense	29	–
Partnership gain from IREF II LLP	(6)	(54)
Unrealised (gain)/loss on mutual fund	(4,623)	2,512
Operating profit/(loss) before working capital changes	**(835)**	**(628)**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase/(decrease) in other current liabilities	1	48
2) Increase/(decrease) in financial liabilities	41	134
3) (Increase)/decrease in other current assets	(119)	(91)
Net changes in working capital	**(77)**	**91**
Cash used in operating activities	(912)	(537)
Income taxes paid (net of refunds)	–	0
Net cash flow used in operating activities	**(913)**	**(537)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Partnership gain from IREF II LLP	6	54
Return from IREF II LLP	(6)	33
Net cash flow generated from investing activities	**(0)**	**87**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	900	–
Interest paid	(21)	–
Net cash flow generated from financing activities	**879**	**–**
Net decrease in cash and cash equivalents (A+B+C)	**(33)**	**(450)**

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Cash and cash equivalents comprise of		
Cash on hand	200	200
Scheduled Bank - In current accounts	567	1,017
Cash and cash equivalents as at beginning of the year	**767**	**1,217**
Cash on hand	200	200
Scheduled Bank - In current accounts	534	567
Cash and cash equivalents as at end of the year	**734**	**767**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Real Estate Investment Advisors Private Limited (the Company} was incorporated on 13 September 2013. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company is the Managing Partner of India Realty Excellence Fund II LLP (Fund), where it has the exclusive powers to manage and cause the Fund Activities to be managed for and on behalf of the Fund, in accordance with the LLP Agreement dated 29 January 2014 entered between Fund, the Company and Motilal Oswal Financial services Limited (previously known as Motilal Oswal Securities Limited). It shall also recommend the portfolio investments and divestments to the Investment Committee of the fund, which will be responsible for the investment and divestment decisions of the Fund. All the powers and authority conferred upon the Company under the LLP Agreement shall be exercised at its discretion without requiring any further consent or approval of the other partners.

These financial statements contain financial information of the company and were authorised for issue by board of directors on 29 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis of preparation

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.

(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.

(All amounts are in INR 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.

2.2. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Profit and loss from partnership firm / LLP

Performance obligations are satisfied over a period of time and profit and loss from partnership firm / LLP are accounted as per terms of respective Partnership / LLP agreement.

2.3. Income Tax

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

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

Current tax

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

Deferred Taxes

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

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

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

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

2.4. Leases

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.

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

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.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

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

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 18.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

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

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

3. Investments in mutual funds and real estate fund

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

(ii) Impairment

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

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

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

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

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

(iii) Derecognition

A financial asset is derecognised only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.9. Offsetting financial instruments

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

2.10. Borrowing costs

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

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

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

2.11. 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

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

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.

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. 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 standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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:

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

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

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

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 4 : INVESTMENT

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
Investment - at amortised cost (A)					
Investment in Subsidiaries					
Motilal Oswal Real Estate Investment Advisors II Private Limited	Subsidiary	9,000	900	9,000	900
Investment - at FVTPL - (B)					
Investment in Partnership Firm					
Investment in IREF II LLP	Others	1	307	1	441
Investment in Mutual Fund measure at FVTPL (Quoted) (C)					
Most Focused 35 Direct Growth	Others	36,546.50	12,296	36,546.50	7,534
Total (A+B+C)			**13,503**		**8,875**

NOTE 5 : CASH AND CASH EQUIVALENTS

	As at 31 March 2021	As at 31 March 2020
Cash on hand	200	200
Balance with banks		
In current accounts	534	567
Total	**734**	**767**

NOTE 6 : OTHER CURRENT ASSETS

	As at 31 March 2021	As at 31 March 2020
Balances with government authorities	1,145	1,026
Total	**1,145**	**1,026**

NOTE 7 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**
Issued, Subscribed & Fully Paid Up				
Equity Shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,00,000	1,00,000	10,00,000	1,00,000
Total	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**

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

7.1 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all the preferential amounts. 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.

7.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	10,00,000	1,00,000	10,00,000	1,00,000
Add: share issued during the year	–	–	–	–
Balance at the end of the year	**10,00,000**	**1,00,000**	**10,00,000**	**1,00,000**

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	10,00,000	100%

7.4 Shares held by holding company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	10,00,000	100%

7.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buybacks of shares during five years immediately preceding 31 March 2021

NOTE 8 : OTHER EQUITY

	As at 31 March 2021	As at 31 March 2020
Surplus/(deficit) in Statement of Profit and Loss		
Balance at beginning of the year	(90,031)	(86,685)
Add: Transfer from Statement of Profit and Loss	3,536	(3,346)
Balance at the end of year	**(86,495)**	**(90,031)**

Nature and Purpose of Reserves

Surplus in statement of profit and loss

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

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

NOTE 9 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31 March 2021	As at 31 March 2020
Borrowings measured at amortised cost		
Loans from related parties (unsecured) (refer note 25)	900	–
Total	**900**	**–**

NOTE 10 : DEFERRED TAX LIABILITIES (NET)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liability arising on account of:		
Net gain investment measured at FVTPL	507	278
Total	**507**	**278**

NOTE 11 : OTHER FINANCIAL LIABILITIES

	As at 31 March 2021	As at 31 March 2020
Due to creditors other than micro enterprise and small enterprise		
Creditors for expenses (refer note 21)	462	169
Interest due and accrued on unsecured loan (refer note 25)	8	–
Provision for expenses	–	252
Total	**470**	**421**

NOTE 12 : OTHER CURRENT LIABILITIES

	As at 31 March 2021	As at 31 March 2020
Withholding and other taxes payable	1	–
Total	**1**	**–**

NOTE 13 : REVENUE FROM OPERATIONS

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on investment measured at FVTPL	4,623	–
Total	**4,623**	**–**

NOTE 14 : OTHER INCOME

	For the year ended 31 March 2021	For the year ended 31 March 2020
Share of Profit from IREF II LLP	6	54
Total	**6**	**54**

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

NOTE 15 : FINANCE COST

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on borrowing measured at amortised cost	29	–
Total	**29**	**–**

NOTE 16 : OTHER EXPENSES

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net loss on investment measured at FVTPL	–	2,512
Auditor's remuneration (also refer note 22)	536	300
Legal and professional charges	106	81
Rent (refer note 26)	120	120
Communication expense	2	–
Miscellaneous expenses	71	127
Total	**835**	**3,140**

NOTE 17.1 : 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 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	–	–
Total current tax expense	**–**	**–**
Deferred taxes		
Change in deferred tax liabilities	229	260
Net deferred tax expense	**229**	**260**
Total income tax expense	**229**	**260**

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

NOTE 17.2 : TAX RECONCILIATION

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	**3,765**	**(3,086)**
Tax at the rate of 22.88% (for 31 March 2020 - Nil)	861	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Income not taxable	(861)	–
Deferred tax on account of - Net gain on Investment measured at FVTPL	229	260
Income tax expense	**229**	**260**

NOTE 17.3 : NET DEFERRED TAX

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax liability on account of :		
Net gain on Investment measure at FVTPL	507	278
Total deferred tax liabilities	**507**	**278**

NOTE 17.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2021	Recognised through profit and loss	As at 31 March 2020	Recognised through profit and loss	As at 1 April 2019
Deferred tax liabilities on account of:					
Net gain on Investment measure at FVTPL	507	229	278	260	18
Total deferred tax liabilities	**507**	**229**	**278**	**260**	**18**
Total deferred tax Assets/liability (net)	**507**	**229**	**278**	**260**	**18**

Note:

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

NOTE 18 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	734	–	767
Investments	12,603	900	7,975	900
Total Financial Assets	**12,603**	**1,634**	**7,975**	**1,667**
Financial Liabilities				
Borrowings	900	–		
Other financial liabilities	–	470	–	421
Total	**–**	**1,370**	**–**	**421**

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

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which 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 partnership firm are based on the estimation of the fair value of Investee company by using Available Market Prices (AMP)and the Price of Recent Investments (PRI) method.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities and borrowings are valued at amortised cost.

Investment includes investment in partnership firm and investment in mutual funds. Investment in mutual fund is categorised into level 1 of fair value hierarchy.

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

Investment in partnership firm and mutual fund are categorised as per below as on 31 March 2021

Particulars	Level 1	Level 2	Level 3
Investment in partnership firm	–	–	307
Investment in mutual fund	12,296	–	–

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

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

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 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.

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

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

A Credit risk

The company is not exposed to credit risk as it is not having trade receivables

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Other payables and borrowings.

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 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	–	900	–	900
Financial Liabilities	470	–	–	470
Total	**470**	**900**	**–**	**1,370**

As at 31 March 2020

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

C Market Risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency."

(ii) Interest rate risk

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

(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 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.

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

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 2021	31 March 2020
Impact on profit before tax for 10% increase in NAV/price	1,260	797
Impact on profit before tax for 10% decrease in NAV/price	(1,260)	(797)

NOTE 20 : 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 21 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

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

Particulars	31 March 2021	31 March 2020
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 22 : AUDITORS' REMUNERATION

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As Auditors:		
Statutory audit	280	300
Interim audit	250	–
Out of pocket expenses	6	–
Total	**536**	**300**

NOTE 23 : EARNINGS/(LOSS) PER SHARE

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) attributable to equity shareholders [A]	3,536	(3,346)
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share Re. 10 each) [B]	10,00,000	10,00,000
Earning/(loss) per shares (Basic and diluted)	**0.35**	**(0.33)**

NOTE 24 : SEGMENT INFORMATION

The Company's principal activity is to acts as an investment advisor and primarily operated in India. 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 25 : RELATED PARTY DISCLOSURE

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

(A) List of related parties and their relationship

(i) Ultimate holding company

– Passionate Investment Management Private Limited

(ii) Intermediate holding company

– Motilal Oswal Financial Services Limited

(iii) Holding company

– MOPE Investment Advisors Private Limited

(iv) Fellow subsidiaries

– Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Alternet Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Asset Management Company Limited
– Motilal Oswal Investment Advisors Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Markets (Singapore) Pte. Limited
– Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Limited)
– Motilal Oswal Asset Management (Mauritius) Company Private Limited
– India Business Excellence Management Company
– Nagori Agro & Cattle Feeds Private Limited
– Glide Tech Investment Advisors Private Limited
– Motilal Oswal Finsec IFSC Limited

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

(v) Subsidiaries

– Motilal Oswal Real Estate Investment Advisors II Private Limited

(vi) Associate

– India Reality Excellence Fund II LLP

(vii) Key managerial personnel

– Motilal Oswal - Director

– Raamdeo Agarawal – Director

– Vishal Tulsyan - Director

(viii) Enterprises in which key managerial personnel have control

– OSAG Enterprises LLP

(B) Transactions with related parties

Nature of transaction	Name of the related party	Holding company/Subsidiary	
		Year ended 31 March 2021	Year ended 31 March 2020
Profit From LLP (Income)	India Reality Excellence Fund II LLP	6	54
Return of capital	India Reality Excellence Fund II LLP	–	87
Rent expense	Motilal Oswal Financial Services Limited	120	120
Loan taken	Motilal Oswal Finvest Limited	900	–
Interest expense	Motilal Oswal Finvest Limited	29	–

(C) Outstanding balances of / with related parties :

Nature of transaction	Name of the related party	Holding company/Subsidiary/Associates	
		Year ended 31 March 2021	Year ended 31 March 2020
Borrowings	Motilal Oswal Finvest Limited	900	–
Interest accrued	Motilal Oswal Finvest Limited	8	–
Investments	Motilal Oswal Real Estate Investment Advisors II Private Limited	900	900
	India Reality Excellence Fund II LLP	308	441
Rent payable	Motilal Oswal Financial Services Limited	283	–

NOTE 26 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 120 hundreds (Previous Year ₹ 120 hundreds) in the statement of profit and loss under the head “rent”.

General description of lease terms: -

i) Lease rentals are charged on the basis of agreed terms.

ii) Assets are taken on lease for a period of less than 12 months.

iii) Lease agreement is cancellable and there is no escalation clause

NOTE 27 : MERGER AND DEMERGER

The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Motilal Oswal Real Estate Investment Advisors Private Limited (“MORE” or “the Transferee Company” or “the

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

Demerged Company" or "the Transferor Company") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013.

NOTE 28 : IMPACT OF COVID-19

The current second wave of Covid-19 pandemic has resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. The Company as a part of its Investment portfolio makes various investments in the Alternative Funds (Real Estate Funds). The Company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Profit & Loss account for the reporting period. Fair valuation of these Investments amounting to ₹ 307 hundreds are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Real Estate Funds as at March 31, 2021, may be affected by the severity and duration of the outbreak.; however, the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 29 :

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Motilal Oswal Real Estate Investment Advisors II Private Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of Motilal Oswal Real Estate Investment Advisors II Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Real Estate Investment Advisors II Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Murad D. Daruwalla
Partner
Membership No: 043334
UDIN: 21043334AAAABS4524

Place : Mumbai
Date : 29 April 2021

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited, on the Financial Statements for the year ended 31 March 2021

ANNEXURE I

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

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

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment 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. ny

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

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

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

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

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

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

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

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

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla
Partner
Membership No: 043334
UDIN: 21043334AAAABS4524

Place : Mumbai
Date : 29 April 2021

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

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

1. In conjunction with our audit of the financial statements of **Motilal Oswal Real Estate Investment Advisors II Private Limite**d ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management or Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the

   Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No: 043334
UDIN: 21043334AAAABS4524

Place : Mumbai
Date : 29 April 2021

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

BALANCE SHEET AS AT 31 MARCH, 2021

Particulars	Note No.	As at 31-March-21	As at 31-March-20
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	44	1,134
(b) Receivables			
(I) Trade receivables	5	220	172
(c) Loans	6	300	130
(d) Investments	7	2,819	0
(e) Other financial assets	8	–	0
Sub - total financial assets (A)		**3,383**	**1,436**
2. Non-financial assets			
(a) Current tax assets (net)	9	87	202
(b) Property, plant and equipment	10	40	44
(c) Other non-financial assets	11	1,628	2,236
Sub - total non-financial assets (B)		**1,755**	**2,482**
TOTAL ASSETS (A+B)		**5,138**	**3,918**
II. LIABILITIES AND EQUITY			
A. Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade payables	12		
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise		178	591
(b) Other financial liabilities	13	77	37
Sub - total financial liabilities (A)		**255**	**628**
2. Non - financial liabilities			
(a) Provisions	14	460	554
(b) Deferred tax liabilities	15	293	242
(c) Other non - financial liabilities	16	98	85
Sub - total non - financial liabilities (B)		**851**	**881**

Balance Sheet *(Contd..)*

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

Particulars	Note No.	As at 31-March-21	As at 31-March-20
B. Equity			
(a) Equity share capital	17	1	1
(b) Other equity	18	4,031	2,408
Sub - total equity (C)		**4,032**	**2,409**
TOTAL LIABILITIES AND EQUITY (A+B+C)		**5,138**	**3,918**

The accompanying notes 1 to 46 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No : 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Statement of Profit And Loss

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

Particulars	Note No.	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
REVENUE FROM OPERATIONS			
(a) Fees and commission income	19	3,523	4,398
(b) Net gain on fair value change	20	1,123	6
1) Total revenue from operations		**4,646**	**4,404**
2) Other income	21	6	9
3) Total Income (1 + 2)		**4,652**	**4,413**
EXPENSES			
(a) Finance costs	22	4	6
(b) Fees and commission expense	23	879	1,048
(c) Employee benefits expense	24	1,025	1,034
(d) Depreciation and amortisation expense	10	8	5
(e) Other expenses	25	638	697
4) Total expenses		**2,554**	**2,791**
5) Profit before tax (3-4)		**2,098**	**1,622**
TAX EXPENSE / (CREDIT)	26		
(a) Current tax		436	282
(b) Deferred tax expense / (credit)		48	195
(c) Income tax for earlier years		(3)	(3)
6) Total tax expenses		**481**	**474**
7) Profit after tax (5 - 6)		**1,617**	**1,148**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain / (loss) on post retirement benefit plans		8	(8)
(b) Deferred tax impact on the above		(2)	0
8) Other comprehensive income		**6**	**(8)**
Total comprehensive income for the period (7 + 8)		**1,623**	**1,140**
Earnings per share (₹ 10 each)	35		
Basic and Diluted		16,170.52	11,476.64

The accompanying notes 1 to 46 form an integral part of the financial statements

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

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

Murad D. Daruwalla
Partner
Membership No : 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Cash Flow Statement

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**2,098**	**1,622**
Adjustment for:		
Depreciation	8	5
Gratuity	–	13
Interest expense	4	6
Actuarial gain / (loss)	8	(8)
Profit on sale of investment- realised gain	(9)	(6)
Net gain on fair value change	(1,114)	–
Operating profit before working capital changes	**995**	**1,632**
Changes in working capital		
Adjustment for working capital changes:		
1) Increase / (decrease) in financial liabilities	40	18
3) Increase / (decrease) in non - financial liabilities	13	(667)
4) Increase / (decrease) in trade payables	(413)	(670)
5) (Increase) / decrease in trade receivables	(48)	1,237
6) (Increase) / decrease in other financial assets	0	(0)
7) (Increase) / decrease in financial assets - loan	(170)	(94)
8) (Increase) / decrease in other non - financial assets	608	(180)
9) Increase / (decrease) in provision	(93)	203
Cash generated from operations	**932**	**1,479**
Income tax paid (net of refunds and including MAT credit utilised)	(318)	(261)
Net cash generated from operating activities	**614**	**1,218**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(4)	(45)
Purchase of investments	(5,635)	–
Proceeds from sale of investments	3,939	0
Net cash flow used in investing activities	**(1,700)**	**(45)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from borrowings	1,267	2,776
Repayment borrowings	(1,267)	(2,826)
Interest paid	(4)	(0)
Net cash flow used in financing activities	**(4)**	**(50)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(1,090)**	**1,123**

Cash Flow Statement *(Contd..)*

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash & cash equivalents comprise of		
Cash & cash equivalents as at beginning of the year	8	0
Scheduled Bank - In current accounts	1,126	11
Cash & cash equivalents as at beginning of the year	**1,134**	**11**
Cash & cash equivalents comprises of		
Cash on hand	5	8
Scheduled Bank - In current accounts	39	1,126
Cash & cash equivalents as at end of the year	**44**	**1,134**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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

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

Murad D. Daruwalla
Partner
Membership No : 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A) EQUITY AND PREFERENCE SHARE CAPITAL

Particulars	Equity share capital		8% Non cumulative preference shares		Total
	Number of shares	Amount	Number of shares	Amount	
As at 31 March 2019	**10,000**	**1**	**–**	**–**	**1**
Changes during the year	–	–	–	–	–
As at 31 March 2020	**10,000**	**1**	**–**	**–**	**1**
Changes during the year	–	–	–	–	–
As at 31 March 2021	**10,000**	**1**	**–**	**–**	**1**

B. OTHER EQUITY

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	Other reserve-Preference share equity component	Surplus/ (deficit) in the Statement of Profit and Loss	Actuarial gain/ (losses) on post retirement benefit plans	
Balance as at 01 April 2019	**495**	**97**	**679**	**(3)**	**1,268**
Transfer during the year	–	–	–	–	–
Profit during the year	–	–	1,148	–	**1,148**
Actural gain / (loss) during the year (net of tax)	–	–		(8)	(8)
Balance as at 31 March 2020	**495**	**97**	**1,827**	**(11)**	**2,408**
Transfer during the year	–	–	–	–	–
Redemption of preference shares during the year	–	–	–	–	–
Profit during the year	–	–	1,617	–	**1,617**
Actural gain / (loss) during the year (net of tax)	–	–	–	6	**6**
Balance as at 31 March 2021	**495**	**97**	**3,444**	**(5)**	**4,031**

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

Murad D. Daruwalla
Partner
Membership No : 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Real Estate Investment Advisors II Private Limited (the Company) was incorporated on 7 March 2014. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company is an Investment Manager and Venture Capital Advisor for managing Reality Excellence Funds launched India Realty Excellence Fund II LLP, India Realty Excellence Fund III and India Realty Excellence Fund IV. The Company is also engaged in providing financial, investment advisory services, management & facilitation services and identifying investment opportunities etc.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 29 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 29.

(iv) Use of estimates and judgements

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

2.2. Revenue Recognition

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.

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

(i) Management fee income

Performance obligations are satisfied over a period of time and management fees in respect of private equity funds are recognized on monthly basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(ii) Advisory, setup fee and referral fee

Performance obligations are satisfied over a period of time and Advisory, setup fee and referral fee of private equity fund are recognized on monthly basis in accordance with the terms of contracts entered into between the Company and the counter party.

2.3. Income Tax

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

Current and deferred tax is recognized in 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

2.4. Leases

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

Measurement and recognition of leases as a lessee

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier

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

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.

2.5. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

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

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 30.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

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

1. Financial assets carried at amortised cost

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

- The asset is held with the business model whose objective is to hold asset for collecting contractual cash flows; and
- Contractual terms of the asset give rise on a specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such 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).

(i) Impairment

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

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

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

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(ii) Derecognition

A financial asset is derecognised only when:

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

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.

2.7. Offsetting financial instruments

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

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Computers	3 years
Vehicles	8 to 10 years

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

Derecognition:

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

2.9. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.10. Provisions and Contingent Liabilities

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

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

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

2.11. Borrowing costs

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

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

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

2.12. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

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

(iii) Other long-term employee benefit obligations

Heritage club benefit:

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

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.13. Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of the company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is MORE II’s functional and presentation currency.

(ii) Translation and balances

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

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

2.14. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.15. Rounding of amounts

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

2.16. Events after reporting date

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

2.17. Recent accounting developments

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

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

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction / events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Provision and contingent liability - On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. 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.

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

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	5	8
Balance with banks		
In current accounts	39	1,126
TOTAL	**44**	**1,134**

NOTE 5 : RECEIVABLES

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Trade receivables		
Considered good - unsecured	220	172
TOTAL	**220**	**172**

Note

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganisation. When a trade receivable is credit impaired, it is written off and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

2) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6 : LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Others		
(A) Others		
Loan to employees	300	130
Less : Impairment loss allowance	–	–
Total (A) Net	**300**	**130**
(B) Unsecured (Gross)	300	130
less : Impairment loss allowance	–	–
Total (B) Net	**300**	**130**
(C) (I) Loans in India		
(i) Public sector	–	–
(ii) Others	300	130
Total (C) (I) Gross	**300**	**130**
Less : Impairment loss allowance	–	–
Total (C) (I) Net	**300**	**130**

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

NOTE 7 : INVESTMENTS

Particulars	Subsidiary / Others	As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
Investment - at amortised cost (A)					
i) Investment in Subsidiaries / fellow subsidiary					
Motilal Oswal Home Finance Limited	Fellow Subsidiary	10	0	10	0
Investment - at fair value through profit & loss (B)					
i) Investment in private equity funds					
India Business Excellence Fund III	Others	150,000	2,415		–
ii) Investment in mutual funds					
SBI liquid fund	Others	12,549.799	404		–
Total Gross C = (A+B)			**2,819**		**0**
(i) Investment outside India			–		–
(ii) Investment in India			2,819		0
Total (D)			**2,819**		**0**
Less : Allowance for Impairment loss (E)			**–**		**–**
Total Net F = (D-E)			**2,819**		**0**

NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Other	–	0
TOTAL	**–**	**0**

NOTE 9 : CURRENT TAX ASSET (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax (Net of provision for tax)	87	202
TOTAL	**87**	**202**

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Deductions	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Deductions	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computers	10	4	–	14	5	3	–	8	6	5
Car	42	–	–	42	3	5	–	8	34	39
Total	**52**	**4**	**–**	**56**	**8**	**8**	**–**	**16**	**40**	**44**

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

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computers	7	3	–	10	3	2	–	5	5	4
Car	–	42	–	42	–	3	–	3	39	–
Total	**7**	**45**	**–**	**52**	**3**	**5**	**–**	**8**	**44**	**4**

NOTE 11 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	1,626	2,099
Advance for capital expense	–	2
Advance against expense	2	1
Indirect tax credit receivable	–	134
TOTAL	**1,628**	**2,236**

NOTE 12 : TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Due to creditors other than micro enterprise and small enterprise		
Other (Refer note 31)	178	591
TOTAL	**178**	**591**

NOTE 13 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables	69	28
Interest accrued and due	0	–
Provision for expenses	8	9
TOTAL	**77**	**37**

NOTE 14 : PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 33)		
Gratuity obligation (refer note 39)	85	72
Heritage obligation (refer note 39)	7	6
ExGratia payable	353	465
Compensatory absences	15	11
TOTAL	**460**	**554**

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

NOTE 15 : DEFERRED TAX LIABILITIES (NET) (REFER NOTE 26)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
Amortisation of placement fees	471	611
Net changes in fair value of investments	127	–
Total deferred tax liabilities (A)	**598**	**611**
Deferred tax assets		
Provision for gratuity	25	21
Provision for Heritage	2	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	0
MAT credit entitlement	277	348
Total deferred tax asset (B)	**305**	**369**
Net deferred tax Liability / (Assets) (A-B)	**293**	**242**

NOTE 16 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Withholding and other taxes payable	98	85
Advance received from customer	–	0
TOTAL	**98**	**85**

NOTE 17 : SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	50,000	5	50,000	5
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)	4,950,000	495	4,950,000	495
TOTAL	**5,000,000**	**500**	**5,000,000**	**500**
Issued, Subscribed & Paid Up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,000	1	10,000	1
TOTAL	**10,000**	**1**	**10,000**	**1**

17.1 Terms and Conditions

Equity shares

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10/. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. Each equity share has the same right of dividend. In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be

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

in proportion to the number of equity shares held by the shareholders.

8% Non cumulative preference shares

(i) The Company has only one class of preference shares having a par value of ₹ 10 each and there are no preference shares issued and subscribed as at 31 March 2021 and 31 March 2020.

17.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At beginning of the year	10,000	1	10,000	1
Additions during the year	–	–	–	–
At the end of the year	**10,000**	**1**	**10,000**	**1**

17.3 Shareholders having more than 5% equity holding in the Company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of Holding	Number of shares	% of Holding
Equity Shares				
Sharad Mittal	750	8	750	8
Motilal Oswal Real Estate Investment Advisors Private Limited. and its nominee	9,000	90	9,000	90

17.4 Shares held by holding company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of Holding	Number of shares	% of Holding
Motilal Oswal Real Estate Investment Advisors Private Limited and its nominee (Equity shares)	9,000	90	9,000	90

17.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2021.

NOTE 18 : OTHER EQUITY

Particulars	As at 31 March 2021	As at 31 March 2020
a) Retained earnings		
(i) Surplus / (deficit) in Profit & Loss Account		
Balance at the beginning of the year	1,827	679
Add: Transfer from Statement of Profit and Loss	1,617	1,148
Balance at the end of year	**3,444**	**1,827**
(ii) Other comprehensive income		
Balance at the beginning of the year	(11)	(3)
Add: Transfer from Statement of Profit and Loss	6	(8)
Balance at the end of year	**(5)**	**(11)**
	3,439	**1,816**

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

Particulars	As at 31 March 2021	As at 31 March 2020
b) Capital redemption reserve		
Balance at the beginning of the year	495	495
Add: Transfer from Profit and Loss	–	–
Balance at the end of year	**495**	**495**
c) Other reserve - Preference share equity component		
Balance at the beginning of the year	97	97
Add: Transfer during the year	–	–
Balance at the end of year	**97**	**97**
TOTAL	**4,031**	**2,408**

NOTE 19 : FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Management fees	3,010	3,614
Advisory fees - fund	471	461
Setup fees	–	189
Other operating revenue	42	134
TOTAL	**3,523**	**4,398**

NOTE 20 : NET GAIN ON FAIR VALUE CHANGE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Realised gain	9	6
Unrealised gain	1,114	–
TOTAL	**1,123**	**6**

NOTE 21 : OTHER INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Miscellaneous income	0	4
Interest on loan	4	–
Interest on income tax refund	2	5
TOTAL	**6**	**9**

NOTE 22 : FINANCE COST

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest cost	4	6
TOTAL	**4**	**6**

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

NOTE 23 : FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Placement fees	879	1,048
TOTAL	**879**	**1,048**

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, bonus and allowances	959	1,000
Contribution to provident & other funds (refer note 39)	35	20
Staff welfare expenses	2	2
Gratuity (refer note 39)	29	12
TOTAL	**1,025**	**1,034**

NOTE 25 : OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Business support charges (refer note below)	405	405
Auditor's remuneration (also refer note 32)	5	3
Legal and professional charges	51	46
Rent (refer note 43)	102	102
Membership and subscription	20	19
Advertisement expenses	–	1
Meeting and seminar expenses	2	7
Printing and stationery	1	7
Travelling and conveyance expenses	13	59
Miscellaneous expenses	15	32
CSR Expenses (also refer note 36)	24	16
TOTAL	**638**	**697**

Note: The Company has entered into business support agreement with Motilal Oswal Financial Services Limited and MOPE Investment Advisors Private 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 and MOPE Investment Advisors Private Limited which are not directly charged to Company.

NOTE 26.1 : 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

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

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 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	433	279
Total current tax expense	**433**	**279**
Deferred taxes		
Change in deferred tax liabilities	48	195
Net deferred tax expense	**48**	**195**
Total	**481**	**474**

NOTE 26.2 : TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of defined benefit plan	2	(0)
Total	**2**	**(0)**

NOTE 26.3 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit / (loss) before income tax expense	2,098	1,622
Tax at the rate of 29.12% (for 31 March 2020 - 29.12%)	611	472
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	(3)	(3)
MAT adjustment	68	–
Expenses not deductible for tax purposes	4	5
Tax at different rate	(197)	–
Remeasurement of defined benefit plan	(2)	0
Income tax expense	**481**	**474**

NOTE 26.4 : EFFECTIVE TAX RATE

Particulars	31 March 2021	31 March 2020
Effective tax rate	22.92%	29.24%

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

NOTE 26.5 : NET DEFERRED TAX

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability on account of :		
Amortisation of distribution costs	471	611
Net changes in fair value of investments	127	–
Total deferred tax liabilities (A)	**598**	**611**
Deferred tax assets on account of:		
Provision for gratuity	25	21
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	0
Provision for heritage	2	–
MAT credit entitlement	277	348
Total deferred tax assets (B)	**305**	**369**
Net deferred tax Liability / (Assets) (A-B)	**293**	**242**

NOTE 26.6 : SIGNIFICANT COMPONENTS AND MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES:

Particulars	As at 31 March 2021	Recognised through profit and loss	Recognised through other comrehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through other comrehensive income	As at 1 April 2019
Deferred tax liabilities on account of:							
Amortization of distribution costs	471	(140)	–	611	44	–	567
Net change in fair value of investments	127	127	–	–	–	–	–
Total deferred tax liabilities	**598**	**(13)**	**–**	**611**	**44**	**–**	**567**
Deferred tax assets on account of:							
Provision for gratuity	25	6	(2)	21	6	0	15
Provision for heritage	2	2	–	–	–	–	–
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1	1	–	0	(1)	–	1
Carry forward losses	–	–	–	–	(63)	–	63
MAT credit entitlement	277	(71)	–	348	(93)	–	441
Total deferred tax assets	**305**	**(61)**	**(2)**	**369**	**(151)**	**0**	**520**
Total deferred tax Assets / liability (net)	**293**	**48**	**2**	**242**	**195**	**(0)**	**47**

Note:

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

NOTE 27 : CAPITAL MANAGEMENT

A Risk management

The company's objectives when managing capital are to

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

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using net debt to equity ratio, which is net debt to total equity.

(i) Net debt includes borrowings (including accrued interest) and liability component of compound financial instruments net of cash and bank balances.

(ii) Total equity comprises of Equity share capital and other equity.

B The capital composition is as follows:

Particulars	31 March 2021	31 March 2020
Net debt (A)	(44)	(1,134)
Total equity (B)	4,032	2,409
Gearing ratio (A / B)	**-1.08%**	**-47.07%**

NOTE 28 : 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 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	44	–	44	1,134	–	1,134
Trade receivables	220	–	220	172	–	172
Loans	300	–	300	130	–	130
Investments	404	2,415	2,819	–	0	0
Other financial assets	–	–	–	0	–	0
Non-financial assets						
Current tax assets (net)	–	87	87	–	202	202
Property, plant and equipment	–	40	40	–	44	44
Other non-financial assets	459	1,169	1,628	666	1,570	2,236
Total Assets	**1,427**	**3,711**	**5,138**	**2,102**	**1,816**	**3,918**
Liabilities						
Financial Liabilities						
Trade payables	178	–	178	591	–	591
Other financial liabilities	77	–	77	37	–	37
Non Financial Liabilities						
Provisions	378	82	460	482	72	554
Deferred tax liabilities	–	293	293	–	242	242
Other non financial liabilities	98	–	98	85	–	85
Total Liabilities	**731**	**375**	**1,106**	**1,195**	**314**	**1,509**

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

NOTE 29 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	44	–	1,134
Trade receivables	–	220	–	172
Loans	–	300	–	130
Investments	2,819	0	–	0
Other financial assets	–	–	–	0
Total Financial Assets	**2,819**	**564**	**–**	**1,436**
Financial Liabilities				
Trade payables	–	178	–	591
Other financial liabilities	–	77	–	37
Total Financial Liabilities	**–**	**255**	**–**	**628**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

The fair values for investment in private equity funds and mutual fund are based on the estimation of the fair value of Investee company by using Available Market Prices (AMP) and the Price of Recent Investments (PRI) method. The fair values for investment in mutual fund and private equity fund are based on the NAV. NAV refers to the net asset value declared by the mutual fund and private equity fund at which units are issued or redeemed.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are valued at amortised cost.

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

Investment includes investment in private equity funds, investment in mutual fund and equity shares, which are categorised as per below as on 31 March 2021.

Particulars	Level 1	Level 2	Level 3
Investment in mutual funds	404	–	–
Investment in private equity funds	–	–	2,415

Investment includes investment in private equity funds, investment in partnership firm and equity shares, which are categorised as per below as on 31 March 2020

Particulars	Level 1	Level 2	Level 3
Investment in mutual funds	–	–	–
Investment in private equity funds	–	–	–

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once in a month.

Mutual fund investment have been categorised into level 1 and investment in private equity fund has been categorised into level 3 (recurring fair value measurement) of fair value hierarchy.

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

NOTE 30 : 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 risks associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company. The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. 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 2021	As at 31 March 2020
Upto 3 months	220	172
3 - 6 months	–	–
6 - 12 months		–
More than 12 months		–
Total	**220**	**172**

(All amounts are in INR 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 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	178	–	–	178
Other current financial liabilities	77	–	–	77
Total	**255**	**–**	**–**	**255**

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	591	–	–	591
Other current financial liabilities	37	–	–	37
Total	**628**	**–**	**–**	**628**

C. Market Risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds & 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 and private equity 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 2021	As at 31 March 2020
Exposure to price risk	2,819	–

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

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 2021	31 March 2020
Impact on profit before tax for 10% increase in NAV / price	282	–
Impact on profit before tax for 10% decrease in NAV / price	(282)	–

NOTE 31 : 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 2021	31 March 2020
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 32 : AUDITOR'S REMUNERATION

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As Auditors:		
Statutory audit	4	3
Interim Audit	1	–
Out of pocket expenses	0	0
Total	**5**	**3**

NOTE 33 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2021

Particulars	Opening balance as at 1 April 2020	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2021
Ex-gratia	465	354	466	353
Gratuity (refer note 39)	72	29	16	85
Compensated absences	11	4	–	15
Heritage club	6	1	–	7
Total	**554**	**388**	**482**	**460**

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

For the year ended 31 March 2020

Particulars	Opening balance as at 1 April 2019	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2020
Ex-gratia	276	540	351	465
Gratuity (refer note 39)	52	20	–	72
Compensated absences	2	9	–	11
Heritage club	7	–	1	6
Total	**337**	**569**	**352**	**554**

NOTE 34 : 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 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders [A]	1,617	1,148
Nominal value per share (in Rupees)	10	10
Weighted average number of equity shares outstanding during the year (Face value per share Re. 10 each) [B]	10,000	10,000
Basic and diluted earnings per share [A] / [B] (Rupees)	**16,170.52**	**11,476.64**

NOTE 35 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Travelling and conveyance expenses	1	4
Lodging and boarding expenses	–	2
Membership fees	4	4
Total	**5**	**10**

NOTE 36 : 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 2020-21.

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

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Donation for medical aid	8	–
Donation for school	5	7
Donation for science lab	11	–
Donation for environment sustainability drill irrigation	–	4
Donation for construction of technical institution	–	1
Donation for construction of school	–	4

(b) Details required as follow:

1) Gross amount required to be spent by the company during the year is ₹ 24 lakhs (Previous year : ₹ 16 lakhs)

2) Amount spent during the year

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	24	–	24
Total	**24**	**–**	**24**

Above includes a contribution of ₹ 24 lakhs (Previous year: ₹ 16 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24 - "Related Party Disclosures". (refer note 42)

NOTE 37 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2021

NOTE 38 : CONTINGENT LIABILITIES AND COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ Nil (31 March 20: ₹ 1 lakhs).

NOTE 39 : 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 2021	For the year ended 31 March 2020
Employers' contribution to provident fund	27	15
National pension fund	8	5

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20.00 lakhs.

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

Notes to Financial Statement *(Contd..)*

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
I) Actuarial assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Discount rate (per annum)	3.93%	4.80%	3.93%	4.80%
Rate of escalation in salary (per annum)	12.07%	18.59%		
Expected rate of return on plan assets (per annum)	–	–		
Employee attrition rate (Past Service)	PS: 0 to 37 : 9.7%	PS: 0 to 40 : 10.00%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 50.04%
Expected average remaining service	7.98	7.96	1.00	1.00
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	72	52	6	7
Interest cost	4	3	–	–
Current service cost	10	9	–	–
Transfer in liability	15	–	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Benefits paid	(8)	–	1	(1)
Contributions by plan participants	–	–	–	–
Business combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (gain) / loss on obligation	(8)	8	–	–
PVO at end of period	85	72	7	6
III) Interest expense				
Interest cost	4	3	–	–
IV) Fair value of plan assets				
Fair value of plan assets at the beginning	–	–	–	–
Interest income	–	–	–	–
V) Net Liability				
PVO at beginning of period	72	52	–	–
Fair value of the assets at beginning report	–	–	–	–
Net liability at the beginning of the period	72	52	–	–
VI) Net interest				
Interest expenses	4	3	–	–
Interest income	–	–	–	–
Net interest	4	3	–	–
VII) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VIII) Actuarial (gain) / loss on obligation				
Due to demographic assumption	0	1	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Due to financial assumption	(8)	13	–	–
Due to experience	0	(6)	–	–
Total actuarial (gain) / loss	**(8)**	**8**	**–**	**–**
IX) Fair value of plan assets				
Opening fair value of plan asset	–	–	–	–
Adjustment to opening fair value of plan asset	–	–	–	–
Return on plan assets excl. interest income	–	–	–	–
Interest income	–	–	–	–
Contributions by employer	8	–	–	–
Contributions by employee	–	–	–	–
Benefits paid	(8)	–	–	–
Fair value of plan assets at end	–	–	–	–
X) Past service cost recognised				
Past service cost- (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service cost - non vested benefits	–	–	–	–
Recognised Past service cost - vested benefits	–	–	–	–
Unrecognised Past Service cost - non vested benefits	–	–	–	–
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	85	72	–	–
Fair Value of plan assets at end of period	–	–	–	–
Funded status	(85)	(72)	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Net asset / (liability) recognized in the balance sheet	(85)	(72)	–	–
XII) Expense recognised in the statement of profit and loss				
Current service cost	10	9	–	–
Net Interest	4	3	–	–
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	14	12	–	–
XIII) Other Comprehensive Income (OCI)				
Actuarial (gain) / loss recognized for the period	(8)	8	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Unrecognized Actuarial (gain) / loss from previous period	–	–	–	–
Total Actuarial (gain) / loss recognized in (OCI)	**(8)**	**8**	**–**	**–**
XIV) Movement in liability recognized in balance sheet				
Opening net liability	72	52	–	–
Adjustment to opening balance	–	–	–	–
Expenses as above	14	12	–	–
Transfer in liability	15	–		
Contribution paid	(8)	–	–	–
Other Comprehensive Income(OCI)	(8)	8	–	–
Closing net liability	85	72	–	–
XV) Projected Service Cost 31 Mar 2022	**14**	**10**	**–**	**–**
XVI) Asset Information				
Cash and cash equivalents	–	–	–	–
Gratuity fund	–	–	–	–
Debt security - government bond	–	–	–	–
Equity securities - corporate debt securities	–	–	–	–
Other insurance contracts	–	–	–	–
Property	–	–	–	–
Total itemized assets				

XVII) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	78	93	88	82

XVIII) Expected Payout

Year	Expected					
	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Six to ten years
Payouts	6	6	6	6	6	29

XIX) Asset Liability Comparisons

Year	31/3/2017	31/3/2018	31/3/2019	31/3/2020	31/3/2021
PO at end of period	20	42	52	72	85
Plan assets	–	–	–	–	–
Surplus / (Deficit)	(20)	(42)	(52)	(72)	(85)
Experience adjustments on plan assets	–	–	–	–	–

Weighted average remaining duration of defined benefit obligation	7.46

Risk associated with defined benefit plan:

1) Investment / interest risk:

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

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

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 40 : RELATED PARTY DISCLOSURE

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

(i) List of related parties and their relationship

Ultimate Holding Company

- Passionate Investment Management Private Limited

Intermediate Holding Company

- Motilal Oswal Financial Services Limited
- MOPE Investment Advisors Private Limited

Holding Company

- Motilal Oswal Real Estate Investment Advisors Private Limited

Fellow subsidiaries

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternet Investment 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 Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- India Business Excellence Management Company
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Asset Management (Mauritius) Company Private Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited
- TM Investment Technologies Private Limited

Key management personnel

Non - executive directors

- Mr. Motilal Oswal
- Mr. Navin Agarwal
- Mr. Vishal Tulsyan

Enterprises in which key management personnel and their relatives exercise significant Influence

- Motilal Oswal Foundation (Trust)
- OSAG Enterprises LLP

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

(ii) Transactions with related parties

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31 March 2021	Year ended 31 March 2020
Rent paid	Motilal Oswal Financial Services Limited	102	102
Placement fees	Motilal Oswal Wealth Management Limited	448	456
	Motilal Oswal Financial Services Limited	178	141
Referral fees	Motilal Oswal Wealth Management Limited	–	4
	Motilal Oswal Financial Services Limited	–	45
Set up fees	Motilal Oswal Wealth Management Limited	–	51
	Motilal Oswal Financial Services Limited	–	75
Business support charges	Motilal Oswal Financial Services Limited	105	105
	MOPE Investment Advisors Private Limited	300	300
Donation	Motilal Oswal Foundation (Trust)	24	16
Interest paid	Motilal Oswal Financial Services Limited	–	1
	Motilal Oswal Finvest Limited	4	5
Loans taken	Motilal Oswal Financial Services Limited	–	1,641
	Motilal Oswal Finvest Limited	1,267	1,135
Loans repaid	Motilal Oswal Financial Services Limited	–	1,691
	Motilal Oswal Finvest Limited	1,267	1,135

(ii) Outstanding balances of / with related parties :

Transaction	Name of the related party	Holding company/Fellow subsidiary	
		As at 31 March 2021	As at 31 March 2020
Rent / MOT cost	Motilal Oswal Financial Services Limited	61	16
Interest payable	Motilal Oswal Finvest Limited	0	–
Trade payable	Motilal Oswal Wealth Management Limited	72	107
Trade payable	MOPE Investment Advisors Private Limited	83	324
Trade payable	Motilal Oswal Financial Services Limited	9	100
Prepaid expenses	Motilal Oswal Wealth Management Limited	637	801
	Motilal Oswal Financial Services Limited	420	527
Investment	Motilal Oswal Home Finance Limited	0	0

Note: Income / receipt and payables are shown in brackets.

NOTE 41 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

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

The Company is an Investment Manager and provide investment management and administrative services to the Alternet Investment Funds. The company earns Managements fees from respective businesses.

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

a) Disaggregation of revenue

Revenue from contracts with customers:

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

Particulars	31 March 21		31 March 20	
	Investment management fees	Advisory fees	Investment management fees	Advisory fees
Total Revenue from contracts with customers	**3,010**	**471**	**3,614**	**461**
Geographical Markets				
India	3,010	471	3,614	461
Outside India	–	–	–	–
Total Revenue from contracts with customers	**3,010**	**471**	**3,614**	**461**
Timing of revenue recognition				
Services transferred at a point in time	–	–	–	–
Services transferred over time	3,010	471	3,614	461
Total Revenue from contracts with customers	**3,010**	**471**	**3,614**	**461**

b) Contract balances

Trade receivable are non-interest bearing balances.

c) Performance obligations

The performance obligation of the company is providing advisory and investment management services, which is completed as per the terms and conditions of the advisory and investment management agreement. The usual payment term for the performance obligation of the company is three month.

NOTE 42 : SEGMENT REPORTING

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

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

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

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

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

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

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

(Amount in rupees)

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue :								
External revenue	3,529	4,407	1,114	–	9	6	4,652	4,413
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**3,529**	**4,407**	**1,114**	**–**	**9**	**6**	**4,652**	**4,413**
Result :								
Segment result	1,009	1,642	1,114	–	9	6	2,123	1,642
Unallocated corporate expenses	–	–	–	–	–	–	29	20
Unallocated revenue	–	–	–	–	–	–	9	6
Operating profit	–	–	–	–	–	–	**2,102**	**1,628**
Interest expenses	–	–	–	–	–	–	4	6
Interest income	–	–	–	–	–	–	–	–
Tax expense :								
Current tax	–	–	–	–	–	–	436	282
Deferred tax	–	–	–	–	–	–	48	195
Income tax for earlier years	–	–	–	–	–	–	(3)	(3)
MAT credit adjustments of previous year	–	–	–	–	–	–	–	–
Profit from Ordinary Activities	**–**	**–**	**–**	**–**	**–**	**–**	**1,617**	**1,148**
Extra-ordinary / exceptional items	–	–	–	–	–	–	–	–
Profit after tax	**–**	**–**	**–**	**–**	**–**	**–**	**1,617**	**1,148**
Other information :								
Segment assets	2,232	3,716	2,819	–	87	202	5,138	3,918
Segment liabilities	813	1,267	–	–	293	242	1,106	1,509
Capital expenditure	4	45	–	–	–	–	4	45
Depreciation	8	5	–	–	–	–	8	5

NOTE 43 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 102 lacs (Previous Year ₹ 102 lacs) in the statement of profit and loss under the head “rent”.

General description of lease terms: -

i) Lease rentals are charged on the basis of agreed terms.

ii) Assets are taken on lease for a period of less than 12 months.

iii) Lease agreement is cancellable and there is no escalation clause

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

NOTE 44 : MERGER & DEMERGER

The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Transferee Company" or "the Demerged Company" or "the Transferor Company") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013.

NOTE 45 : COVID-19

The current second wave of Covid-19 pandemic has resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. The Company as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds). The Company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Profit & Loss account for the reporting period. Fair valuation of these Investments amounting to ₹ 2,415 lacs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Private Equity Funds as at March 31, 2021, may be affected by the severity and duration of the outbreak.; however, the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 46:

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

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

Murad D. Daruwalla
Partner
Membership No : 043334

Place : Mumbai
Date : 29 April 2021

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

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 29 April 2021

Motilal Oswal Home Finance Limited

FINANCIAL STATEMENT 2020-21

Independent Auditor's Report

To the Members of Motilal Oswal Home Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Home Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – Impact of COVID-19 pandemic

4. We draw attention to Note 38 of the accompanying financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic on the impact on expected credit loss recognised towards the loans to customers outstanding as at 31 March 2021. Our conclusion is not modified in respect of this matter.

Key Audit Matters

5. 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.

6. 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
Impairment of loans and advances to customers (Refer to the accounting policies in "Note 3.1 (iii) to the financial statements: Impairment", "Note 2(iv)(b) to the Financial Statements: Significant Accounting Policies - use of estimates and judgement" and "Note 7 to the Financial Statements: Loans") As at 31 March 2021, the Company has reported gross loans and advances of INR 35,302,439,548 against which an impairment loss allowance of INR 706,029,425 is recognised as at year-end.	Our audit procedures included, but were not limited to, the following: • Considered the Company's accounting policies for impairment of financial instruments and assessed compliance with the policies in terms of Ind AS 109. • Obtained an understanding of management's process including the key inputs and assumptions used, systems and controls implemented in relation to impairment allowance process.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters:
a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section under Note 46(A). Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.
b) Staging of loans and estimation of behavioral life.
c) Estimation of expected loss from historical observations.
d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.
The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD).
Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility 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.</td><td>• Obtained the policy on moratorium of loans and restructuring of loans approved by the Board of Directors pursuant to the regulatory announcements made by the RBI.
• Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment
• Assessed the critical assumptions used by the management including the impact due to the moratorium facility and restructuring facility availed by eligible customers for estimation of allowance for expected credit losses as at 31 March 2021, which included:
  • examining on sample basis, data inputs to the discounted cash flow models
  • corroborating the forecasts of future cash flows prepared on the basis of expected repayments from the borrowers on sample basis
  • testing collateral valuation adopted based on internal policies of the Company on a sample basis
• Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets based on their past-due status and other qualitative factors identified by the management which indicate significant increase in credit risk. For a sample of exposures, we tested the appropriateness of such staging.
• Understood and checked the key data sources and assumptions for data used in the ECL model used by the Company to determine impairment provisions.
• On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.
• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</td></tr>
<tr><td>Information Technology (IT) systems and controls impacting financial reporting
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. The Company's key financial accounting and reporting processes are highly dependent on the automated controls enabled by the IT systems and information extracted from loan management systems which impacts key financial accounting and reporting areas such as loans and advances, interest income, impairment of loans amongst others.</td><td>Our audit procedures with the involvement of our IT specialists included, but were not limited to, the following:
• In relation to key accounting and financial reporting systems, we obtained an understanding on IT General Controls (ITGC), IT infrastructure and key automated controls operating over such identified IT applications.
• Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications which is ultimately used for financial reporting. We have focused on user access management, change management, migration process, segregation of duties and key automated controls over key financial accounting and reporting systems. Accordingly, since our audit strategy has focused on key IT systems and controls impacting financial reporting due to the pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general IT controls, we have determined IT systems and controls impacting financial reporting as a key audit matter for the current year audit.	• Tested a sample of key general controls operating over the information technology in relation to the identified IT applications particularly logical access, password management and backup procedures. • Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. • Tested the design and operating effectiveness of Change Management controls to assess that only authorised changes are moved to production environment. • Reviewed data migration process followed by the Company, as applicable. • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit for evaluating the completeness and accuracy.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

9. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

13. 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.

14. 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.

15. 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

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

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 28 April 2021 as per Annexure B expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company, as detailed in note 35 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

Annexure A to the Independent Auditor's Report of even date to the members of Motilal Oswal Home Finance Limited, on financial statements for the year ended 31 March 2021

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

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets 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.

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

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	1,524,312	Nil	Assessment year 2017-18	CIT Appeals

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. There are no loans or borrowings payable to government.

(ix) In our opinion, the Company has applied moneys raised by way of issuance of non-convertible debentures and term loans for the purposes for which these were raised during the year, though idle funds which were not required for immediate utilisation have been invested in liquid investments, redeemable on demand. The Company did not raise moneys by way of initial public offer/ further public offer during the year.

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

(xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

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

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Murad D. Daruwalla

Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

Annexure 'B'

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

1. In conjunction with our audit of the financial statements of **Motilal Oswal Home Finance Limited** ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

Balance Sheet
as at 31 March 2021

(Amount in INR)

Particulars		Note	As at 31 March 2021	As at 31 March 2020
I. ASSETS				
(I) Financial Assets				
(a) Cash and cash equivalents		4	**2,945,248,627**	1,134,226,728
(b) Bank balances other than (a) above		5	**520,168,130**	27,655,409
(c) Receivables		6		
(i) Trade receivables			**49,653,854**	12,503,003
(ii) Other receivables			**–**	–
(d) Loans		7	**34,596,410,124**	36,275,409,357
(e) Investment		8	**–**	–
(f) Other financial assets		9	**167,631,848**	131,094,703
Total Financial assets	**(A)**		**38,279,112,583**	**37,580,889,200**
(II) Non-financial Assets				
(a) Current tax assets (net)		10	**103,014,386**	84,595,678
(b) Deferred tax assets (net)		11	**473,288,290**	976,224,576
(c) Property, Plant and Equipment		12	**69,979,720**	130,473,670
(d) Other Intangible assets		13	**20,550,148**	28,855,997
(e) Other non-financial assets		14	**29,869,348**	72,889,570
Total Non- Financial Assets	**(B)**		**696,701,892**	**1,293,039,491**
Total Assets	**(C) = (A) +(B)**		**38,975,814,475**	**38,873,928,691**
II. LIABILITIES AND EQUITY				
(I) Financial liabilities				
(a) Payables				
Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		15	**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises "		15	**55,640,593**	5,488,659
(b) Debt securities		16	**11,492,400,101**	15,084,638,683
(c) Borrowings (Other than Debt securities)		17	**17,032,070,942**	14,355,158,994
(d) Other financial liabilities		18	**1,256,081,616**	694,023,115
Total Financial liabilities	**(D)**		**29,836,193,252**	**30,139,309,451**
(II) Non-Financial Liabilities				
(a) Provisions		19	**30,369,844**	25,615,658
(b) Other non-financial liabilities		20	**13,888,684**	35,149,703
Total Non-Financial Liabilities (E)			**44,258,528**	**60,765,361**

Balance Sheet (Contd..)

(Amount in INR)

Particulars		Note	As at 31 March 2021	As at 31 March 2020
(III) EQUITY				
(a) Equity share capital		21	**6,017,847,765**	6,013,037,765
(b) Other equity		22	**3,077,514,930**	2,660,816,114
Total Equity	**(F)**		**9,095,362,695**	**8,673,853,879**
TOTAL LIABILITIES AND EQUITY	**(G) = (D) + (E)+ (F)**		**38,975,814,475**	**38,873,928,691**

The accompanying notes form an integral part of these financial statements

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

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

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

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

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Profit and Loss
for the year ended 31 March 2021

(Amount in INR)

Particulars		Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		23		
Interest income			**5,293,870,055**	5,636,686,057
Net gains on fair value changes (Realised/Unrealised)			**39,833,638**	20,197,828
Fees and other Income			**58,215,208**	73,155,505
Total revenue from operations	**(I)**		**5,391,918,901**	**5,730,039,390**
Other income		24		
Other income			**63,300,182**	34,361,570
Total other income	**(II)**		**63,300,182**	**34,361,570**
Total Income	**III= (I+II)**		**5,455,219,083**	**5,764,400,960**
Expenses				
Finance cost		25	**2,888,977,611**	3,432,563,737
Employee benefits expenses		26	**576,557,226**	626,577,814
Depreciation and amortization expenses		12	**64,704,789**	68,004,053
Impairment on financial instruments (Provision for contingencies)		27	**803,495,957**	766,468,476
Other expenses		28	**217,012,745**	261,618,866
Total Expenses	**(IV)**		**4,550,748,328**	**5,155,232,946**
Profit/(Loss) before tax	**(III-IV)**		**904,470,755**	**609,168,014**
Less: Tax expense :		29		
(1) Current tax			**–**	–
(2) Deferred tax			**501,554,552**	218,391,279
(3) Prior Period tax			**626,160**	–
Profit/(Loss) for the period			**402,290,043**	**390,776,735**
Other comprehensive income		30		
(A) Items that will not be reclassified to profit & loss			**–**	–
(i) Actuarial gain/(loss) on post retirement benefit plans			**5,489,605**	11,278,118
Tax impact on the above			**(1,381,734)**	(3,941,026)
Total other comprehensive income			**4,107,871**	**7,337,092**
Total comprehensive income for the year			**406,397,914**	**398,113,827**
Earnings per share:		31		
Basic			**0.07**	0.07
Diluted			**0.07**	0.06
Face value per share			**1.00**	1.00

Statement of Profit and Loss (Contd..)

The accompanying notes form an integral part of these financial statements

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

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

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

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

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Cash Flows

for the year ended 31 March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities:		
Profit/(Loss) before tax:	**904,470,755**	609,168,014
Adjustments :		
Depreciation and amortisation	**64,704,789**	68,004,053
Interest income	**(12,963,100)**	(1,967,949)
Interest expense	**7,334,620**	8,068,263
Employee share option scheme	**7,156,401**	(10,145,373)
Provisions for employee benefits	**2,422,489**	9,301,732
Other provisions	**7,821,302**	30,670
Impairment on financial instruments	**272,703,331**	(1,316,754,989)
Loss on derecognition of loan assets	**530,792,626**	2,083,223,462
Net gains on fair value changes	**(39,833,638)**	(20,197,828)
Operating profit before working capital changes	**1,744,609,575**	**1,428,730,055**
Adjustments for increase/ decrease in operating assets and liabilities:		
(Increase)/Decrease in Trade receivables	**(37,150,851)**	11,982,261
(Increase)/Decrease in Loans	**875,503,277**	5,089,122,979
(Increase)/Decrease in Other financial assets	**(36,537,145)**	441,009,028
(Increase)/Decrease in Other non financial assets	**43,277,036**	189,385,701
Increase/(Decrease) in Debt securities	**(3,592,238,582)**	(5,276,462,116)
Increase/(Decrease) in Non financial liabilities	**(21,261,019)**	19,144,415
Increase/(Decrease) in Borrowings other than debt securities	**2,676,911,949**	(1,107,690,130)
Increase/(Decrease) in Trade payables	**50,151,933**	(29,115,820)
Increase/(Decrease) in Other financial liabilities	**597,479,674**	(859,552,465)
Cash generated from/ (used in) operations	**2,300,745,847**	(93,446,088)
Less: Income taxes paid (net of refunds)	**(19,044,868)**	(62,028,839)
Net cash outflow from operating activities	**2,281,700,979**	**(155,474,927)**
Cash flows from investing activities:		
Sale of investment measured at FVTPL	**39,833,638**	26,578,976
Purchase of property, plant and equipments	**3,838,197**	(89,108,596)
Sale of mutual funds units	**54,365,000,000**	81,510,000,000
Purchase of mutual funds units	**(54,365,000,000)**	(81,010,000,000)
(Increase)/Decrease in deposits with maturity of more than 3 months	**(241,891,096)**	(1,771,154)
Interest income on fixed deposit	**12,963,100**	1,967,949
Net cash inflow/(outflow) from investing activities	**(185,256,161)**	**437,667,175**

Statement of Cash Flows (Contd..)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from financing activities:		
Proceeds from issue of share capital	**4,810,000**	4,345,250
Share Premium on issue of share capital	**3,144,500**	2,223,150
Increase in lease liabilities (net)	**(16,307,519)**	74,324,809
Payment towards lease liabilities	**(19,113,656)**	(20,453,346)
Interest paid	**(7,334,619)**	(8,068,263)
Net cash inflow from financing activities	**(34,801,294)**	**52,371,600**
Net Increase/(Decrease) in Cash and cash equivalents	**2,061,643,525**	**334,563,848**
Add: Cash and cash equivalents as at beginning of the year	**1,134,226,728**	799,662,880
Cash and cash equivalents at end of the year	**3,195,870,253**	**1,134,226,728**
Component of cash and cash equivalents		
Cash and cash equivalents	**2,945,248,627**	1,134,226,728
Deposits with maturity of less than 3 months	**250,621,625**	–
Total	**3,195,870,252**	**1,134,226,728**

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

The accompanying notes form an integral part of these financial statements

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

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

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

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

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Changes in Equity

(Amount in INR)

A. Equity share capital

	Number	Amount
Balance as at 01 April 2019	**6,008,692,515**	**6,008,692,515**
Changes in equity share capital during the year	**4,345,250**	**4,345,250**
Balance as at 31 March 2020	**6,013,037,765**	**6,013,037,765**
Balance as at 01 April 2020	**6,013,037,765**	**6,013,037,765**
Changes in equity share capital during the year	**4,810,000**	**4,810,000**
Balance as at 31 March 2021	**6,017,847,765**	**6,017,847,765**

B. Other equity

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2020	**2,607,654,192**	**455,222,577**	**14,060,738**	**(416,121,393)**	**2,660,816,114**
Profit for the year	–	–	–	402,290,043	402,290,043
Other comprehensive income for the year	–	–	–	4,107,871	4,107,871
Total comprehensive income for the period	**2,607,654,192**	**455,222,577**	**14,060,738**	**(9,723,479)**	**3,067,214,028**
Transfer to statutory reserve	–	80,458,009	–	(80,458,009)	–
Stock options exercised/ lapsed	–	–	7,156,402	–	7,156,402
Securities premium on shares issued during the year	3,144,500	–	–	–	3,144,500
Balance as at 31 March 2021	**2,610,798,692**	**535,680,586**	**21,217,140**	**(90,181,488)**	**3,077,514,930**

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2019	**2,605,431,042**	**377,067,230**	**24,206,111**	**(749,343,178)**	**2,257,361,205**
Profit for the year	–	–	–	390,776,735	390,776,735
Other comprehensive income for the year	–	–	–	7,337,092	7,337,092
Total comprehensive income for the period	**2,605,431,042**	**377,067,230**	**24,206,111**	**(351,229,351)**	**2,655,475,032**
Transfer to statutory reserve	–	78,155,347	–	(78,155,347)	–
Stock options exercised/ lapsed	–	–	(10,145,373)	–	(10,145,373)
Securities premium on shares issued during the year	2,223,150	–	–	–	2,223,150
Transfer from lease equalisation due to adoption of Ind AS 116	–	–	–	12,942,882	12,942,882
Others	–	–	–	320,423	320,423
Balance as at 31 March 2020	**2,607,654,192**	**455,222,577**	**14,060,738**	**(416,121,393)**	**2,660,816,114**

The accompanying notes form an integral part of these financial statements

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

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

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

Murad D. Daruwalla
Partner
Membership No: 043334

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Place: Mumbai
Date: 28 April 2021

(Amount in INR)

Summary of Significant Accounting Policies and Other Explanatory Information

NOTE 1 : Corporate information

Motilal Oswal Home Finance Limited (“MOHFL” or “the Company”) (formerly known as Aspire Home Finance Corporation Limited) was incorporated in India on 01 October 2013. The Company is registered with the National Housing Bank under section 29A of the National Housing Bank Act, 1987 with effect from 19 May 2014.

MOHFL is primarily engaged into providing loans for purchase or construction of residential houses.

NOTE 2: Basis of Preparation

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

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2021 based on the ‘Press Release’ issued by the Ministry of Company Affairs on 18 January 2016. Any application guidance/ clarifications/ directions issued by the NHB or 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) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOHFL’s functional and presentation currency.

(iv) Use of estimates and judgment

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

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

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Allowance for impairment of financial asset:** The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is ‘credit impaired’

(Amount in INR)

when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(c) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11 and note 29.

(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 39.

(g) **Determining whether an arrangement contains a lease:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

(h) **Effective interest rate:** The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

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

(Amount in INR)

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

(j) **De-recognition of Financial instruments:** The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred. This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

(v) Measurement of fair values:

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

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

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

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

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

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

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

NOTE 3: Summary of significant accounting policies

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

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

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

(Amount in INR)

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 FVTPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

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

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

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has

(Amount in INR)

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.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

(Amount in INR)

(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 is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Repossessed collateral

Repossessed collateral represents non-financial assets acquired by the Company in settlement of overdue loans. Any collateral obtained as a result of foreclosure is not recognized as a separate asset unless it is acquired by the Company in settlement of overdue loans.

3.3 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of goods

(Amount in INR)

and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Recognition of Interest income and other charges

(a) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(b) Other financial charges

Cheque bouncing charges, late payment charges, foreclosure charges and application money are recognised on a point-in-time basis and are recorded when realised since the probability of collecting such monies is established when the customer pays.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(Amount in INR)

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year calculated in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured

using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

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.

(Amount in INR)

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.7 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Transition to Ind AS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below

Assets	Estimated Useful life
Computers	3 Years
Furniture & Fixtures	10 Years
Motor car	8 Years
Office equipments	10 years

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.8 Intangible assets

(i) Recognition and measurement

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life of 5 years commencing from the month in which the asset is first put to use.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(Amount in INR)

3.9 Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefit

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and 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 benefits obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of Aspire Home Finance Corporation Limited and group companies as well, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(Amount in INR)

Grants provided by the holding company to the employees at deputation to the company are also accounted for in line with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to holding company.

3.10 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.11 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.12 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.13 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2020.

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 4: Cash and cash equivalents		
(i) Cash on hand	**18,107,858**	2,928,737
(ii) Balance with banks :		
In current account	**2,927,140,769**	1,131,297,991
	2,945,248,627	**1,134,226,728**

1. There are no earmarked balances with banks.
2. There are no balances with banks held as margin money or security against the borrowings, guarantees, other commitments.
3. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

	As at 31 March 2021	As at 31 March 2020
NOTE 5: Bank balances other than (4) above		
Deposits with maturity of less than 3 months	**250,621,625**	–
Deposits with maturity of more than 3 months but less than 12 months*	**240,041,096**	27,655,409
Deposits with maturity of more than 12 months **	**29,505,409**	–
	520,168,130	**27,655,409**

* Held as cash collateral for securitisation of receivables

** The above deposit is lien with State Bank of Mauritius, against term loan.

	As at 31 March 2021	As at 31 March 2020
NOTE 6 : Trade and other receivables		
Trade Receivables		
Considered good - unsecured	**49,653,854**	12,503,003
	49,653,854	**12,503,003**

1. There are no trade receivable which have significant increase in credit risk or which are credit impaired.
2. There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

	As at 31 March 2021	As at 31 March 2020
NOTE 7 : Loans - At amortised cost (Also, refer note 32)		
(A) Asset under management*	**35,302,439,549**	36,708,735,452
less : Impairment loss allowance	**706,029,425**	433,326,095
	34,596,410,124	36,275,409,357
* Comprises of housing loans and non-housing loans		
(B) (i) Secured by tangible assets	**35,302,439,549**	36,708,735,452
(ii) unsecured	**–**	–
Less : Impairment loss allowance	**706,029,425**	433,326,095
Total (B)	**34,596,410,124**	**36,275,409,357**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
C) (I) Loans in India		
(i) Public sector	**–**	–
(ii) Others	**35,302,439,549**	36,708,735,452
Less : Impairment loss allowance	**706,029,425**	433,326,095
Total (C) (I)	**34,596,410,124**	**36,275,409,357**
C) (II) Loans Outside India	**–**	–
Less : Impairment loss allowance	**–**	–
Total (C) (II)	**–**	**–**
Total (C) (I) and (C) (II)	**34,596,410,124**	**36,275,409,357**
Stage wise break up of loans,(net of provisions)		
(i) Low credit risk (Stage 1)	**32,092,607,583**	34,474,922,572
(ii) Significant increase in credit risk (Stage 2)	**1,976,072,464**	1,304,865,865
(iii) Credit impaired (Stage 3)	**527,730,077**	495,620,921
Total	**34,596,410,124**	**36,275,409,358**
Loan assets pledged as security for borrowings	**28,949,781,181**	31,102,518,077

	As at 31 March 2021	As at 31 March 2020
NOTE 8 : Investments		
(i) ‘Investments in Mutual Funds	**–**	–
	–	**–**

	As at 31 March 2021	As at 31 March 2020
NOTE 9 : Other Financial assets		
EMI /Pre EMI receivables on home loans	**146,506,443**	107,166,359
Other receivable from related parties	**159,294**	782,904
Security deposit	**11,941,498**	15,778,618
Loan to Employees	**9,024,613**	7,366,822
	167,631,848	**131,094,703**

	As at 31 March 2021	As at 31 March 2020
NOTE 10 : Current tax assets (Net)		
Advance income tax and TDS	**103,014,386**	84,595,678
	103,014,386	**84,595,678**

	As at 31 March 2021	As at 31 March 2020
NOTE 11: Deferred tax assets (Net)		
Deferred tax assets (net) (Refer note 29)	**473,288,290**	976,224,576
	473,288,290	**976,224,576**

(Amount in INR)

NOTE 12 : Property, Plant and Equipment

	Computers and data processing units	Furniture and fixtures	Electric installations	Office equipments	Motor car	Leasehold improvements	Right of use (Office premise)	Total
Reconciliation of carrying amount								
Cost or deemed cost (gross carrying amount)								
Balance as at 1 April 2019	82,209,656	39,558,482	19,829,859	33,181,459	2,337,137	71,654,473	–	248,771,066
Adjustment on transition to Ind AS 116	–	–	–	–	–	–	81,973,196	81,973,196
Additions	955,192	–	74,580	416,382	–	2,974,655	–	4,420,809
Disposals	–	48,934	–	–	–	47,920	7,648,387	7,745,241
Balance as at 31 March 2020	**83,164,848**	**39,509,548**	**19,904,439**	**33,597,841**	**2,337,137**	**74,581,208**	**74,324,809**	**327,419,830**
Additions	2,735,974	1,119,645	732,695	1,053,275	–	4,916,028	–	10,557,617
Disposals	–	–	–	–	–	–	16,307,519	16,307,519
Balance as at 31 March 2021	**85,900,822**	**40,629,193**	**20,637,134**	**34,651,116**	**2,337,137**	**79,497,236**	**58,017,290**	**321,669,928**
Accumulated depreciation and impairment losses								
Balance as at 1 April 2019	56,458,798	16,520,606	12,456,697	12,316,807	434,520	40,738,864	–	138,926,292
Depreciation for the year	10,687,008	2,495,097	3,417,546	2,485,000	260,165	12,335,437	26,339,615	58,019,868
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March 2020	**67,145,806**	**19,015,703**	**15,874,243**	**14,801,807**	**694,685**	**53,074,301**	**26,339,615**	**196,946,160**
Depreciation for the year	6,602,865	2,951,051	2,512,151	2,679,952	257,308	11,408,161	28,332,561	54,744,049
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March 2021	**73,748,671**	**21,966,754**	**18,386,394**	**17,481,759**	**951,993**	**64,482,462**	**54,672,176**	**251,690,209**
Carrying amounts (net)								
As at 31 March 2020	16,019,042	20,493,845	4,030,196	18,796,034	1,642,452	21,506,907	47,985,194	130,473,670
As at 31 March 2021	**12,152,151**	**18,662,439**	**2,250,740**	**17,169,357**	**1,385,144**	**15,014,774**	**3,345,114**	**69,979,720**

NOTE 13: Other Intangible assets

	Computer software
Reconciliation of carrying amount	
Cost or deemed cost	
Balance as at 1 April 2019	47,654,910
Additions – internally developed	6,793,765
Balance as at 31 March 2020	54,448,675
Other additions – internally developed	1,654,890
Balance as at 31 March 2021	**56,103,565**
Accumulated amortisation and impairment losses	
Balance as at 1 April 2019	15,608,491
Amortisation for the year	9,984,187
Balance as at 31 March 2020	25,592,678
Amortisation for the year	9,960,739
Balance as at 31 March 2021	**35,553,417**
Carrying amounts (net)	
As at 31 March 2020	28,855,997
As at 31 March 2021	**20,550,148**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 14 : Other non-financial assets		
Prepaid expenses	**2,371,960**	1,628,814
GST Credit receivable	**11,693,054**	37,892,147
Capital advances	**4,737,684**	4,994,497
Other advances	**11,066,650**	25,481,531
Service tax credit receivable	**–**	2,892,581
	29,869,348	**72,889,570**

	As at 31 March 2021	As at 31 March 2020
NOTE 15 : Trade payables		
total outstanding dues of Micro small & medium enterprises (Refer Note 55)	**–**	–
total outstanding dues of creditors other than Micro small & medium enterprises	**55,640,593**	5,488,659
	55,640,593	**5,488,659**

	As at 31 March 2021	As at 31 March 2020
NOTE 16: Debt Securities at Amortised cost		
Secured redeemable non-convertible debentures	**7,963,255,543**	12,443,659,409
Unsecured redeemable non-convertible debentures	**3,529,144,558**	2,640,979,274
	11,492,400,101	**15,084,638,683**
Debt Securities in India	**11,492,400,101**	15,084,638,683
Debt Securities Outside India	**–**	–

Security and other terms of Debt securities

1. Terms of repayment as below (Repayment schedule mentioned below excludes Unamortised borrowing cost):

As at 31 March 2021

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15 May 2023
SERIES A-5/ FY20/FY23	2,000	2,000,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24 March 2023
SERIES A-6 / F.Y.21/ F.Y.23	250	250,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22 June 2023
SERIES A-7 / F.Y.21/ F.Y.23	500	500,000,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	23 June 2023

(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-8 / F.Y.21/ F.Y.23	500	500,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29 June 2023
SERIES A-9 / F.Y.21/ F.Y.23	750	750,000,000	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	21 April 2023
SERIES A-10 /F.Y.21/F.Y.23	250	250,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.00%	28 January 2022
SERIES M-1/ FY19/FY22	46	47,757,099	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30 April 2021
SERIES M-2/ FY20/FY22	143	143,204,078	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16 November 2021
SERIES M-3/ FY20/FY22	280	282,670,905	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28 December 2021
SERIES M-6/ FY20/FY23	334	335,397,844	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18 May 2022
SERIES M-7/ FY20/FY23	383	384,481,068	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29 December 2022
SERIES M-8 /F.Y.21 /F.Y.22	1,000	1,002,361,172	Exclusive charge over specific receivables	1 times of the amount outstanding	8.90%	10 December 2021
SERIES M-9 /F.Y.21 /F.Y.24	541	542,621,457	Exclusive charge over specific receivables	1 times of the amount outstanding	8.50%	01 June 2023
Grand Total	**7,974**	**7,985,493,623**				

As at 31 March 2020

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-3/ FY19/FY25	250	250,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	19 October 2024
SERIES A-4/ FY19/FY25	3,000	3,000,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	10.00%	27 January 2024
SERIES A-1/ FY19/FY24	2,500	2,500,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	9.85%	24 August 2023
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15 May 2023
SERIES A-5/ FY20/FY23	2,000	2,000,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24 March 2023
SERIES M-7/ FY20/FY23	383	384,481,168	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29 December 2022

(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES M-6/ FY20/FY23	334	335,397,844	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18 May 2022
SERIES M-3/ FY20/FY22	280	282,670,905	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28 December 2021
SERIES M-2/ FY20/FY22	143	143,204,078	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16 November 2021
SERIES M-1/ FY19/FY22	1,000	1,019,479,696	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30 April 2021
SERIES M-5/FY20 /FY21	313	313,952,643	Exclusive charge over specific receivables	1 times of the amount outstanding	9.35%	26 November 2020
SERIES M-4/FY20 /FY21	808	809,976,569	Exclusive charge over specific receivables	1 times of the amount outstanding	9.50%	16 October 2020
SERIES A (2015-16)/3	450	450,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	10.75%	08 June 2020
Grand Total	**12,458**	**12,486,162,903**				

Unsecured Debt securities as at 31 March 2021

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/1	39,000,000	39	11.40%	28 April 2021
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-4/FY19/FY25	3,000,000,000	3,000	8.00%	27 January 2024
Total	**3,539,000,000**	**3,539**		

Unsecured Debt securities As at 31 March 2020

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-2/FY19/FY24	2,000,000,000	2,000	10.00%	28 September 2023
SERIES A (2016-17)/1	150,000,000	150	11.40%	28 April 2021
Total	**2,650,000,000**	**2,650**		

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 17: Borrowings at Amortised cost		
Secured		
Term loans from banks*	**12,825,623,195**	14,360,474,636
Term loans from Securitization	**1,841,147,118**	–
Term loans from NHB Refinance	**2,250,000,000**	–
Cash Credit from banks #	**115,300,629**	(5,315,642)
	17,032,070,942	**14,355,158,994**
* Out of the above, term loans amounting INR 7,433,928,571 (PY - INR 8,474,910,714) are also secured by Corporate guarantee from the Holding Company.		
# This represents debit balances in cash credit accounts as at 31 March 2020.		
Borrowings in India	**17,032,070,942**	14,355,158,994
Borrowings outside India	**–**	–

Security and other terms of loans are as follows :

a) Rate of interest of cash credit is 3M MCLR (Marginal cost of funds-based Lending Rate) + 1.50% and is secured by way of hypothecation of receivables. Further, these are repayable on demand.

b) 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.

c) Terms of repayment of terms loans

As at 31 March 2021

(i) Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
5.25 % to 10.95 % annually	4,961,968,761	6,387,768,634	2,431,978,616	1,293,907,182	15,075,623,193
Total	**4,961,968,761**	**6,387,768,634**	**2,431,978,616**	**1,293,907,182**	**15,075,623,193**

(ii) Terms of maturity of securitisation liability

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.55 % annually	29,741,315	149,887,210	165,387,577	1,496,131,016	1,841,147,118
Total	**29,741,315**	**149,887,210**	**165,387,577**	**1,496,131,016**	**1,841,147,118**

As at 31 March 2020

(i) Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.00 % to 12.00 % annually	3,332,499,556	6,250,039,244	3,958,698,689	819,237,147	14,360,474,636
Total	**3,332,499,556**	**6,250,039,244**	**3,958,698,689**	**819,237,147**	**14,360,474,636**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 18: Other Financial liabilities		
Interest accrued but not due on borrowings	**553,938,108**	447,051,362
Salary and bonus payable	**25,164,903**	30,008,408
Other liabilities	**259,142,377**	120,399,217
Lease liability	**18,450,288**	53,871,463
Book overdraft	**399,385,940**	42,692,665
	1,256,081,616	**694,023,115**

	As at 31 March 2021	As at 31 March 2020
NOTE 19: Provisions		
(a) Provision for employee benefits		
Gratuity (Refer note 39 B)	**7,817,489**	7,831,989
Other employee benefit	**371,253**	685,411
Compensated absences	**8,479,550**	11,218,008
(b) Provision for expenses	**13,701,552**	5,880,250
	30,369,844	**25,615,658**

	As at 31 March 2021	As at 31 March 2020
NOTE 20: Other non-financial liabilities		
Statutory Liabilities	**13,888,684**	35,149,703
	13,888,684	**35,149,703**

Particulars	**As at 31 March 2021**		As at 31 March 2020	
	Number	**Amount**	Number	Amount
NOTE 21: (I) Equity Share capital				
(a) Authorised Share Capital				
Equity shares of Re. 1/- each	**10,000,000,000**	**10,000,000,000**	10,000,000,000	10,000,000,000
(b) Equity shares of Re. 1/- each issued, subscribed and fully paid up				
Equity share capital of Re. 1/- each	**6,017,847,765**	**6,017,847,765**	6,013,037,765	6,013,037,765
	6,017,847,765	**6,017,847,765**	**6,013,037,765**	**6,013,037,765**

a) The Company has only one class of equity shares having a face value of Re. 1 each. Each holder of equity shares is entitled to one vote per share.

b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. However, there exists no preferential liability as at 31 March 2021.

(Amount in INR)

(c) Reconciliation of share capital :

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at the beginning of the year	**6,013,037,765**	**6,013,037,765**	6,008,692,515	6,008,692,515
Issued during the year	**4,810,000**	**4,810,000**	4,345,250	4,345,250
Outstanding at the end of the year	**6,017,847,765**	**6,017,847,765**	**6,013,037,765**	**6,013,037,765**

(d) Details of shares held by holding Company and subsidiaries of holding company / shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	% of holding	Number	% of holding
Motilal Oswal Financial Services Limited				
Equity share of Re. 1 each fully paid-up	**4,836,267,897**	**80.37%**	4,836,267,897	80.43%
Motilal Oswal Finvest Limited				
Equity share of Re. 1 each fully paid-up	**600,000,000**	**9.97%**	600,000,000	9.98%
	5,436,267,897	**90.34%**	**5,436,267,897**	**90.41%**

Also refer note 40 for disclosure relating to employee stock option scheme.

(e) The Company has not issued any shares for consideration other than cash nor there has been any buyback of shares during the five years immediately preceding 31 March 2021.

	As at 31 March 2021	As at 31 March 2020
NOTE 22: Other Equity		
(I) Other Reserves		
(a) Share option outstanding account		
Opening Balance	**14,060,738**	24,206,111
Add: Addition during the year/(Deletion)	**7,156,401**	(10,145,373)
Transfer of Share Premium on account of issue of shares	**–**	–
	21,217,139	**14,060,738**
(b) Statutory reserves		
Opening Balance		
Section 29C of The National Housing Bank Act, 1987	**149,441,138**	71,285,792
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**305,781,438**	305,781,438
Transfer during the year		
Section 29C of The National Housing Bank Act, 1987	**–**	78,155,347
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**80,458,009**	–
Closing Balance		
Section 29C of The National Housing Bank Act, 1987	**149,441,138**	149,441,138
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**386,239,447**	305,781,438
	535,680,585	455,222,576

(Amount in INR)

		As at 31 March 2021	As at 31 March 2020
(c)	**Securities Premium account**		
	Opening Balance	**2,607,654,192**	2,605,431,042
	Securities premium on shares issued during the year	**3,144,500**	2,223,150
		2,610,798,692	**2,607,654,192**
(II)	**Retained Earnings**		
(a)	**Surplus/ (Deficit) in profit or loss account**		
	Opening Balance	**(440,508,260)**	(766,392,954)
	(Loss) / Profit for the year	**402,290,043**	390,776,735
	Transfer to Statutory Reserve	**(80,458,009)**	(78,155,347)
	Transfer from Lease equalisation due to Ind AS 116	**-**	12,942,882
	Others	**-**	320,424
		(118,676,226)	**(440,508,260)**
(b)	**Other comprehensive income**		
	Opening Balance	**24,386,868**	17,049,776
	Other Comprehensive Income (net of tax)	**4,107,871**	7,337,092
		28,494,739	**24,386,868**
	Total Other Equity	**3,077,514,930**	**2,660,816,114**

Note: During the year, the Company has not drawn down any of the reserves.

22.1 Nature and purpose of Other Reserve

Share option outstanding account

Share option outstanding account is used to recognise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the Company.

Statutory Reserves

(a) Reserve u/s 29C of National Housing Bank Act, 1987:

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred.

(b) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961:

In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head “Profits and gains of business or profession” (before making any deduction under this clause) is carried to such reserve account.

Securities Premium

The security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Retained earnings

Retained earnings represents accumulated surplus/ deficit of the Company and remeasurement gains/ loss on defined benefit plan.

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 23: Revenue from operations		
(i) Interest Income on Loan at amortised cost	**5,280,906,955**	5,634,718,108
(ii) Interest Income on Fixed Deposit at amortised cost	**12,963,100**	1,967,949
(iii) Net gains on fair value changes on financial instruments at FVTPL	**39,833,638**	20,197,828
(iv) Fees and commission income	**58,215,208**	73,155,505
TOTAL	**5,391,918,901**	**5,730,039,390**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 24: Other income		
Other non operating income	**63,300,182**	34,361,570
TOTAL	**63,300,182**	**34,361,570**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 25: Finance cost		
(i) Interest cost	**2,794,627,653**	3,312,526,877
(ii) Interest cost on lease liability	**7,334,620**	8,068,263
(iii) Interest cost on securitization	**388,219**	–
(iv) Other borrowing cost	**86,627,119**	111,968,597
TOTAL	**2,888,977,611**	**3,432,563,737**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 26: Employee benefits expenses		
(i) Salary, Bonus and Allowances	**539,256,769**	595,598,974
(ii) Share based payments	**4,284,867**	(11,885,096)
(iii) Contribution to provident & other funds (Refer note 39 A)	**27,041,896**	30,050,422
(iv) Staff welfare expenses	**344,360**	3,391,872
(v) Gratuity obligation (Refer note 39 B)	**5,629,334**	9,421,642
TOTAL	**576,557,226**	**626,577,814**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 27: Impairment on financial instruments		
(i) Impairment on loans (Loans measured at amortised cost)	**272,703,331**	(1,316,754,986)
(ii) Loss on derecognition of loan assets*	**530,792,626**	2,083,223,462
TOTAL	**803,495,957**	**766,468,476**

* This majorly includes loss on sale of assets to an asset reconstruction company. Also, refer note 32 for additional details.

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 28: Other Expenses		
(i) Rates & Taxes	**13,960,887**	23,174,866
(ii) Rent	**26,896,190**	48,411,528
(iii) Insurance	**6,206,620**	7,926,996
(iv) Computer Maintenance & Software Charges	**3,247,160**	4,195,679
(v) Legal & Professional Charges	**48,627,030**	36,506,055
(vi) Remuneration to auditors (Refer note 33)	**4,134,394**	3,710,400
(vii) Data processing charges	**9,221,823**	10,763,604
(viii) Marketing & brand promotion expenses	**5,113,723**	314,761
(ix) Advertisement expenses	**8,800,352**	11,609,617
(x) Printing & Stationary	**1,898,775**	3,343,099
(xi) Power and fuel	**6,039,802**	10,422,190
(xii) Communication and data charges	**14,788,484**	9,814,255
(xiii) Travelling, lodging and boarding expenses	**17,757,503**	31,253,536
(xiv) Business Support Service	**21,876,250**	22,500,000
(xv) Repair and Maintenance	**818,607**	1,276,912
(xvi) Miscellaneous expenses	**27,625,145**	36,395,368
TOTAL	**217,012,745**	**261,618,866**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 29: Income Tax Expense		
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	**–**	–
Changes in estimates related to prior years (b)	**626,160**	–
Deferred tax (c)		
Origination and reversal of temporary differences	**501,554,552**	218,391,279
Tax expense of continuing operations (a)+(b)+(c)	**502,180,712**	**218,391,279**
B. Amount recognised in other comprehensive income		
Remeasurements of defined benefit liability	**(1,381,734)**	(3,941,026)
	(1,381,734)	(3,941,026)
C. Reconciliation of effective tax		
Profit/(Loss) before tax	**904,470,755**	609,168,014
Tax at the rate of 25.168% (P.Y. 34.944%)	**227,655,289**	212,867,671
Effect of:		
Prior Period tax liability on assessment	**626,160**	–
Loss due to restatement for the year*	**273,110,446**	–
Recognition of tax on unamortised borrowings	**–**	5,166,037
Miscellaneous disallowance	**162,656**	357,571
Effective tax	**501,554,551**	**218,391,279**
Effective Tax Rate	**55.45%**	35.85%
Effective Tax Rate (excluding loss due to restatement & prior period tax)	**25.19%**	35.85%
* 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'. Accordingly, the Company has recognised provision for Income Tax for the year ended 31 March 2021 and re-measured its Deferred tax assets/ liability basis the rate prescribed in the aforesaid section. Accordingly, an amount of INR 273,110,446 for the year ended 31 March 2021, is attributable to the effect of revising the annual effective income tax rate.		
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	**15,765,231**	18,941,491
Other Employee Benefits	**(1,243,393)**	1,013,711
Unamortized borrowing cost	**(4,287,058)**	(14,640,674)
Deposit and rent Equalization	**5,850,749**	8,123,354
Provision for compensated absence	**2,134,133**	3,920,021
Provision for Loan assets	**177,813,471**	151,584,774
Reserve created u/s 36(1)(viii)	**(20,249,672)**	577,114
Business loss	**282,901,425**	759,576,588
Unamortized upfront income and expenses	**14,603,405**	47,128,197
	473,288,290	**976,224,576**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 30: Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on post retirement benefit plans	**5,489,605**	11,278,118
Deferred tax impact on the above	**(1,381,734)**	(3,941,026)
Total other comprehensive income, net of tax	**4,107,871**	**7,337,092**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 31: Earnings per share		
Basic earnings per share		
Profit attributable to equity shareholders (Rupees) [A]	**402,290,043**	390,776,735
Nominal value per share (in Rupees)	**1**	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1)	**6,015,429,079**	6,010,857,762
Basic earnings per share [A] / [B] (Rupees)	**0.07**	0.07
Diluted earnings per share		
(Loss)/Profit attributable to equity shareholders (Rupees)	**402,290,043**	390,776,735
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]	**402,290,043**	390,776,735
Weighted average number of equity shares used in computing basic earnings per share	**6,015,429,079**	6,010,857,762
Effect of potential equity shares for stock options outstanding	**(18,177,223)**	21,637,854
Weighted number of equity shares used in computing diluted earnings per share [B]	**5,997,251,856**	6,032,495,616
Diluted earnings per share (Rupees) [A] / [B]	**0.07**	0.06

NOTE 32: Loans and ECL movement

1 Loan book movement - during the year ended 31 March 2021

Particulars	Total
Opening	**36,708,735,452**
Origination of new loans	2,726,564,993
Derecognition of loans*	(1,135,541,486)
Repayments received during the year	(2,997,319,411)
Closing	**35,302,439,548**

*Derecognition of loan includes loan assets sold to an asset reconstruction company (ARC):

During the current year, the Company has sold in three tranches a pool of certain non performing loan assets aggregating to INR 1,135,541,486 to an Asset Reconstruction Company vide separate agreements dated 29 September 2020, 29 December 2020 and 1 March 2021 respectively. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on “no-recourse” basis and on true

(Amount in INR)

sale basis. This has resulted in reversal of ECL amounting to INR 272,529,957, which represents the amount of ECL allowance created on such loans.

2 Loan book movement - during the year ended 31 March 2020

Particulars	Total
Opening	**43,881,081,889**
Origination of new loan	1,921,787,505
Derecognition of loans**	(4,211,635,532)
Repayments received during the year	(4,882,498,410)
Closing	**36,708,735,452**

**Derecognition of loan includes loan assets sold to an asset reconstruction company (ARC):

During the current year, the Company has sold in two tranches a pool of certain non performing loan assets aggregating to INR 4,211,635,532 to an Asset Reconstruction Company vide separate agreements dated 30 September 2019 and 26 March 2020. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true sale basis. This has resulted in reversal of ECL amounting to INR 953,157,809, which represents the amount of ECL allowance created on such loans.

Break - up of loans under

Particulars	As at 31 March 2021	As at 31 March 2020
Low credit risk (Stage 1)	**32,329,372,990**	34,591,386,719
Significant increase in credit risk (Stage 2)	**2,203,864,747**	1,456,662,672
Credit impaired (Stage 3)	**769,201,812**	660,686,061
Closing	**35,302,439,549**	**36,708,735,452**

ECL movement

Particulars	As at 31 March 2021	As at 31 March 2020
Opening	**433,326,094**	**1,750,081,082**
ECL impact due to sale of loans to ARC	(272,529,957)	(953,157,809)
Movement during the year*	545,233,287	(363,597,179)
Closing	**706,029,424**	**433,326,094**

* This is combination of addition for slippage, additional allowance for Covid-19 pandemic impact and improvisation in Probability of Default post sale to Asset Reconstruction Company of non performing loan assets.

Break - up of ECL

Particulars	As at 31 March 2021	As at 31 March 2020
Low credit risk (Stage1)	**236,765,407**	116,464,148
Significant increase in credit risk (Stage2)	**227,792,283**	151,796,807
Credit impaired (Stage3)	**241,471,735**	165,065,139
Closing	**706,029,425**	**433,326,094**

(Amount in INR)

Note:

a) The above ECL calculation is inclusive of impairment calculated on overdue principal and interest.

b) For the year ended 31 March 2021, the Company made an expected credit loss (ECL) provision on stage 1 and 2 assets of INR 196,296,735, taking the overall ECL provision on stage 1 and 2 assets to INR 464,557,690 as of 31 March 2021. The ECL provision on stage 1 and 2 assets as a percentage of underlying assets stands at 1.32% as of 31 March 2021 (0.74% as of 31 March 2020). The Company's provision coverage ratio including standard assets for the year ended 31 March 2021, keeping stage 3 assets as base, stands at 92.14% (65.66% as of 31 March 2020).

c) Non performing asset % (NPA %) are given as below

Ratios	**As at 31 March 2021**	As at 31 March 2020
Gross non performing asset ratio (GNPA %)	**2.18%**	1.81%
Net non performing asset ratio (NNPA %)	**1.49%**	1.36%

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 33: Remuneration to auditors		
Payment to Auditor		
Statutory audit	**2,050,000**	1,950,000
Limited review of quarterly results	**1,360,000**	1,200,000
For certification work	**370,000**	240,000
As Auditor	**3,780,000**	**3,390,000**
Reimbursement of expenses	**107,074**	88,886
GST	**247,320**	231,514
Total*	**4,134,394**	**3,710,400**

*Amount includes Goods and service tax for which Input credit has been disallowed

NOTE 34: Corporate Social Responsibility

1. During the year, Company has spent Nil amount (previous year ₹ 0/-) on CSR activities, considering the average profit for last three financial years is negative.
2. Details of CSR spent during the Financial Year:
   (a) Total amount to be spent for the Financial Year: Nil
   (b) Amount unspent, if any: NA

(Amount in INR)

(c) Manner in which the amount spent during the Financial Year is detailed below:

For the year ended 31 March 2021						
CSR Project or Activity identified	Sector in which the project is covered (As in Schedule VII)	Address	Amount Outlay (Budget) or Project or program wise	Amount spent on the project or program Subheads:	Cumulative Expenditure upto the reporting period	Amount spent: directly or through implementing agency
NA	NA	NA	NA	NA	NA	NA
For the year ended 31 March 2020						
CSR Project or Activity identified	Sector in which the project is covered (As in Schedule VII)	Address	Amount Outlay (Budget) or Project or program wise	Amount spent on the project or program Subheads:	Cumulative Expenditure upto the reporting period	Amount spent: directly or through implementing agency
NA	NA	NA	NA	NA	NA	NA

	As at 31 March 2021	As at 31 March 2020
NOTE 35: Contingent liabilities and commitments		
(a) Claims against the company not acknowledge as debt		
Income tax matter	**5,802**	5,802
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for	**–**	46,000
(c) Undrawn committed sanctions to borrowers	**394,608,970**	671,788,930
	394,614,772	671,840,732

(d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the books of account.

NOTE 36: 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 for the year ended 31 March 2021

Particulars	Amount
Balance as at 1 April 2020	**47,985,194**
Movement during the year	(16,307,519)
Depreciation on Right-Of-Use (ROU) assets	(28,332,561)
Balance as at 31 March 2021	**3,345,114**

(B) Lease liabilities for the year ended 31 March 2021

Particulars	Amount
Balance as at 1 April 2020	**53,871,463**
Adjustment on transition to Ind AS 116	
Movement during the year	(16,307,519)
Add: Interest cost accrued during the period	7,334,620
Less: Payment of lease liabilities	(26,448,276)
Balance as at 31 March 2021	**18,450,288**

(Amount in INR)

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2021

	As at 31 March 2021	As at 31 March 2020
Less than three months	**1,956,953**	7,007,616
Three to twelve months	**13,949,495**	18,760,415
One to five years	**2,543,840**	27,438,614
More than five years	**–**	664,818
Total	**18,450,288**	**53,871,463**

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2021

Particulars	**Amount**
Interest cost on lease liabilities	7,334,620
Depreciation on right of use assets	28,332,561
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	26,896,190

(E) Amount recognised in statement of cash flows for the year ended 31 March 2021

Particulars	**Amount**
Cash payments for the principal & interest portion of the lease liability within financing activities	(26,448,276)
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.	26,896,190

NOTE 37: Credit Rating

For the year under review, following Credit Ratings have been assigned to various borrowing programs of the Company by "ICRA", " CRISIL" and "India Ratings" :

	As at 31 March 2021			**As at 31 March 2020**	
Nature of borrowing	**Rating / Outlook**			**Rating / Outlook**	
	ICRA	**CRISIL**	**India Ratings**	**ICRA**	**CRISIL**
Short Term Commercial paper	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+
Long Term Non-Convertible Debentures	ICRA]A+ (Stable)	CRISIL AA-/ Stable	–	ICRA]A+ (Stable)	CRISIL AA-/ Stable
Market linked Debentures	PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/Stable		PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/Stable
Bank Borrowings	–	CRISIL AA-/ Stable	–	ICRA]A+ (Stable)	CRISIL AA-/ Stable

Notes:

1. ICRA has reaffirmed its '[ICRA]A+ (Stable)/ PP-MLD ICRA A+/Stable/ICRA A1+' rating on the debt instruments and withdrawn rating for bank loan facilities of the Company.
2. CRISIL has reaffirmed its 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+' rating on the debt instruments and bank loan facilities of the Company.
3. India Ratings and Research (Ind-Ra) has assigned a Short-Term Issuer Rating of 'IND A1+' to the company.

(Amount in INR)

NOTE 38: Estimation of uncertainties relating to the global health pandemic from COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India. On 11 March 2020 last year, the COVID-19 outbreaks was declared as a global pandemic by the World Health Organisation. Governments and companies including Motilal Oswal Home Finance Limited have introduced & continued a variety of measures to contain the spread of the virus.

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 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real 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.

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. The Company has Board approved policy dated 29 October 2020 for implementation of resolution plan.

Further, in accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and subsequent guidelines dated 17 April 2020 and 23 May 2020 and Board approved policy dated 31 March 2020 and 23 May 2020, the Company granted a moratorium of six months on payments of instalments and/ or interest falling due between 1 March 2020 and 31 August 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

The current second wave of Covid-19 pandemic have resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19 , the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables.

The Company has recognised provisions as on 31 March 2021 towards its loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 39: Disclosure pursuant to Ind AS 19 - Employee Benefits

A) Defined contribution plan :

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited), incurs expenditure like common senior management compensation cost, advertisement cost, rent expenditure, etc. which is for the common benefit of itself and certain fellow subsidiary companies. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads include reimbursements paid based on the management's best estimate.

Particulars	As at 31 March 2021	As at 31 March 2020
Employer's contribution to provident fund	**22,086,839**	24,067,098
Employer's contribution to ESIC	**4,757,057**	5,704,312
Employer's contribution to National Pension Scheme	**198,000**	279,012
Total	**27,041,896**	**30,050,422**

(Amount in INR)

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 2021	As at 31 March 2020
Interest / Discount Rate	**3.93%**	4.80%
Rate of increase in compensation	**7.08%**	10.24%
Employee attrition rate (Past Service) (PS)	**PS: 0 to 40 : 74.90%**	PS: 0 to 40 : 55.44%
Expected average remaining service	**0.33**	0.8

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	**7,831,989**	10,613,678
Current service cost	**5,578,715**	9,070,656
Past service cost	**(251,931)**	(347,354)
Interest cost	**302,550**	698,340
Benefit paid	**(154,229)**	(925,213)
Curtailment cost		–
Settlement cost		–
Net actuarial gain or loss recognized in the year	**(5,489,605)**	(11,278,118)
Present value of obligation at the end of the year	**7,817,489**	**7,831,989**

Fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	**7,831,989**	10,613,678
Actual return on plan assets	**–**	–
Contributions	**154,229**	925,213
Benefit paid	**(154,229)**	(925,213)
Fair value of plan assets at end of period	**–**	–
Funded status (including unrecognized past service cost)	**(7,817,489)**	(7,831,989)
Excess of actual over estimated return of plan assets	**–**	**–**

Experience history

Particulars	As at 31 March 2021	As at 31 March 2020
(Gain)/loss on obligation due to change in assumption	**(2,152,715)**	(4,720,311)
Experience (gain)/loss on obligation	**(3,336,890)**	(6,557,807)
Actuarial gain/(loss) on plan assets	**(5,489,605)**	**(11,278,118)**

(Amount in INR)

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	7,817,489	7,831,989
Fair value of plan assets at end of period		
Funded status	(7,817,489)	(7,831,989)
Unrecognized actuarial gain/(loss)	–	–
Unrecognized past service cost - non vested benefits	–	–
Net assets/(liability) recognized in balance sheet	**(7,817,489)**	**(7,831,989)**

Changes in the present value of the defined benefit obligation are as follows

Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	5,578,715	9,070,656
Interest cost	302,550	698,340
Past service cost (non vested benefits)	(251,931)	(347,354)
Past service cost (vested benefits)		
Unrecognized past service cost - non vested benefits	–	–
Expected return on plan assets	–	–
Net actuarial gain/ (loss) recognized for the period	–	–
Expense recognized in the statement of profit and loss account	**5,629,334**	**9,421,642**

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Opening net liability	7,831,989	10,613,678
Expenses as above	5,881,265	9,768,996
Transfer in liability	77,396	721,824
Transfer Out liability	(329,327)	(1,069,178)
Expenses recognized	5,629,334	9,421,642
Employer's contributions	(154,229)	(925,213)
Other Comprehensive Income(OCI)	(5,489,605)	(11,278,118)
Closing net liability	7,817,489	7,831,989
Closing provisions at the end of the year	**7,817,489**	**7,831,989**

(Amount in INR)

Defined benefit plans

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	**7,817,489**	7,831,989
Plan assets	**(7,817,489)**	(7,831,989)
Experience adjustments :		
On plan liabilities	**–**	–
On plan assets	**–**	–

Sensitivity analysis

Particulars	DR: Discount Rate		ER Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER - 1%	PVO ER - 1%
Present value of obligation (PVO)	7,737,136	7,900,072	7,860,186	7,775,175

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	5,010,192	1,851,357	867,900	307,284	87,415	31,553

Asset Liability Comparisons

Year	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021
PVO at the end of period	12,758,761	15,095,907	10,613,678	7,831,989	**7,817,489**
Plan Assets	–	–	–	–	**–**
Surplus / (Deficit)	(12,758,761)	(15,095,907)	(10,613,678)	(7,831,989)	**(7,817,489)**
Experience adjustments on plan assets	–	–	–	–	**–**

NOTE 40: Disclosure relating to Employee stock option scheme

The Company has following stock option schemes:

Aspire Home Finance Corporation Limited -Employees' Stock Option Scheme 2014 - (ESOS - 2014)

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in three tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016)

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in five tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 10,000,000 options representing 10,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in two tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017 H Co.) (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 30,000,000 options representing 30,000,000 Equity shares of Re. 1 each.

(Amount in INR)

The activity in the (ESOS 2014), (ESOS 2016) , (ESOS 2017) and (ESOS 2017 H Co.) during the year ended 31 March 2021 and 31 March 2020 is set below:

Equity Shares	As at 31 March 2021 (in numbers)	Weighted Average Exercise price	As at 31 March 2020 (in numbers)	Weighted Average Exercise price
The AHFCL (ESOS 2014): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**17,145,000**	**2.92**	3,990,000	1.00
Add: Granted	**–**	**NA**	17,725,000	3.00
Less: Exercised	**–**	**NA**	640,000	1.00
Less: Lapsed	**7,160,000**	**2.97**	3,930,000	1.66
Options outstanding at the end of the year	**9,985,000**	**2.88**	17,145,000	2.92
Exercisable at the end of the year	**1,538,500**	**2.22**	720,000	1.00
The AHFCL (ESOS 2016) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**17,715,000**	**2.82**	42,800,000	2.39
Add: Granted	**33,250,000**	**3.50**	10,930,000	3.50
Less: Exercised	**797,500**	**1.66**	640,000	1.60
Less: Lapsed	**11,780,000**	**3.31**	35,375,000	2.53
Options outstanding at the end of the year	**38,387,500**	**3.28**	17,715,000	2.82
Exercisable at the end of the year	**2,129,500**	**1.65**	1,360,000	1.60
The AHFCL (ESOS 2017) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**2,304,500**	**2.83**	4,578,500	2.56
Add: Granted	**700,000**	**3.50**	–	–
Less: Exercised	**171,000**	**2.83**	80,500	1.60
Less: Lapsed	**921,750**	**2.93**	2,193,500	2.32
Options outstanding at the end of the year	**1,911,750**	**3.03**	2,304,500	2.83
Exercisable at the end of the year	**182,225**	**3.38**	158,000	3.39
The AHFCL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**15,594,500**	**1.60**	21,413,500	1.60
Add: Granted	**–**	**–**	–	–
Less: Exercised	**3,841,500**	**1.60**	2,984,750	1.60
Less: Lapsed	**1,151,000**	**1.60**	2,834,250	1.60
Options outstanding at the end of the year	**10,602,000**	**1.60**	15,594,500	1.60
Exercisable at the end of the year	**2,262,218**	**1.60**	588,000	1.60

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.
Date of grant	Various dates	Various dates	Various dates	Various dates
Date of board approval	11 September 2014	29 April 2016	25 April 2017	25 April 2017
Date of shareholders' approval	16 October 2014	07 July 2016	25 May 2017	25 May 2017
Number of options granted	46,925,000	107,030,000	9,135,000	29,390,000
Method of settlement	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
Vesting pattern	30:30:40	10:20:30:40	10:20:30:40	10:17:25:33:15

(Amount in INR)

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.
Weighted average remaining contractual life				
Granted but not vested	2.23 year (PY 3.01)	4.99 years (PY 2.71)	2.32 years (PY 2.12)	0.88 years (PY 1.39)
Vested but not exercised	0.003 year (PY 0.15)	0.21 Years (PY 0.27)	0.10 Years (PY NIL)	NIL (PY 0.03)
Weighted average share price at the date of exercise for stock options exercised during the year	CY ₹ 3.42 (PY ₹ 3.00)	CY ₹ 3.42 (PY ₹ 3.50)	CY ₹ 3.42 (PY ₹ 3.50)	CY ₹ 3.42 (PY ₹ 3.50)
Exercise period	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.		
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	Re. 0.72	Re. 1.32	Re. 0.86	Re. 0.75

Note: The vesting period of the Grant I & II of AHFCL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

Exercise pricing formula

The exercise pricing formula for AHFCL ESOS 2014, AHFCL ESOS 2016, AHFCL ESOS 2017 and AHFCL ESOS 2017 H Co. are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company, which would be prepared by the management from time to time having regard to the future potential and prospects of the Company. The said committee shall in its absolute discretion, have the authority to grant the options at such discount as it may deem fit.

(Amount in INR)

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 and ESOS 2017 H Co., as on the date of grant are as follow :

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.
Risk-free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%
Expected volatility of share price*	40%	40%	40%	40%

*Expected volatility has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

NOTE 41: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	**2,945,248,627**	**–**	**2,945,248,627**	1,134,226,728	–	1,134,226,728
Bank balance other than cash and cash equivalents above	**490,662,721**	**29,505,409**	**520,168,130**	27,655,409	–	27,655,409
Receivables						
Trade receivables	**49,653,854**	**–**	**49,653,854**	12,503,003	–	12,503,003
Loans*	**1,058,838,008**	**34,063,513,499**	**35,122,351,507**	1,083,341,189	35,523,784,734	36,607,125,923
Investments	**–**	**–**	**–**	–	–	–
Other financial assets	**167,631,848**	**–**	**167,631,848**	115,551,085	15,543,618	131,094,703
Total Financial Assets (A)	**4,712,035,058**	**34,093,018,908**	**38,805,053,966**	**2,373,277,414**	**35,539,328,352**	**37,912,605,766**
Non-financial assets						
Current tax assets (Net)	**–**	**103,014,386**	**103,014,386**	–	84,595,677	84,595,677
Deferred tax assets (Net)	**–**	**473,288,290**	**473,288,290**	–	976,224,576	976,224,576
Property, plant and equipment	**–**	**69,979,720**	**69,979,720**	–	130,473,670	130,473,670
Other intangible assets	**–**	**20,550,148**	**20,550,148**	–	28,855,997	28,855,997
Other non-financial assets	**29,869,348**	**–**	**29,869,348**	72,889,570	–	72,889,570
Total Non-Financial Assets (B)	**29,869,348**	**666,832,544**	**696,701,892**	**72,889,570**	**1,220,149,920**	**1,293,039,490**
Total assets (C) = (A) + (B)	**4,741,904,406**	**34,759,851,452**	**39,501,755,858**	**2,446,166,984**	**36,759,478,272**	**39,205,645,256**

(Amount in INR)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	**-**	**-**	**-**	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	**55,640,593**	**-**	**55,640,593**	5,488,659	-	5,488,659
Debt securities**	**1,764,993,254**	**9,759,500,369**	**11,524,493,623**	1,573,929,212	13,562,233,691	15,136,162,903
Borrowings (Other than debt securities)**	**5,122,559,720**	**11,956,752,767**	**17,079,312,487**	3,338,566,649	11,065,643,057	14,404,209,706
Other financial liabilities	**1,145,181,293**	**110,900,324**	**1,256,081,616**	478,300,719	173,029,731	651,330,450
Total Financial Liabilities (A)	**8,088,374,859**	**21,827,153,460**	**29,915,528,319**	**5,396,285,239**	**24,800,906,479**	**30,197,191,718**
Non-financial Liabilities						
Provisions	**30,369,844**	**-**	**30,369,844**	25,615,658	-	25,615,658
Other non-financial liabilities	**13,888,684**	**-**	**13,888,684**	35,149,703	-	35,149,703
Total Non-Financial Liabilities (B)	**44,258,528**	**-**	**44,258,528**	**60,765,361**	**-**	**60,765,361**
Total liabilities (C) = (A)+(B)	**8,132,633,387**	**21,827,153,460**	**29,959,786,847**	**5,457,050,600**	**24,800,906,479**	**30,257,957,079**

* The above loan balance is exclusive of unamortised upfront loan fees and interest accrued thereon.

** The above borrowings and debt securities are shown at unamortised cost.

NOTE 42: 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 2021 and 31 March 2020.

NOTE 43: Related parties

(A) Names of related parties

Passionate Investment Management Private Limited - Ultimate holding Company
Motilal Oswal Financial Services Limited - Holding Company
Motilal Oswal Investment Advisors Limited - Fellow Subsidiary Company
Motilal Oswal Wealth Management Limited - Fellow Subsidiary Company
Motilal Oswal Finvest Limited - Fellow Subsidiary Company

(B) Key managerial personnel

Motilal Oswal - Chairman & Non Executive Director
Raamdeo Agrawal - Non Executive Director
Navin Agarwal - Non Executive Director
Sanjaya Kulkarni - Independent Director
Smita Gune - Independent Director (upto 16 April 2020)

(Amount in INR)

Rekha Shah	-	Independent Director (upto 01 Oct 2020)
Arvind Hali	-	Managing Director & Chief Executive Officer (from 04 Oct 2020)
Vijay Kumar Goel	-	Chief Executive Officer (upto 25 Sept 2020)
Shalibhadra Shah	-	Chief Financial Officer
Divya Momaya	-	Independent Director (from 25 Sept 2020)
Ritin Mawani	-	Company Secretary (from 27 April 2020)
Vivek Kannan	-	Chief Business Officer (upto 30 June 2020)

(C) Transactions with related parties are as enumerated below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Reimbursement of expenses by the Company		
Motilal Oswal Financial Services Limited		
- Sundry expenses	**531,522**	2,667,938
- Rent	**16,916,316**	34,916,316
- Electricity expense	**845,062**	2,407,544
Share based payment cost incurred by the Company on behalf of		
Motilal Oswal Financial Services Limited	**–**	(405,386)
Share based payment cost incurred by Holding Company		
Motilal Oswal Financial Services Limited	**2,539,547**	1,074,081
Motilal Oswal Finvest Limited	**48,447**	–
Loan Received		
Motilal Oswal Financial Services Limited	**728,000,000**	10,830,000,000
Loan repaid		
Motilal Oswal Financial Services Limited	**728,000,000**	10,830,000,000
Loan Given		
Motilal Oswal Financial Services Limited	**13,580,000,000**	–
Motilal Oswal Finvest Limited	**4,860,000,000**	–
Loan repayment received		
Motilal Oswal Financial Services Limited	**13,580,000,000**	–
Motilal Oswal Finvest Limited	**4,860,000,000**	–
Interest paid		
Motilal Oswal Financial Services Limited	**939,207**	20,962,467
Motilal Oswal Finvest Limited	**–**	–
Interest Income		
Motilal Oswal Financial Services Limited	**83,043,287**	–
Motilal Oswal Finvest Limited	**38,155,890**	–
Payment towards collections from derecognised loan assets		
Motilal Oswal Finvest Limited	**566,630,938**	266,192,454
Arranger fees paid		
Motilal Oswal Wealth Management Limited	**2,266,110**	5,139,538

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Business Support Charges paid		
Motilal Oswal Financial Services Limited	**21,876,250**	22,500,000
Rent Income		
Motilal Oswal Financial Services Limited	**1,147,132**	–
Referral Fees		
Motilal Oswal Financial Services Limited	**39,240,000**	–
Commission on Bank Guarantee		
Motilal Oswal Financial Services Limited	**20,085,367**	19,258,096
Remuneration paid including accrual for compensated absences * (including Director sitting fees)		
Mr. Arvind Hali	**7,360,475**	–
Mr. Sanjay Athalye	**–**	4,457,895
Mr. Sanjaya Kulkarni**	**310,000**	70,000
Mrs. Smita Gune**	**–**	180,000
Mrs. Rekha Shah**	**160,000**	180,000
Mrs. Divya Momaya**	**140,000**	–
Mr. Gautam Bhagat**	**–**	20,000
Mr. Vivek Kannan	**2,601,185**	9,249,876

*The above figures do not include provision for gratuity since it is actuarially determined for the Company as a whole.

** Director sitting fees.

Particulars	As at 31 March 2021	As at 31 March 2020
Subscription of equity shares (under ESOP scheme) including premium		
Mr. Shalibhadra Shah	**50,000**	60,000
Balance payable		
Motilal Oswal Finvest Limited	**54,317,289**	50,621,960
Motilal Oswal Financial Services Limited	**750,289**	9,482,848
Motilal Oswal Wealth Management Limited	**–**	609,749
Balance Receivable		
Motilal Oswal Finvest Limited	**9,505,271**	–
Motilal Oswal Financial Services Limited	**62,645,180**	782,905
Corporate guarantee received (to the extent of outstanding amount)		
Motilal Oswal Financial Services Limited	**7,433,928,571**	8,474,910,714
Key Management personnel compensation		
Short term employee benefit	**9,961,660**	13,707,771
Share based payments	**–**	1,368,758

NOTE 44: 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.

(Amount in INR)

NOTE 45: Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	2,945,248,627	–	–	1,134,226,728
Bank balance other than cash and cash equivalents above	–	–	520,168,130	–	–	27,655,409
Trade receivables	–	–	49,653,854	–	–	12,503,003
Loans	–	–	34,596,410,124		–	36,275,409,358
Investments	–	–	–	–	–	–
Other financial assets	–	–	167,631,848	–	–	131,094,703
Total financial assets	**–**	**–**	**38,279,112,583**	**–**	**–**	**37,580,889,201**
Financial liabilities						
total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	55,640,593	–	–	5,488,659
Debt securities	–	–	11,492,400,101	–	–	15,084,638,683
Borrowings (Other than debt securities)	–	–	17,032,070,942	–	–	14,397,851,659
Other financial liabilities	–	–	1,256,081,616	–	–	651,330,450
Total financial liabilities	**–**	**–**	**29,836,193,252**	**–**	**–**	**30,139,309,451**

As at 31 March 2021				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	–	–	–	–
Total financial assets	**–**	**–**	**–**	**–**

As at 31 March 2020				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	–	–	–	–
Total financial assets	**–**	**–**	**–**	**–**

Fair value of financial assets and liabilities measured at amortised cost

The fair values for security deposits is calculated based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(Amount in INR)

NOTE 46: Financial risk management

The Company is exposed primarily to market risk, liquidity risk and credit risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company. The Company's principal financial liabilities comprises of Bank Borrowings and Non Convertible debentures. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents and other receivables from customers that derive directly from its operations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, loans, bank balance, trade and other receivables, Investments and other financial assets	• measured as the amount that could be lost if a customer or counterparty fails to make repayments; • monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and • managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
Liquidity risk	Debt securities, Borrowings (other than debts), trade and other payable and other financial liabilities.	• measured using a range of metrics, including liquidity coverage ratio and net stable funding ratio; • monitored against the Company's liquidity and funding risk framework.
Market risk	Long term borrowings at variable rate and loans	• measured using sensitivities, value at risk and stress testing, giving a detailed picture of potential gains and losses for a range of market movements and scenarios, as well as tail risks over specified time horizons; • managed using risk limits approved by the RMM and the risk management meeting in various global businesses.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee(IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR) based on Market Scenarios such as borrowing costs of the company, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

(Amount in INR)

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Company also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Company to assess the potential financial impact of losses arising from plausible adverse scenarios on the Company's loan portfolio.

Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days*

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

a. In short-term forbearance

b. Direct debit cancellation

c. Extension to the terms granted*

d. Previous arrears within the last [12] months

(Amount in INR)

Default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments*

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

a. The borrower is in long-term forbearance

b. The borrower is deceased

c. The borrower is insolvent

d. Concessions have been made by the lender relating to the borrower's financial difficulty

e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

* In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 & subsequent guidelines dated 17 April 2020 and 23 May 2020 , the Company granted a moratorium of six months on payments of instalments and/ or interest falling due between 1 March 2020 and 31 August 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification stood stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

  To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For stage 2, Stage 3 Financial Assets, , the exposure at default is considered for events over the lifetime of the instruments.
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(Amount in INR)

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 – Regulatory Package and Resolution plan

As per Ind AS 109 - Financial Instruments, the Company has rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are due for more than 30 days, for the customers who have availed moratorium relief through the RBI circular of COVID-19 - Regulatory Package. The default period criteria of 90 days for the cases where moratorium is granted, the asset classification was kept stand still during the moratorium period.

RBI on 6 August 2020 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 risk is higher considering their repayment history, behaviour during moratorium period, post moratorium period & 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

(Amount in INR)

(i) ceasing enforcement activity and

(ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more.

NOTE 47: 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 2021

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5-10 years	Above 10 years	Total
Financial assets						
Cash and cash equivalents	2,945,248,627	–	–	–	–	**2,945,248,627**
Bank balance other than cash and cash equivalents above	250,621,625	240,041,096	29,505,409	–	–	**520,168,130**
Trade receivables	29,792,312	19,861,542	–	–	–	**49,653,854**
Loans	251,220,049	807,617,959	5,146,010,858	7,297,379,456	21,620,123,185	**35,122,351,507**
Investments	–	–	–	–	–	**-**
Other financial assets	159,086,110	8,545,738	–	–	–	**167,631,848**
Total financial assets	**3,635,968,723**	**1,076,066,335**	**5,175,516,267**	**7,297,379,456**	**21,620,123,185**	**38,805,053,966**

(Amount in INR)

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	Above 10 years	Total
Financial liabilities						
(I) Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	37,093,729	18,546,864	–	–	–	**55,640,593**
Debt securities	86,757,099	1,678,236,155	9,259,500,369	500,000,000	–	**11,524,493,623**
Borrowings (Other than debt securities)	1,737,522,518	3,385,037,202	9,162,659,932	1,755,408,558	1,038,684,277	**17,079,312,487**
Other financial liabilities	795,905,830	349,275,463	110,900,323	–	–	**1,256,081,616**
Total financial liabilities	**2,657,279,176**	**5,431,095,684**	**18,533,060,624**	**2,255,408,558**	**1,038,684,277**	**29,915,528,319**

As at 31 March 2020

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	Above 10 years	Total
Financial assets						
Cash and cash equivalents	1,134,226,728	–	–	–	–	**1,134,226,728**
Bank balance other than cash and cash equivalents above	–	27,655,409	–	–	–	**27,655,409**
Receivables						
Trade receivables	7,501,802	5,001,201	–	–	–	**12,503,003**
Loans	251,546,217	831,794,972	5,523,681,350	8,304,092,007	21,696,011,377	**36,607,125,923**
Investments	–	–	–	–	–	**-**
Other financial assets	111,761,453	3,789,632	8,128,792	7,414,826	–	**131,094,703**
Total financial assets	**1,505,036,200**	**868,241,214**	**5,531,810,142**	**8,311,506,833**	**21,696,011,377**	**37,912,605,766**
Financial liabilities						
Payables						
(I) Trade payables	–	–	–	–	–	**-**
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	3,659,106	1,829,553	–	–	–	**5,488,659**
Debt securities	450,000,000	1,123,929,212	13,062,233,591	500,000,100	–	**15,136,162,903**
Borrowings (Other than debt securities)	1,054,406,130	2,284,160,519	10,243,607,663	822,035,394	–	**14,404,209,706**
Other financial liabilities	280,089,013	240,904,371	173,029,731	–	–	**694,023,115**
Total financial liabilities	**1,788,154,249**	**3,650,823,655**	**23,478,870,985**	**1,322,035,494**	**-**	**30,239,884,383**

Market Risk

Company's exposure to market risk i.e. risk that fair value for future cash flow of financial instruments will be effected due to change in market variable such as interest rate.

(i) Foreign currency risk

The Company is not exposed to such risk as it does not have any foreign currency exposure.

(Amount in INR)

(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.

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 2021	As at 31 March 2020
Loans		
Interest rates – increase by 100 basis points	**243,818,441**	242,705,633
Interest rates – decrease by 100 basis points	**243,818,441**	242,705,633
Borrowings		
Interest rates – increase by 100 basis points	**138,268,215**	141,514,900
Interest rates – decrease by 100 basis points	**138,268,215**	141,514,900

(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 48: Securitisation transactions note

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	**As at 31 March 2021**	As at 31 March 2020
Number of pools	**1**	–
Carrying amount of transferred assets measured at amortised cost	**1,841,147,118**	–
Carrying amount of associated liabilities	**(1,841,147,118)**	–

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.

(Amount in INR)

NOTE 49: Provision for COVID-19 moratorium cases

Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on moratorium dated 17 April 2020 and 23 May 2020. The Company had offered moratorium in accordance with its Board approved policies to its eligible customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification was kept stand still during the moratorium period.

Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' are given below:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount outstanding of cases where moratorium benefit was extended	**16,802,870,386**	5,771,191,105
Respective amounts in SMA/overdue categories where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	**3,264,628,188**	3,702,832,533
Respective amount where asset classification benefit is extended	**1,031,419,733**	528,193,867
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to NBFC's covered under Ind AS) (5% in March 2020 & 10% cumulatively in June 2020) *	**48,846,902**	25,936,500
Provisions adjusted against slippages in terms of paragraph 6 or the circular	**(32,012,541)**	–
Residual provisions in terms of paragraph 6 of the circular	**16,834,361**	25,936,500

* 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.

NOTE 50: 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 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, the Company has implemented one-time restructuring for certain eligible borrowers identifed 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 are given below.

Type of Borrower *	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal loans - Housing/Non Housing loans	1,204	1,229,796,871	–	185,958,162	134,654,231
Total	**1,204**	**1,229,796,871**	**–**	**185,958,162**	**134,654,231**

* 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.

NOTE 51: Ex-Gratia note

In terms of the judgement of the Honourable Supreme Court of India dated 23 March 2021 and in accordance with the RBI instructions dated 7 April 2021, the Company shall refund/ adjust 'interest on interest' charged to all borrowers including those who had availed of housing loans during the moratorium period, irrespective of whether moratorium

(Amount in INR)

had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants/ bodies. The Company has computed the said amount and recognised a charge in its Profit and Loss Account for the year ended 31 March 2021.

NOTE 52: Supreme Court order for NPA declaration

The Honourable Supreme Court of India, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 03 September 2020, has directed banks and financial institutions that accounts which were not declared Non Performing Assets ('NPA') till 31 August 2020 shall not be declared as NPA till further orders. The interim order directed to not declare accounts as NPA, stood vacated on 23 March 2021 vide the judgement of the Honourable Supreme Court in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters.

However, for ECL provision as per Ind AS accounting guidelines, the Company in past continued to consider 90 days past due cases under Stage 3 and have provisioned accordingly.

NOTE 53: 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 March 13, 2020 and circular no. RBI/2020-21/60 DOR.NBFC (HFC). CC.No.118/03.10.136/2020-21 dated March 13, 2020

Template for Disclosure in Notes to Financial Statements

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	32,164,430,930	236,765,407	31,927,665,524	259,590,720	(22,825,313)
	Stage 2	2,192,637,384	227,792,283	1,964,845,101	25,175,854	202,616,429
Subtotal		**34,357,068,314**	**464,557,690**	**33,892,510,625**	**284,766,574**	**179,791,116**
Non-Performing Assets (NPA)						
Substandard	Stage 3	751,721,450	235,909,705	515,811,745	113,458,138	122,451,567
Doubtful - up to 1 year	Stage 3	11,287,483	4,144,590	7,142,893	4,004,209	140,381
1 to 3 years	Stage 3	2,274,259	1,417,440	856,819	917,111	500,329
More than 3 years	Stage 3					
Subtotal for doubtful		**765,283,192**	**241,471,735**	**523,811,457**	**118,379,458**	**123,092,277**
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		–	–	–	–	–
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	–	–	–	–	–
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**32,164,430,930**	**236,765,407**	**31,927,665,524**	**259,590,720**	**(22,825,313)**
	Stage 2	**2,192,637,384**	**227,792,283**	**1,964,845,101**	**25,175,854**	**202,616,429**
	Stage 3	**765,283,192**	**241,471,735**	**523,811,457**	**118,379,458**	**123,092,277**
	Total	**35,122,351,506**	**706,029,425**	**34,416,322,082**	**403,146,032**	**302,883,393**

* Amounts are excluding overdue principal and interest, however, provision is duly created on the same and reported.

(Amount in INR)

NOTE 54: 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. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Net Debt-to-Equity Ratio:

Net Debt-to-Equity Ratio as at 31 March 2021	2.76 times
Net Debt-to-Equity Ratio as at 31 March 2020	3.27 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.

NOTE 55: 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 2021**	As at 31 March 2020
1. The principal amount remaining unpaid at the end of the year.	**–**	–
2. The interest amount remaining unpaid at the end of the year.	**–**	–
3. The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	**–**	–
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	**–**	–
6. The amount of interest accrued and remaining unpaid at the end of accounting year	**–**	–
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**–**	–
The balance of MSMED parties as at the end of the year	**–**	–

(Amount in INR)

NOTE 56:

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 57:

The previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's presentation.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

(Amount in INR)

Annexure 1 to the financial statements for the year ended 31 March 2021

Disclosures pursuant to National Housing Bank (NHB) circulars and Reserve Bank of India (RBI) Master direction

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 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 and have been presented solely based on the information compiled by the Management.

1 Reconciliation of loans as per IGAAP and IND AS

	As at 31 March 2021	As at 31 March 2020
Housing and Non-housing Loan		
(i) Loans as per IGAAP	**35,122,351,507**	36,607,125,923
(ii) Unamortized upfront income / expense- IND AS Adjustment	**(89,997,705)**	(175,941,057)
(iii) Interest accrued but not due on home loans	**270,085,747**	277,550,586
Total Loans (i) +(ii)+ (iii)	**35,302,439,549**	**36,708,735,452**
less : Impairment loss allowance	**(706,029,425)**	(433,326,094)
Loans as per IND AS	**34,596,410,124**	**36,275,409,358**

2 Reserve Fund under 29C of NHB Act, 1987 (Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7 April 2014 issued by NHB)

Statutory reserve

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**149,441,138**	71,285,792
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	**305,781,438**	305,781,438
Total	**455,222,576**	**377,067,230**
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	**–**	78,155,347
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	**80,458,009**	–
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987.	**–**	–
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	**–**	–

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**149,441,138**	149,441,138
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.	**386,239,447**	305,781,438
Total	**535,680,585**	**455,222,576**

3 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

I. Capital

Particulars	As at 31 March 2021	As at 31 March 2020
CRAR (%)*	**50.03%**	47.49%
CRAR - Tier I Capital (%)	**49.34%**	46.32%
CRAR - Tier II Capital (%)	**0.69%**	1.16%
Amount of subordinated debt raised as Tier - II Capital	**–**	–
Amount raised by issue of perpetual debt Instruments	**–**	–

* CRAR (%) as at 31 March 20 , is shown as per NHB prudential norms.

II. Exposure to Real estate sector

Particulars	As at 31 March 2021	As at 31 March 2020
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to ₹ 15 Lacs	**26,603,441,109**	28,255,175,917
Housing Loan more than ₹ 15 Lacs	**7,678,705,301**	8,166,977,633
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	**840,205,096**	184,972,373
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	**–**	–
(b) Commercial real estate	**–**	–
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	**–**	–

(Amount in INR)

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2021

Pattern	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	163,043,399	-	48,529,412	968,983,896	556,965,812	1,638,866,675	1,746,170,527	6,557,672,799	2,604,987,134	2,794,092,835	17,079,312,488
Market Borrowings	-	-	86,757,099	-	-	-	1,678,236,155	9,259,500,369	-	500,000,000	11,524,493,623
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	82,347,593	-	-	84,229,453	84,643,002	257,202,018	550,415,941	2,429,794,659	2,716,216,199	28,917,502,641	35,122,351,507
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of asset and liabilities - As at 31 March 2020

Pattern	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	49,500,000	-	80,024,213	72,498,157	852,383,759	782,960,519	1,501,200,000	6,271,387,346	3,972,220,317	822,035,395	14,404,209,707
Market Borrowings	-	-	-	-	450,000,000	-	1,123,929,212	4,315,233,591	8,747,000,000	500,000,000	15,136,162,803
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	83,693,399	-	-	83,600,821	84,251,997	257,008,719	574,786,253	2,572,008,692	2,951,672,658	30,000,103,384	36,607,125,923
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

4 Disclosure pursuant to Notification No. NHB.HFC.DIR.1/CMD/2010 dated June 10, 2010 issued by NHB.

I Penalty

Particulars	As at 31 March 2021	As at 31 March 2020
Penalty levied by National Housing Bank *	15,000	–
Total	**15,000**	**–**

*National Housing Bank had levied penalty of above amount during annual audit/inspection carried out for the year 2018-19

II Adverse remarks

Particulars	As at 31 March 2021	As at 31 March 2020
Adverse remarks if any given by National Housing Bank	–	–

(Amount in INR)

III % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	–	–

5 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Investments.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Value of Investments		
(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) Movements of provisions held towards depreciation in investments		
(I) Opening balance	–	–
(II) Add : Provisions made during the year	–	–
(III) Less : Write-off/ Written- back of excess provisions during the year	–	–
(IV) Closing balance	–	–

6 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC.

Particulars	As at 31 March 2021	As at 31 March 2020
Sanctioned Limit/ Amount outstanding for Single borrower limit	–	–
Sanctioned Limit/ Amount outstanding for Group borrower limit	–	–

7 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
1. Provisions for depreciation on investment	–	–
2. Provisions made towards income tax (net of reversal of tax of earlier year)	**502,180,712**	218,391,279
3. Provisions towards NPAs	**76,406,596**	(823,445,218)
4. Provisions for standard assets	**196,296,735**	(492,842,439)
5. Other provision and contingencies		
Gratuity	**5,629,334**	9,421,642
Compensated absence	**(2,738,458)**	867,607
Heritage Club	**982,697**	225,797
Provision for expenses	**12,994,566**	5,173,264

(Amount in INR)

8 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Total Exposure to top ten NPA accounts	**27,244,039**	27,390,091

9 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies.

Particulars	**As at 31 March 2021**	As at 31 March 2020
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**1.91%**	1.15%
(II) Builders / Project Loans		
(III) Corporates		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**2.63%**	1.37%
(II) Builders / Project Loans	**0.75%**	–
(III) Corporates	**–**	–
(IV) Others	**–**	–

10 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs.

Particulars	**As at 31 March 2021**	As at 31 March 2020
(I) Net NPAs to Net Advances (%) *	**1.52%**	1.37%
(II) Movement of Gross NPAs		
(a) Opening Balance	**659,989,616**	3,959,794,528
(b) Additions during the year (excluding write off's)	**703,339,551**	517,232,888
(c) Reduction during the year (excluding write off's)	**597,094,908**	3,817,037,800
(d) Closing balance	**766,234,259**	659,989,616
(III) Movement of Net NPAs		
(a) Opening Balance	**494,924,476**	2,970,541,960
(b) Additions during the year (excluding write off's)	**534,538,059**	395,683,159
(c) Reduction during the year (excluding write off's)	**504,700,011**	2,871,300,643
(d) Closing balance	**524,762,524**	494,924,476
(IV) Movement of provisions for NPAs		
(a) Opening Balance	**165,065,139**	989,252,568
(b) Additions during the year (excluding write off's)	**168,801,492**	121,549,729
(c) Write off/ write back of excess provision	**92,394,897**	945,737,157
(d) Closing balance	**241,471,735**	165,065,139

* As per notification's wordings, total loan book net of provision made is considered as net of advances. Whereas in Note 32 of financials, total loan book is considered for computation of ratios.

11 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Overseas assets	**–**	–

(Amount in INR)

12 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)-

Name of the SPV sponsored	As at 31 March 2021	As at 31 March 2020
Domestic	–	–
Overseas	–	–

13 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) No. of complaints pending at the beginning of the year	2	3
(b) No. of complaints received during the year	145	127
(c) No. of complaints redressed during the year	147	128
(d) No. of complaints pending at the end of the year	0	2

14 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market.

Particulars	As at 31 March 2021	As at 31 March 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii) bridge loans to companies against expected equity flows / issues;	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market	–	–

(Amount in INR)

15 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2021	As at 31 March 2020
No. of accounts		
Aggregate value (net of provision) of accounts assigned	–	–
Aggregate consideration	–	–
Additional consideration realized in respect of accounts transferred in earlier years	–	–
Aggregate gain/loss over net book value	–	–

16 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I Securitisation

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No of SPVs sponsored by the HFC for securitisation transactions	1	–
(II) Total amount if securitised assets as per books of the SPVs sponsored	1,841,147,118	–
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements	–	–
(b) On balance sheet exposures towards credit enhancements	240,041,096	–
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–
(b) On balance sheet exposures towards credit enhancements		
(i) Exposure to own securitisations	–	–
(ii) Exposure to third party securitisations	–	–

II Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No. of accounts	1,050	5,148
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	863,011,529	3,258,477,723
(III) Aggregate consideration	749,400,000	2,935,000,000
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	(113,611,529)	(323,477,723)

III Details of assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No. of accounts	–	–
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	–	–
(III) Aggregate consideration	–	–
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	–	–

(Amount in INR)

IV Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No. of accounts purchased during the year	–	–
(II) Aggregate outstanding	–	–
(III) Of these, number of accounts restructured during the year	–	–
(IV) Aggregate outstanding	–	–

(ii) Details of non-performing financial assets sold:

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No. of accounts sold	1,050	5,148
(II) Aggregate outstanding	1,135,541,486	4,211,635,532
(III) Aggregate consideration received	749,400,000	2,935,000,000

17 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulators.

Particulars	As at 31 March 2021	As at 31 March 2020
Registration from other financial regulator if any	–	–

18 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances.

Particulars	As at 31 March 2021	As at 31 March 2020
Amount of unsecured advances given against rights, licenses, authorisations etc.	–	–

19 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products.

Particulars	As at 31 March 2021	As at 31 March 2020
Details of financing of parent company products	–	–

20 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits.

Particulars	As at 31 March 2021	As at 31 March 2020
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

21 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances.

Particulars	As at 31 March 2021	As at 31 March 2020
Total Loans & Advances to twenty largest borrowers	509,297,364	147,850,941
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	1.45%	0.40%

(Amount in INR)

22 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).

Particulars	As at 31 March 2021	As at 31 March 2020
Total Exposure to twenty largest borrowers / customers	509,297,364	153,592,336
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	1.45%	0.42%

23 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) The notional principal of swap agreements	–	–
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(III) Collateral required by the HFC upon entering into swaps	–	–
(IV) Concentration of credit risk arising from the swaps.	–	–
(V) The fair value of the swap book	–	–

24 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I For Exchange traded interest rate derivative.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	–	–
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	–	–
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	–	–
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	–	–

II For Disclosure on Risk exposure in derivative.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Derivatives (Notional Principal Amount)	–	–
(II) Marked to Market Positions (1)		
(a) Assets	–	–
(b) Liability	–	–
(III) Credit exposure	–	–
(IV) Unhedged exposure	–	–

(Amount in INR)

III Expenditure in foreign currency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowing cost	–	–

25 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.

	As at 31 March 2021			As at 31 March 2020	
Nature of borrowing	Rating / Outlook			Rating / Outlook	
	ICRA	CRISIL	India Ratings	ICRA	CRISIL
Short Term					
Commercial paper	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+
Long Term					
Non-Convertible Debentures	[ICRA]A+ (Stable)	CRISIL AA-/ Stable	–	[ICRA]A+ (Stable)	CRISIL AA-/ Stable
Market linked Debentures	PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/ Stable		PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/ Stable
Bank Borrowings	–	CRISIL AA-/ Stable	–	[ICRA]A+ (Stable)	CRISIL AA-/ Stable

26 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon.

Particulars	Housing Loans	Non-Housing Loans
Current Year		
Standard Asset		
Principal outstanding	29,959,785,899	4,397,282,416
Overdue principal and accrued interest	316,532,076	44,321,363
Provisions made	380,919,039	83,638,651
Sub-standard assets		
Principal outstanding	645,875,350	105,846,100
Overdue principal and accrued interest	53,835,468	7,804,439
Provisions made	206,780,624	29,129,082
Doubtful assets- Category I		
Principal outstanding	10,801,024	486,459
Overdue principal and accrued interest	3,589,181	147,406
Provisions made	3,971,186	173,404
Doubtful assets- Category II		
Principal outstanding	2,274,259	–
Overdue principal and accrued interest	1,688,704	–
Provisions made	1,417,440	–
Loss assets		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Total		
Principal outstanding	30,618,736,532	4,503,614,975
Overdue principal and accrued interest	375,645,429	52,273,209
Provisions made	593,088,289	112,941,136

(Amount in INR)

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
Standard Asset		
Principal outstanding	33,057,581,603	2,896,178,809
Overdue principal and accrued interest	309,751,012	25,288,084
Provisions made	245,545,180	22,715,775
Sub-standard assets		
Principal outstanding	579,109,979	72,798,559
Overdue principal and accrued interest	53,683,301	6,704,417
Provisions made	146,214,662	18,433,365
Doubtful assets- Category I		
Principal outstanding	1,456,973	–
Overdue principal and accrued interest	368,232	–
Provisions made	417,113	–
Doubtful assets- Category II		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Loss assets		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Total		
Principal outstanding	**33,638,148,555**	**2,968,977,369**
Overdue principal and accrued interest	**363,802,546**	**31,992,501**
Provisions made	**392,176,955**	**41,149,140**

27 Disclosure pursuant to Notification No. NHB(ND)/DRS/Policy Circular No. 92/ 2018-19 dated February 05, 2019 issued by NHB.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Amount of Fraud	**269,451,801**	273,834,989

28 Exposure to group companies engaged in real estate business (Refer to paragraph 21 of Master Direction RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021)

	As at 31 March 2021		As at 31 March 2020	
Particulars	**Amount**	**% of owned fund**	Amount	% of owned fund
Exposure to any single entity in a group engaged in real estate business	**–**	**–**	–	–
Exposure to all entities in a group engaged in real estate business	**–**	**–**	–	–

(Amount in INR)

29 Disclosures as required under Guidelines on Liquidity Risk Management Frame work for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC . No .102/03.10.001/2019-20 dated 4 November 2019 and 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

Public disclosure on liquidity risk:

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	27	26,350,703,638	NA	87.95%

ii) Top 20 large deposits (% of total deposits)

Description	Amount	% of Total deposits
Total for Top 20 large deposits	NA	NA

iii) Top 10 borrowings (% of total borrowings)

Type of instrument	Amount	% of Total borrowings
Total for Top 10 borrowings	17,619,795,047	61.60%

iv) Funding Concentration based on significant instrument/product

Sr. no.	Name of instrument/product	Amount	% of Total Liabilities
1	Term loans from banks	12,872,864,739	42.97%
2	Term loans from Securitization	1,841,147,118	6.15%
3	Term loans from NHB Refinance	2,250,000,000	7.51%
4	Secured redeemable non-convertible debentures	7,985,493,623	26.65%
5	Unsecured redeemable non-convertible debentures	3,539,000,000	11.81%
	Total funding Concentration pertaining to significant instruments/ products	**28,488,505,480**	
	Funding Concentration pertaining to insignificant instruments/ products	115,300,629	0.38%
	Total borrowings under all instruments/products	**28,603,806,110**	

v) Stock Ratios

Sr. no.	Name of instrument/product	Amount	% of Public Funds	% of Total Liabilities	% of Total Assets
1	Commercial papers (CPs)	–	NA	–	–
2	Non-convertible debentures (NCDs) with original maturity of less than one year	–	NA	–	–
3	Other short-term liabilities	2,130,381,043	NA	7.11%	5.47%

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

(Amount in INR)

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.

Motilal Oswal Investment Advisors Limited

FINANCIAL STATEMENT 2020-21

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** which comprises the Balance Sheet as at March 31, 2021, 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, 2021, and profit/loss, and its cash flows for the year ended on March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
	-----NIL----

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Rport) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ANEEL LASOD AND ASSOCIATES**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No: 040117

UDIN: 21040117AAAAFI9391

Place: Mumbai
Date: 22nd April 2021

ANNEXURE "A" TO AUDITOR'S REPORT:

Annexure "A" referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) and; therefore this clause is not applicable

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable.

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For **ANEEL LASOD AND ASSOCIATES**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No: 040117
UDIN: 21040117AAAAFI9391

Place: Mumbai
Date: 22nd April 2021

ANNEXURE "B" TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Motilal Oswal Investment Advisors Limited ('the Company') as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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: 21040117AAAAFI9391

Place: Mumbai
Date: 22nd April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	4	19,09,334	54,24,286
b) Receivables			
Trade receivables		–	–
Other receivables		–	–
c) Investments	5	1,04,51,32,408	97,46,49,433
d) Other financial assets	6	5,00,000	–
		1,04,75,41,742	**98,00,73,719**
2 Non–financial assets			
a) Current tax asset (net)	7	–	5,63,73,873
b) Deferred tax asset (net)	8	6,22,86,760	3,19,96,671
c) Property plant & equipments	9 (a)	10,33,005	16,72,333
d) Intangible assets	9 (b)	–	–
e) Other non–financial assets	10	1,32,96,087	95,42,788
		7,66,15,852	**9,95,85,665**
TOTAL ASSETS		**1,12,41,57,593**	**1,07,96,59,383**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Borrowings	11	14,55,76,338	5,59,00,000
(b) Other financial liabilities	12	1,03,61,187	71,06,733
		15,59,37,525	**6,30,06,733**
2 Non-financial liabilities			
(a) Current tax liabilities (net)	7	20,84,394	–
(b) Provision	13	1,09,65,578	94,76,668
(c) Other non-financial liabilities	14	28,09,028	25,96,315
		1,58,59,000	**1,20,72,983**
3 Equity			
(a) Share capital	15	1,00,00,000	1,00,00,000
(b) Reserves and surplus	16	94,23,61,068	99,45,79,668
		95,23,61,068	**1,00,45,79,668**
TOTAL LIABILITIES AND EQUITY		**1,12,41,57,593**	**1,07,96,59,383**

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
UDIN: 21040117AAAAFI9391

Place : Mumbai
Date : 22nd April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Investment Advisors Limited

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 22nd April 2021

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
I. Revenue from operations			
Fees and commission Income	17	2,63,00,000	11,89,75,001
Net gain on fair value changes	18	7,08,07,600	–
Other Operating Revenue	19	–	18,55,204
Total Revenue from operations		**9,71,07,600**	**12,08,30,205**
II. Other Income	20	**37,08,650**	**2,91,234**
III. Total Income (I+II)		**10,08,16,250**	**12,11,21,439**
IV. Expenses			
Finance Cost	21	1,18,44,312	99,97,971
Impairment on financial instruments	22	–	32,40,000
Net gain on fair value changes	18	–	2,51,90,857
Employee benefit Expenses	23	10,52,04,998	10,04,04,890
Depreciation and amortisation	9	7,41,134	8,80,764
Other Expenses	24	6,15,60,885	11,88,65,520
Total Expenses		**17,93,51,329**	**25,85,80,002**
V. Profit/(loss) Before Taxation (III-IV)		**(7,85,35,079)**	**(13,74,58,564)**
VI. Less: Tax Expenses/(credit)			
Current tax		32,72,827	–
Deferred tax		(3,01,13,716)	(1,91,42,859)
Prior Period item			
		(2,68,40,889)	**(1,91,42,859)**
VII. Profit/(loss) for the period (V-VI)		**(5,16,94,189)**	**(11,83,15,704)**
VIII. Other comprehensive income Items that will not be reclassified to profit or loss			
(a) Acturail gain/(losses) on post retirement benefit plans		(7,00,783)	(2,02,119)
(b) Deferred tax impact on the above		(1,76,373)	(50,869)
Total other comprehensive income		**(5,24,410)**	**(1,51,250)**
IX. Total comprehensive income/(loss) (VII+VIII)		**(5,22,18,599)**	**(11,84,66,954)**
Earnings per equity share (₹) (Face value per share ₹ 10/-)	28		
Basic		(51.69)	(118.32)
Diluted		(51.69)	(118.32)

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 21040117AAAAFI9391

Place : Mumbai
Date : 22nd April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Investment Advisors Limited

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 22nd April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2021

(A) Equity Share Capital

(Amount in ₹)

Particulars	EQUITY SHARE CAPITAL		Total
	Number of shares	Amount	
As at 31 March 2020	10,00,000	1,00,00,000	1,00,00,000
As at 31 March 2021	10,00,000	1,00,00,000	1,00,00,000

(B) Other Equity

(Amount in ₹)

Particulars	31 March 2021				31 March 2020				Total	
	Reserves and Surplus			Items of other comprehensive income	Reserves and Surplus			Items of other comprehensive income	31 March 2021	31 March 2020
	General Reserve	Capital Redemption Reserve	Retained earnings	Remeasurements of net defined benefit plans	General Reserve	Capital Redemption Reserve	Retained earnings	Remeasurements of net defined benefit plans		
Balance at the beginning of the reporting period	5,23,44,267	17,90,00,000	76,32,45,398	(9,996)	5,23,44,267	17,90,00,000	88,15,61,103	1,41,254	**99,45,79,669**	**1,11,30,46,623**
Total comprehensive income/(loss) for the year	–	–	(5,16,94,189)	(5,24,410)	–	–	(11,83,15,704)	(1,51,250)	**(5,22,18,599)**	**(11,84,66,954)**
Balance at the end of the reporting period	**5,23,44,267**	**17,90,00,000**	**71,15,51,209**	**(5,34,405)**	**5,23,44,267**	**17,90,00,000**	**76,32,45,398**	**(9,996)**	**94,23,61,070**	**99,45,79,669**

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 21040117AAAAFI9391

Place : Mumbai
Date : 22nd April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Investment Advisors Limited

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 22nd April 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	**(7,85,35,079)**	**(13,74,58,564)**
Add /Less :		
1) Depreciation	7,41,134	8,80,764
2) Bad debts w/off / Provision for bad debt	–	32,40,000
3) Gratuity	38,51,543	19,14,315
4) Loss / (gain) on Investments-Realised	1,13,16,575	(1,57,16,423)
5) Loss / (gain) on Investments-Unrealised	(8,21,24,175)	4,09,07,280
OPERATING PROFIT/(LOSS)	**(14,47,50,002)**	**(10,62,32,628)**
Adjustment for:		
1) (Increase) / decrease in receivables	–	16,32,36,001
2) (Increase) / decrease in loans	–	–
3) (Increase) / decrease in other financial assets	(5,00,000)	–
4) (Increase) / decrease in other non–financial assets	(37,53,299)	(1,12,49,685)
6) Increase / (Decrease) in borrowing	8,96,76,338	(12,11,00,000)
7) Increase / (decrease) in other financial liabilities	32,54,454	6,02,666
8) Increase / (decrease) in provisions	(30,63,416)	(1,39,20,625)
9) Increase / (decrease) in other non-financial liabilities	2,12,713	(1,92,71,827)
CASH FLOW FROM OPERATIONS	**(5,89,23,212)**	**(10,79,36,098)**
Taxes Paid / (refund received)	5,51,85,440	(1,19,03,206)
NET CASH FLOW FROM OPERATIONS	**(37,37,772)**	**(11,98,39,304)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(1,01,806)	0
Sale of Investment	3,24,624	26,35,44,760
Purchase of Investment		(14,25,00,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	**2,22,818**	**12,10,44,761**

Cash Flow Statement *(Contd..)*

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Share capital	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**–**	**–**
NET CASH GENERATED/(USED)FOR THE YEAR ENDED	**(35,14,952)**	**12,05,457**
Cash and Bank Balances comprise of:		
Cash as at beginning of period	22,100	21,832
Scheduled Banks- In Current Accounts	54,02,187	41,96,998
Cash & Cash Equlvalents as at beginning of year	**54,24,286**	**42,18,829**
Cash and Bank Balances comprise of:		
Cash as at end of period	22,100	22,100
Scheduled Banks- In Current Accounts	18,87,234	54,02,187
Cash & Cash Equlvalents as at end of year	**19,09,334**	**54,24,286**

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 21040117AAAAFI9391

Place : Mumbai
Date : 22nd April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Investment Advisors Limited

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 22nd April 2021

SUMMARY OF SIGNIFICANT 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, 2021 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 GD*Rs.* 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, 2021 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOIAL's functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Recognition of deferred tax assets:** DDeferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(c) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.

(d) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(e) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(g) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOIAL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Equity instruments and financial liability

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

– The contractual rights to receive cash flows from the financial asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(iv) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Intangible assets

(i) Recognition and measurement

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

3.8 Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefit

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

(iii) Other long-term employee benefit

(a) Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the “Scheme”) has been established by the Company. The Scheme provides that employees of the Company are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Grants provided by parent company to the employees at deputation to the company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to parent.

3.9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.10 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.11 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

NOTE 4 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Cash on hand	22,100	22,100
Balance with Bank		
Scheduled Banks- In Current Accounts	18,87,234	54,02,187
TOTAL	**19,09,334**	**54,24,286**

NOTE 5: INVESTMENTS

Particulars		Face value / NAV	31 March 2021		31 March 2020	
			Units	Amount in ₹	Units	Amount in ₹
I.	**Investments carried at cost**					
	Investments at equity instruments					
	Investments in fellow subsidiaries - Unquoted					
	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	1	26,03,44,836	85,00,00,005	26,03,44,836	85,00,00,005
II.	**Mandatorily measured at FVTPL**					
	Investments in Mutual Funds (Equity) - Fully paid up - Unquoted					
	Aditya Birla Private Equity - Fund I	10	150	29	150	65,50,088
	Motilal Oswal Large and Midcap Fund	10	1,42,50,000	19,51,32,375	1,42,50,000	11,30,08,200
III.	**Investment in Alternative Investment Funds - Unquoted**					
	Reliance Alternative Investments Fund	10	–	–	5,09,114	50,91,140
	Total			**1,04,51,32,409**		**97,46,49,433**

NOTE 6: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Prepaid Expenses (LT)	–	–
Rent deposits	–	–
Other	5,00,000	–
TOTAL	**5,00,000**	**–**

NOTE 7: CURRENT TAX ASSETS/LIABILITIES (NET)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Advance Tax and TDS	–	5,63,73,873
Provision for tax	20,84,394	–
TOTAL	**20,84,394**	**5,63,73,873**

NOTE 8: DEFERRED TAX ASSET (NET)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Deferred tax asset (net) (refer note 26)	6,22,86,760	3,19,96,671
Written Down Value of Fixed Assets	26,38,158	28,36,752
Business Loss	6,51,45,145	2,80,97,018
Gratuity provision	5,24,600	23,47,336
Unrealised Gains	(60,21,144)	(12,84,435)
Total	**6,22,86,760**	**3,19,96,671**

NOTE 9 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-Apr-2020	Additions	As at 31-Mar-2021	As at 1-Apr-2020	Additions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	37,54,126	–	37,54,126	35,28,958	12,487	35,41,445	2,12,681	2,25,168
Lease hold improvement	1,76,42,662	–	1,76,42,662	1,76,42,619	–	1,76,42,619	43	43
Furniture	48,42,927	–	48,42,927	46,41,417	–	46,41,417	2,01,510	2,01,510
Electrical Equipment	4,39,097	–	4,39,097	3,81,519	–	3,81,519	57,578	57,578
Air Conditioner	44,000	–	44,000	20,416	3,450	23,866	20,134	23,584
Mobile	4,13,073	–	4,13,073	3,40,429	20,960	3,61,389	51,684	72,644
Office Equipments	4,50,942	–	4,50,942	4,43,764	12,048	4,55,811	(4,869)	7,178
Projector	1,00,829	–	1,00,829	95,788		95,788	5,041	5,041
Computer	46,39,959	1,01,806	47,41,765	41,55,046	2,52,920	44,07,966	3,33,799	4,84,914
Car	14,00,000		14,00,000	8,05,327	4,39,269	12,44,596	1,55,404	5,94,673
Total (A)	**3,37,27,615**	**1,01,806**	**3,38,29,421**	**3,20,55,282**	**7,41,134**	**3,27,96,416**	**10,33,005**	**16,72,333**

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-Apr-2020	Additions	As at 31-Mar-2021	As at 1-Apr-2020	Additions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
(b) INTANGIBLE ASSETS								
Computer Software	1,78,041	–	1,78,041	1,78,041	–	1,78,041	0	0
Total (B)	**1,78,038**	**–**	**1,78,041**	**1,78,041**	**–**	**1,78,041**	**0**	**0**
Total (A+B)	**3,39,05,653**	**1,01,806**	**3,40,07,462**	**3,22,33,323**	**7,41,134**	**3,29,74,457**	**10,33,005**	**16,72,333**

Previous Year

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-Apr-2019	Additions	As at 31-Mar-2020	As at 1-Apr-2019	Additions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
(a) TANGIBLE ASSETS								
Renovation of Leased Office Premises	37,54,126	–	37,54,126	35,16,471	12,487	35,28,958	2,25,168	2,37,655
Lease hold improvement	1,76,42,662	–	1,76,42,662	1,76,42,619	–	1,76,42,619	43	43
Furniture	48,42,927	–	48,42,927	46,41,417	–	46,41,417	2,01,510	2,01,510
Electrical Equipment	4,39,097	–	4,39,097	3,81,519	–	3,81,519	57,578	57,578
Air Conditioner	44,000	–	44,000	16,967	3,450	20,416	23,584	27,033
Mobile	4,13,073	–	4,13,073	3,19,470	20,960	3,40,429	72,644	93,603
Office Equipments	4,50,942	–	4,50,942	4,30,973	12,790	4,43,764	7,178	19,969
Projector	1,00,829	–	1,00,829	95,788	–	95,788	5,041	5,041
Computer	46,39,959	–	46,39,959	37,67,646	3,87,400	41,55,046	4,84,914	8,72,313
Car	14,00,000	–	14,00,000	3,66,058	4,39,269	8,05,327	5,94,673	10,33,942
Total (A)	**3,37,27,615**	**–**	**3,37,27,615**	**3,11,78,927**	**8,76,356**	**3,20,55,282**	**16,72,333**	**25,48,689**
(b) INTANGIBLE ASSETS								
Computer Software	1,78,041	–	1,78,041	1,73,633	4,408	1,78,041	0	4,408
Total (B)	**1,78,038**	**–**	**1,78,041**	**1,73,633**	**4,408**	**1,78,041**	**0**	**4,408**
Total (A+B)	**3,39,05,653**	**–**	**3,39,05,656**	**3,13,52,560**	**8,80,764**	**3,22,33,323**	**16,72,333**	**25,53,097**

NOTE 10 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Advances for suppy for services	46,207	6,207
Prepaid Expenses	12,10,449	17,53,713
Tax credit receivable	1,20,39,431	77,82,868
TOTAL	**1,32,96,087**	**95,42,788**

NOTE 11 : BORROWINGS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Loan from Related Party	14,55,76,338	5,59,00,000
TOTAL	**14,55,76,338**	**5,59,00,000**

NOTE 12 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Salary, bonus & other benefits	1,09,000	20,06,728
Other Payables	88,45,188	35,98,741
Interest Accrued	11,20,749	3,68,181
Provision for expenses	2,86,250	11,33,083
TOTAL	**1,03,61,187**	**71,06,733**

NOTE 13 : PROVISION

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Provision for employee benefits		
For Gratuity and benefits (refer note 30)	72,20,334	82,60,316
Other long term benefits (refer note 30)	9,67,643	10,66,352
Others		
Ex-Gratia (refer note 30)	27,77,601	1,50,000
Total	**1,09,65,578**	**94,76,668**

NOTE 14 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Withholding and other taxes payable	28,09,028	25,96,315
Total	**28,09,028**	**25,96,315**

NOTE 15: SHARE CAPITAL

Particulars	As at		As at	
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	Number of shares	in ₹	Number of shares	in ₹
AUTHORISED				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of ₹ 10/- each (previous year ₹ 10 each)	90,00,000	9,00,00,000	90,00,000	9,00,00,000
	1,00,00,000	**10,00,00,000**	**1,00,00,000**	**10,00,00,000**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	**1,00,00,000**	**10,00,000**	**1,00,00,000**

15.1 Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 /- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.2 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Addition During the Year	–	–	–	–
At the end of the year	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**

15.3 Reconciliation of number of Preference shares outstanding

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of shares	in ₹	Number of shares	in ₹
Number of share at beginning	–	–	–	–
(Redeem) during the Year	–	–	–	–
At the end of the year	**–**	**–**	**–**	**–**

15.4 Shares holder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Limited (Holding company)	10,00,000	100.00	10,00,000	100.00

15.5 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE : 16 OTHER EQUITY

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
a) Retained earnings		
Balance at the beginning of the year	76,32,45,398	88,15,61,102
Add: Transfer from Statement of Profit and Loss	(5,16,94,189)	(11,83,15,704)
Less: Transfer to Capital Redemption Reserve	–	–
Balance at the end of year	**71,15,51,208**	**76,32,45,398**
b) General Reserve		
Balance at the beginning of the year	5,23,44,267	5,23,44,267
Less: Transfer to Capital Redemption Reserve	–	–
Balance at the end of year	**5,23,44,267**	**5,23,44,267**
c) Capital Redemption Reserve		
Balance at the beginning of the year	17,90,00,000	17,90,00,000
Add: Addition during the year	–	–
Balance at the end of year	**17,90,00,000**	**17,90,00,000**
d) Other Comprehensive Income Reserve		
Balance at the beginning of the year	(9,996)	1,41,253
Add: Transfer from Statement of Profit and Loss	(5,24,410)	(1,51,250)
Balance at the end of year	**(5,34,406)**	**(9,996)**
	94,23,61,068	**99,45,79,668**

Nature and Purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve created redemption of preference share. The reserve will be utilised in accordance with provision of the Act.

General Reserve

The Reserve created out of retained earning. The reserve will be utilised in accordance with provision of the Act.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of remeasurement gains/loss on defined benefit plan.

NOTE: 17 FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Advisory Fees	2,63,00,000	11,89,75,001
TOTAL	**2,63,00,000**	**11,89,75,001**

NOTE : 18 NET GAIN / (LOSS)ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Net gain /(loss) on financial instruments at FVTPL		
On financial instruments designated at FVTPL	7,08,07,600	(2,51,90,857)
TOTAL (A)	**7,08,07,600**	**(2,51,90,857)**
Fair value changes:		
Realised gains / (loss)	(1,13,16,575)	1,57,16,423
Unrealised gains / (loss)	8,21,24,175	(4,09,07,280)
TOTAL (B)	**7,08,07,600**	**(2,51,90,857)**

NOTE : 19 OTHER OPERATING REVENUE

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Out of pocket recovery	–	18,55,204
TOTAL	**–**	**18,55,204**

NOTE : 20 OTHER INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Interest on Income tax refund	37,12,008	–
Interest Income at amortised costs	(3,358)	3,358
Other Non Operating Revenue	–	2,87,876
TOTAL	**37,08,650**	**2,91,234**

NOTE : 21 FINANCE COST

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
On financial liabilities measured at amortised cost:		
Interest Cost	1,18,44,312	99,97,971
TOTAL	**1,18,44,312**	**99,97,971**

NOTE : 22 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Bad debts (Net of provision for doubtful debts)	–	32,40,000
TOTAL	**–**	**32,40,000**

NOTE : 23 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
EMPLOYEE BENEFIT		
Salary, Bonus and Allowances	8,57,86,414	8,58,60,993
Contribution to provident & other Funds	18,87,695	20,97,736
Staff Welfare Expenses	38,07,239	52,72,400
Employee Stock option Scheme	98,72,107	52,59,446
Gratuity (refer note 30)	38,51,543	19,14,315
TOTAL	**10,52,04,998**	**10,04,04,890**

NOTE : 24 OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Rent	2,09,76,900	2,09,76,900
Insurance	3,58,380	4,17,381
Remuneration to Auditors (refer note 26)	1,25,000	1,25,000

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Membership & Subscription	2,74,521	3,36,067
Marketing & Brand Promotion Expenses	–	1,70,804
Power & Fuel	10,47,961	14,46,380
Communication Expenses	34,92,618	34,50,165
Travelling Expenses & Conveyance	15,77,300	39,46,649
Entertainment Expenses	10,49,795	18,76,595
Legal & Professional Charges	5,70,590	8,47,811
Printing & Stationery	79,470	6,00,025
Rates & Taxes	297	633
Computer Maintenance	20,180	68,942
Foreign Exchange Fluctuation	2,756	31,972
Business Support Charges	2,40,00,000	7,20,00,000
Donation (refer note 34)	54,63,128	1,02,79,458
Miscellaneous Expenses	25,21,989	22,90,739
TOTAL	**6,15,60,885**	**11,88,65,520**

NOTE : 25 TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Note : 25.1 Tax expense		
Current tax expense		
Current tax for the year	–	–
Tax adjustment in respect of earlier years	32,72,827	–
Total current tax expense	**32,72,827**	**–**
Deferred taxes		
Change in deferred tax liabilities	(3,01,13,716)	(1,91,42,859)
Net deferred tax expense	**(3,01,13,716)**	**(1,91,42,859)**
Total	**(2,68,40,889)**	**(1,91,42,859)**
Note : 25.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**(7,85,35,079)**	**(13,74,58,564)**
Tax at the rate of 25.17%	(1,97,67,279)	(3,45,98,320)
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax adjustment of previous years	32,72,827	–
Exempt Income	–	–
Expenses not deductible for tax purposes	13,95,153	26,14,376
Tax at different rate	(1,17,41,590)	1,16,11,398
Change due to deferred tax	–	12,29,687
Income tax expense	**(2,68,40,889)**	**(1,91,42,859)**

Notes to Financial Statement *(Contd..)*

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Note : 25.3 Items of deferred tax asset		
Deferred tax assets on account of:		
Written Down Value of Fixed Assets	26,38,158	28,36,752
Business Loss	6,51,45,145	2,80,97,018
Gratuity provision	5,24,600	23,47,336
Unrealised gain on financial instrument	(60,21,144)	(12,84,435)
Total deferred tax assets	**6,22,86,760**	**3,19,96,671**

NOTE 26 : AUDITOR'S REMUNERATION

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Audit Fees	75,000	75,000
Tax Audit Fees	–	–
Interim Review	50,000	50,000
Other Services	–	–
Total	**1,25,000**	**1,25,000**

NOTE 27 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Profit after tax attributable to equity shareholders [A]	(5,16,94,189)	(11,83,15,704)
Number of weighted average equity shares issued [B]	10,00,000	10,00,000
Basic Earnings per share (EPS) –[A/B] (₹)	(51.69)	(118.32)
Weighted Number of equity shares outstanding for Diluted EPS [C]	10,00,000	10,00,000
Diluted Earnings per share (DEPS) [A/C)] (₹)	**(51.69)**	**(118.32)**

NOTE 28 : ACTIVITY IN FOREIGN CURRENCY

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Earnings in foreign currency		
Income from Advisory	–	–
Total	**–**	**–**
Expenditure in foreign currency		
Overseas travel expenses	–	–
Professional charges	–	–
Data Subscription Charges	–	13,12,159
Total	**–**	**13,12,159**

NOTE 29 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2021 COMPRISES OF:

Provisions made for the Year ended 31st March, 2021 comprises of:

(in ₹)

Particulars	Opening balance	Provided during the year ended 31st March, 2021	Paid /reversed during the year ended 31st March, 2021	Closing balance as of 31st March, 2021
Ex-gratia (Bonus)	1,50,000	34,72,101	8,44,500	27,77,601
Gratuity	82,60,316	38,51,543	48,91,525	72,20,334
Other Long term benefits	10,66,352	(98,709)	–	9,67,643

Provisions made for the Year ended 31st March, 2020 comprises of:

Particulars	Opening balance	Provided during the year ended 31st March, 2020	Paid /reversed during the year ended 31st March, 2020	Closing balance as of 31st March, 2020
Ex-gratia (Bonus)	1,41,65,100	–	1,40,15,100	1,50,000
Gratuity	64,13,112	21,16,434	2,69,230	82,60,316
Other Long term benefits	7,02,647	8,22,349	4,58,644	10,66,352

NOTE 30 : CONTINGENT LIABILITIES:

Demand in respect of Income Tax matters for which appeal is pending is Nil (P. Y. Nil).

NOTE 31 : CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 1,14,450/- (Previous Year : ₹ 1,14,450/-)

NOTE : 32 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 33 : 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 ₹ 56,93,858 (Previous year : ₹ 97,89,960)

b) Amount spent during the period ended 31st March, 2021 on :

Particulars	Amount paid in ₹
a) Construction/acquisition of any asset	
– Donation to RVG for hostel construction	20,00,000
b) on Purposes other than (a) above	
– Donation	2,50,000
– CSR Donation	2,50,000
– Donation for educational purpose	66,000

Particulars	Amount paid in ₹
– Donation to Sri Chaitanya Seva Trust for village d	11,71,750
– Donation to Seva Sahayog for school work at Wada	9,25,378
– Donation for Humanization Foundation for study par	5,00,000
– Medical aid - Anjana Gade	3,00,000
Total	**54,63,128**

c) Amount spent during the period ended 31st March, 2020 on :

Particulars	Amount paid in ₹
a) Construction/acquisition of any asset	
– Donation to Ramakrishna Mission for hostel construction	12,50,000
– Donation for school construction	9,47,490
– Donation for Hostel Construction	58,42,470
– Construction of technical institution	1,06,498
b) on Purposes other than (a) above	
– Payment for Mid-day meal	2,50,000
– Donation to Dhamma Pattana Vipassana Trust	15,00,000
– For donation to SSF - Abitghar school	3,83,000
Total	**1,02,79,458**

NOTE 34: 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 35 : DISCLOSURE PURSUANT TO INDAS 19 - EMPLOYEES BENEFITS

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(A) Defined contribution plan :

Particulars	31-Mar-2021 (in ₹)	31-Mar-2020 (in ₹)
Employer's contribution to provident fund	17,69,702	20,04,343
Employer's contribution to ESIC	–	–
Employer's contribution to National Pension Scheme	–	–
	17,69,702	**20,04,343**

(B) Defined benefit plan

		Gratuity		Other Long Term Benefits	
		31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
I)	**Assumptions as at**	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2021**	**31-Mar-2020**
	Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
	Interest / Discount Rate	3.93%	4.80%	3.93%	4.80%
	Rate of increase in compensation	7.45%	11.51%		
	Expected rate of return on plan assets (per annum)				
	Employee Attrition Rate (Past Service)	PS: 0 to 40 : 14.91%	PS: 0 to 40 : 39.13%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 50.04%
	Expected average remaining service	5.32	2	0.98 to 1	0.98 to 1
II)	**Changes in present value of obligations (PVO)**				
	PVO at beginning of period	82,60,316	64,13,112	–	–
	Interest cost	3,71,857	3,72,254	–	–
	Current Service Cost	16,66,127	15,32,705	9,67,643	10,66,352
	Past Service Cost- (non vested benefits)	–	–	–	–
	Past Service Cost -(vested benefits)	–	–	–	–
	Transfer in liability	18,72,125	9,356	–	–
	Transfer out liability	(58,566)	–	–	–
	Benefits Paid	(55,92,308)	(2,69,230)	–	–
	Contributions by plan participants	–	–	–	–
	Business Combinations	–	–	–	–
	Curtailments	–	–	–	–
	Settlements	–	–	–	–
	Actuarial (Gain)/Loss on obligation	7,00,783	2,02,119	–	–
	PVO at end of period	72,20,334	82,60,316	9,67,643	10,66,352
III)	**Interest expense**				
	Interest cost	3,71,857	3,72,254	–	–
IV)	**Fair value of plan assets**				
	Fair Value of Plan Assets at the beginning	–	–	–	–
	Interest income	–	–	–	–
V)	**Net Liability**				
	PVO at beginning of period	82,60,316	64,13,112	–	–
	Fair Value of the Assets at beginning report	–	–	–	–
	Net Liability	82,60,316	64,13,112	–	–
VI)	**Net Interest**				
	Interest Expenses	3,71,857	3,72,254	–	–
	Interest Income	–	–	–	–
	Net Interest	3,71,857	3,72,254	–	–
VII)	**Actual return on plan assets**	–	–	–	–
	Less Interest income included above	–	–	–	–
	Return on plan assets excluding interest income	–	–	–	–
VIII)	**Actuarial (Gain) / loss on obligation**				
	Due to Demographic Assumption	8,92,906	32,414	–	–
	Due to Financial Assumption	(6,42,863)	4,24,447	–	–

Notes to Financial Statement *(Contd..)*

		Gratuity		Other Long Term Benefits	
		31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Due to Experience	4,50,740	(2,54,742)	–	–
	Total Actuarial (Gain)/Loss	7,00,783	2,02,119	–	–
IX)	**Fair Value of Plan Assets**	–	–	–	–
	Opening Fair Value of Plan Asset	–	–	–	–
	Adjustment to Opening Fair Value of Plan Asset	–	–	–	–
	Return on Plan Assets excl. interest income	–	–	–	–
	Interest Income	–	–	–	–
	Contributions by Employer	55,92,308	2,69,230	–	–
	Contributions by Employee	–	–	–	–
	Benefits Paid	(55,92,308)	(2,69,230)	–	–
	Fair Value of Plan Assets at end				
X)	**Past Service Cost Recognised**				
	Past Service Cost- (non vested benefits)	–	–	–	–
	Past Service Cost -(vested benefits)	–	–	–	–
	Average remaining future service till vesting of the benefit	–	–	–	–
	Recognised Past service Cost- non vested benefits	–	–	–	–
	Recognised Past service Cost- vested benefits	–	–	–	–
	Unrecognised Past Service Cost- non vested benefits	–	–	–	–
XI)	**Amounts to be recognized in the balance sheet and statement of profit & loss account**				
	PVO at end of period	72,20,334	82,60,316	–	–
	Fair Value of Plan Assets at end of period	–	–	–	–
	Funded Status	(72,20,334)	(82,60,316)	–	–
	Net Asset/(Liability) recognized in the balance sheet	(72,20,334)	(82,60,316)	–	–
XII)	**Expense recognised in the statement of profit and loss**				
	Current service cost	16,66,127	15,32,705	9,67,643	10,66,352
	Net Interest	3,71,857	3,72,254	–	–
	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	20,37,984	19,04,959	9,67,643	10,66,352
XIII)	**Other Comprehensive Income (OCI)**				
	Actuarial (Gain)/Loss recognized for the period	7,00,783	2,02,119	–	–
	Asset limit effect	–	–	–	–
	Return on Plan Assets excluding net interest	–	–	–	–

	Gratuity		Other Long Term Benefits	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Unrecognized Actuarial (Gain)/Loss from previous period	–	–	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	7,00,783	2,02,119	–	–
XIV) Movement in liability recognized in balance sheet				
Opening net liability	82,60,316	64,13,112	–	–
Adjustment to opening balance	–	–	–	–
Expenses as above	20,37,984	19,04,959	9,67,643	10,66,352
Transfer in liability	18,72,125	9,356	–	–
Transfer out liability	(58,566)	–	–	–
Benefits paid by the Company	–	–	–	–
Contribution paid	(55,92,308)	(2,69,230)	–	–
Other Comprehensive Income (OCI)	7,00,783	2,02,119	–	–
Closing net liability	72,20,334	82,60,316	9,67,643	10,66,352
XV) Schedule III of The Companies Act 2013				
Current liability	8,77,996	28,98,702	6,57,568	7,41,356
Non - current liability	63,42,338	53,61,614	3,10,075	3,24,996
XVI) Projected Service Cost 31 Mar 2021	14,20,065	16,66,127	–	–
XVII) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund ()	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–

XVIII) Sensitivity Analysis

	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	68,18,662	76,67,256	74,88,387	69,60,295

XIX) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	8,77,996	8,39,704	8,19,703	7,55,428	6,83,990	30,15,050

XX) Asset Liability Comparisons

Year	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
PO at End of period	30,80,966	40,44,059	64,13,112	82,60,316	72,20,334
Plan Assets					
Surplus / (Deficit)	(30,80,966)	(40,44,059)	(64,13,112)	(82,60,316)	(72,20,334)
Experience adjustments on plan assets					

NOTE 36 : SEGMENT REPORTING

In accordance with Ind AS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India, the Company has determined business segment as under.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of "Investment banking fees related activities" and "Fund based activities". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non - current investment of mutual funds.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

(Amount in rupees)

Particulars	Investment banking fees and related activities		Fund Based activities		Unallocated Activities		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue :								
External revenue	3,00,08,650	12,11,18,081	7,08,07,600	–	–	3,358	10,08,16,250	12,11,21,439
Inter-segment revenue								
Total revenue	**3,00,08,650**	**12,11,18,081**	**7,08,07,600**	**–**	**–**	**3,358**	**10,08,16,250**	**12,11,21,439**
Result :								
Segment result	(13,81,66,422)	(9,13,54,734)	7,08,07,600	(2,52,98,271)	(55,88,128)	(1,04,04,458)	(7,29,46,951)	(12,70,57,463)
Unallocated corporate expenses							55,88,128	1,04,04,458
Unallocated revenue							–	3,358
Operating profit							**(7,85,35,079)**	**(13,74,58,564)**
Tax expense :								
Current tax							32,72,827	–
Deferred tax							(3,01,13,716)	(1,91,42,859)
MAT credit adjustments of previous year								
Profit after tax							**(5,16,94,189)**	**(11,83,15,704)**
Other information :								
Segment assets	7,90,25,185	10,50,09,951	1,04,51,32,409	97,46,49,433			1,12,41,57,593	1,07,96,59,383
Segment Liabilities	17,17,96,525	7,50,79,716					17,17,96,525	7,50,79,716
Capital Expenditure	1,01,806	–					1,01,806	–
Depreciation	7,41,134	8,80,764					7,41,134	8,80,764

NOTE 37 : RELATED PARTY DISCLOSURE

(i) Names of Related Parties:-

Holding Company

– Motilal Oswal Financial Services Limited

Ultimate Holding Company

– Passionate Investment Management Private Limited

Fellow subsidiaries

– Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Market Limited)
– Motilal Oswal Trustee Co. Limited
– Motilal Oswal Alternate Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Asset Management Company Limited
– MOPE Investment Advisors Private Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Capital Market (Hongkong) Private Limited
– Motilal Oswal Capital Market (Singapore) Pte Limited
– Motilal Oswal Home Finance (formerly known as Aspire Home Finance Corporation Limited)
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited
– India Business Excellence Management Company
– Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
– Motilal Oswal Capital Limited
– Glide Tech Investment Advisors Private Limited
– Motilal Oswal Finsec IFSC Limited

Key management personnel

– Motilal Oswal - Director
– Raamdeo Agrawal – Director

Enterprises in which key management personnel exercise significant Influence

– Motilal Oswal Foundation
– OSAG Enterprises LLP

(ii) Transactions with related parties: 31-03-2021

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Interest Expense	Motilal Oswal Financial Services Limited	–	39,12,823	–	–	–	39,12,823
Interest (Income)	Motilal Oswal Finvest Limited	–	–	1,18,44,312	60,85,148	1,18,44,312	60,85,148
	Motilal Oswal Financial Services Limited	–	(3,358)	–	–	–	(3,358)
Rent Expense	Motilal Oswal Financial Services Limited	2,09,76,900	2,09,76,900	–	–	2,09,76,900	2,09,76,900
Business Support Charges	Motilal Oswal Financial Services Limited	2,40,00,000	7,20,00,000	–	–	2,40,00,000	7,20,00,000

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Loans (Taken)	Motilal Oswal Financial Services Limited	–	(4,20,00,000)	–	–	–	(4,20,00,000)
Loans Repaid	Motilal Oswal Finvest Limited	–	–	(16,03,76,338)	42,91,00,000	(16,03,76,338)	42,91,00,000
	Motilal Oswal Financial Services Limited	–	21,90,00,000	–	–	–	21,90,00,000
Loans (Maximum balance)	Motilal Oswal Finvest Limited	–	–	7,07,00,000	(37,32,00,000)	7,07,00,000	(37,32,00,000)
	Motilal Oswal Financial Services Limited	–	16,00,00,000	–	–	–	16,00,00,000
Loans Given / (Taken)	Motilal Oswal Finvest Limited	–	–	15,96,79,997	14,00,00,000	15,96,79,997	14,00,00,000
	Motilal Oswal Finvest Limited	–	–	14,55,76,338	(5,59,00,000)	14,55,76,338	(5,59,00,000)
Other (payables) / receivables	Motilal Oswal Financial Services Limited	(19,31,623)	(20,59,318)	–	–	(19,31,623)	(20,59,318)
	Motilal Oswal Finvest Limited	–	–	–	(3,71,203)	–	(3,71,203)
Rent MOT Cost	Motilal Oswal Financial Services Limited	(5,40,231)	–	–	–	(5,40,231)	–
Interest (Payable)/ Receivable	Motilal Oswal Finvest Limited	–	–	(11,20,749)	(3,71,202)	(11,20,749)	(3,71,202)
Investments	Motilal Oswal Home Finance Limited	–	–	85,00,00,005	85,00,00,005	85,00,00,005	85,00,00,005
ESOP (payables) / receivables	Motilal Oswal Financial Services Limited	(7,85,491)	–	–	–	(7,85,491)	–

Notes: Income / Liability figure are shown in brackets.

NOTE : 38 FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of borrowing. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, receivables, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Upto 3 months	–	–
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**–**	**–**

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 2021

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Borrowing	14,55,76,338	–	–	**14,55,76,338**
Other financial liabilities	1,03,61,187	–	–	**1,03,61,187**
Total	**15,59,37,525**	**–**	**–**	**15,59,37,525**

As at 31 March 2020

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Borrowing	5,59,00,000	–	–	**5,59,00,000**
Other financial liabilities	71,06,733	–	–	**71,06,733**
Total	**6,30,06,733**	**–**	**–**	**6,30,06,733**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2021 in ₹	31 March 2020 in ₹
Impact on profit before tax for 10% increase in NAV/price	1,95,13,240	1,24,64,943

NOTE: 39 FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2021		March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	19,09,334	–	54,24,286
Receivables				
(i) Trade receivables	–	–	–	–
(ii) Other receivables	–	–	–	–
Loans	–	–	–	–
Investments	19,51,32,403	85,00,00,005	12,46,49,428	85,00,00,005
Other financial assets	–	–	–	–
Total financial assets	**19,51,32,403**	**85,19,09,339**	**12,46,49,428**	**85,54,24,291**
Financial liabilities				
Borrowings	–	14,55,76,338	–	5,59,00,000
Other financial liabilities	–	1,03,61,187	–	71,06,733
Total financial liabilities	**–**	**15,59,37,525**	**–**	**6,30,06,733**

b) i) Fair value hierarchy - Financial instruments recognised and measured at fair value

(Amount in rupees)

Assets measured at fair value - recurring fair value measurements	As at 31 March 2021		As at 31 March 2020	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
– Mutual funds	19,51,32,404	–	12,46,49,428	–
– Alternative investment funds	–	–	–	–
Total	**19,51,32,404**	**–**	**12,46,49,428**	**–**

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: 40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	19,09,334	–	19,09,334	54,24,286	–	54,24,286
Receivables	–	–	–	–	–	–
(i) Trade receivables	–	–	–	–	–	–
(ii) Other receivables	–	–	–	–	–	–
Loans	–	–	–	–	–	–
Investments	–	1,04,51,32,408	1,04,51,32,408	–	97,46,49,433	97,46,49,433
Other financial assets	–	5,00,000	5,00,000	–	–	–
Non-financial assets						
Current tax assets (Net)	–	–	–	5,63,73,873	–	5,63,73,873
Deferred tax assets (Net)	6,22,86,760	–	6,22,86,760	3,19,96,671	–	3,19,96,671
Property, plant and equipment	–	10,33,005	10,33,005	–	16,72,333	16,72,333
Other intangible assets	–	–	–	–	–	–
Other non-financial assets	1,32,96,087	–	1,32,96,087	95,42,788	–	95,42,788
Total assets	**7,74,92,181**	**1,04,66,65,413**	**1,12,41,57,594**	**10,33,37,618**	**97,63,21,766**	**1,07,96,59,383**
Financial liabilities						
Debt securities	–	–	–	–	–	–
Borrowings (Other than debt securities)	14,55,76,338	–	14,55,76,338	5,59,00,000	–	5,59,00,000
Other financial liabilities	1,03,61,187	–	1,03,61,187	71,06,733	–	71,06,733
Non-financial Liabilities						–
Current tax liabilities (Net)	20,84,394	–	20,84,394	–	–	–
Provisions	1,09,65,578	–	1,09,65,578	94,76,668	–	94,76,668
Other non-financial liabilities	28,09,028	–	28,09,028	25,96,315	–	25,96,315
Total liabilities	**17,17,96,525**	**–**	**17,17,96,525**	**7,50,79,716**	**–**	**7,50,79,716**

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 21040117AAAAFI9391

Place : Mumbai
Date : 22nd April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Investment Advisors Limited

Motilal Oswal
Director
DIN No: 00024503

Raamdeo Agarawal
Director
DIN No: 00024533

Place : Mumbai
Date : 22nd April 2021

Motilal Oswal Finvest Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of
Members of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Finvest Limited** (formerly Motilal Oswal Capital Markets Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 51 in the accompanying Statement relating to carrying value of Investments in Security Receipts amounting to INR 247 crores (net of impairment of INR 216 crores) as at 31 March 2021. As described in the aforesaid note, the carrying value of such investments is subject to uncertainties related to the COVID-19 pandemic. Our conclusion is not modified in respect of this matter.

Key Audit Matter

5. 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
Information Technology system for the financial reporting process 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. We have focused on user access management, change management, segregation of duties, developer access to the production environment and changes to IT environment. Further, we also focussed on key automated process controls relevant for financial reporting.	Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following: • Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key automated controls operating over such identified IT applications; • Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above; • For the IT applications identified above, tested sample of key IT general controls particularly logical access, password management, change management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and

Key audit matter	How our audit addressed the key audit matter
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.	authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Interest income, Loan, Non Performing Asset for evaluating completeness and accuracy. • Where deficiencies were identified, tested compensating controls or performed alternative procedures.
Valuation of security receipts carried at fair value **Refer note 2.5 for significant accounting policies and note 51 for financial disclosures** As at 31 March 2021, the Company held investment in security receipts issued by Phoenix ARC Private Limited amounting to Rs. 216 crores which represents 27 % of the total investment and 14% of total assets of the Company as at 31 March 2021. These investments are not traded in the active market. The fair valuation of these investments is determined by a management-appointed independent valuation expert based on discounted cash flow method. The process of computation of fair valuation of investments includes use of unobservable inputs and management judgements and estimates which are complex. The key assumptions underpinning management's assessment of fair value of these investments, include use of discounting rates and the projections of future cash flows. The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements due to the materiality of total value of investments to the financial statements and the complexity involved in the valuation of these investments.	Our audit procedures in relation to valuation of security receipts with the involvement of our valuation experts included, but were not limited to, the following: Design/Controls: • Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation; • Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls performed by the management expert and model governance and valuation. Substantive tests: • Assessed the appropriateness of the valuation methodologies used in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted; • Obtained the valuation reports from the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; • For these security receipts, evaluated the valuation assessment and resulting conclusions by the Company in order to determine the appropriateness of the valuations by performing reasonableness tests and evaluating sensitivity analysis for the key inputs and assumptions; • Assessed the appropriateness of the valuation model used by the management and the assumptions used relating to projected cash flows of realization from the underlying assets and the discounting factor used. • Ensured the appropriateness of the carrying value of the security receipts in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and • Ensured the appropriateness and adequacy of disclosures in accordance with the applicable accounting standards

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

13. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 April 2021 as per Annexure II expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021 and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 29 April 2021

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited), on the financial statements for the year ended 31 March 2021

ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.

(b) All property, plant and equipment have been physically verified by the management during the year. however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the provisions of the section 73 to 76 of the Act are not applicable to the Company being an NBFC and also the Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Act. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) In our opinion, the Company has applied moneys raised by way of initial public offer and further public offer of debt instruments and the term loans for the purposes for which these were raised.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 29 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited) on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Motilal Oswal Finvest Limited (formerly Motilal Oswal Capital Markets Limited) ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334
UDIN No: 20105782AAAACZ4641

Place : Mumbai
Date : 29 April 2021

(All amounts are in INR lakhs, unless otherwise stated)

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31-Mar-2021	As at 31-Mar-2020
I ASSETS			
1 Financial asset			
a) Cash and cash equivalents	4	37,574	187
b) Receivable	5		
Trade receivables		666	13
Other receivable		6	111
c) Loans	6	30,296	25,977
d) Investments	7	80,783	49,552
e) Other financial assets	8	5	0
Sub - total financial assets (A)		**149,330**	**75,840**
2 Non-financial asset			
a) Current tax assets (net)	9	94	191
b) Deferred tax assets (net)	10	35	416
c) Property, plant and equipment	11 (A)	0	1
d) Intangible assets	11 (B)	2	3
e) Goodwill	11 (C)	405	405
f) Other non-financial assets	12	757	776
Sub - total non- financial assets (B)		**1,293**	**1,792**
Total assets (A+B)		**150,623**	**77,632**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Debt securities	13	74,228	24,821
b) Borrowings (other than debt securities)	14	2,000	-
c) Other financial liabilities	15	1,609	129
Sub - total financial liabilities (A)		**77,837**	**24,950**
2 Non-Financial Liabilities			
a) Provisions	16	238	11
b) Other non-financial liabilities	17	58	33
Sub - total non-financial liabilities (B)		**296**	**44**
3 Equity			
a) Equity share capital	18	5,893	4,936
b) Other equity	19	66,598	47,702
Sub - total equity (C)		**72,491**	**52,638**
Total Liabilities and equity (A+B+C)		**150,623**	**77,632**

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 52 form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
(Formerly known as Motilal Oswal Capital Markets Limited)

Motilal Oswal
Whole-time Director
DIN: 00024503

Ajay Menon
Director and Chief Financial Officer
DIN: 00024589

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 29 April, 2021

Statement of Profit And Loss

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the Year ended 31-Mar-2021	For the Year ended 31-Mar-2020
REVENUE FROM OPERATIONS			
(i) Interest income	20	6,353	4,295
(ii) Dividend income	21	91	99
(iii) Fees and commission income	22	–	137
(iv) Net gain on fair value changes	23	2,592	–
(v) Other operating income	25	196	54
1) Total Revenue from operations		**9,232**	**4,585**
2) Other income	26	**1,260**	**–**
3) Total income (1+2)		**10,492**	**4,585**
EXPENSES			
(i) Finance cost	27	4,168	3,433
(ii) Fees and commission expense	28	39	-
(ii) Impairment on financial instruments	24	49	(8)
(iii) Net loss on fair value changes	23	-	1,176
(iv) Employee benefits expense	29	975	50
(v) Depreciation and amortisation	11	2	2
(vi) Other expenses	30	1,728	998
(4) Total expenses		**6,961**	**5,651**
(5) Profit/ (loss) before tax (3-4)		**3,531**	**(1,066)**
Tax expense/(credit)			
(a) Current tax		459	37
(b) Deferred tax expense/(credit)		(224)	(87)
(c) Short/(excess) provision for earlier years		–	29
6) Total tax expenses/(credit)	31	**235**	**(21)**
7) Profit/(loss) for the period/year after tax (5 - 6)		**3,296**	**(1,045)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined employee benefit plans		(14)	0
(b) Changes in fair value gain/(loss) of FVOCI equity instruments		5,295	(2,425)
(c) Deferred tax impact on the above		(606)	277
8) Other comprehensive income/(loss)		**4,675**	**(2,148)**
Total comprehensive income/(loss) for the year (7 + 8)		**7,971**	**(3,193)**
Basic and Diluted Earning / (loss) per share (amount in ₹) (not annualised)	32	6.28	(2.61)

Summary of significant accounting policies and other explanatory information
The accompanying notes 1 to 52 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
(Formerly known as Motilal Oswal Capital Markets Limited)

Motilal Oswal
Whole-time Director
DIN: 00024503

Ajay Menon
Director and Chief Financial Officer
DIN: 00024589

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 29 April, 2021

(All amounts are in INR lakhs, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the Year ended 31-Mar-2021	For the Year ended 31-Mar-2020
A. Cash flow from operating activities		
Profit before taxation	**3,531**	**(1,066)**
Adjustment for:		
1) Net (gain) /loss on fair value changes	(2,592)	1,176
2) Bad debts, provision for standard, sub-std and doubtful debts	49	(8)
3) Depreciation and amortisation	2	2
4) Provision for employee benefits	0	(1)
5) Dividend received	(91)	(99)
Operating profit	**899**	**4**
Adjustment for working capital changes:		
1) Decrease/(increase) in receivables	(548)	(99)
2) Decrease/(increase) in loans	(4,368)	(7,301)
3) Decrease/(increase) in financial assets	(5)	-
4) Decrease/(increase) in other non financial assets	19	(767)
5) Proceeds of debt securities	49,406	10,044
6) Proceeds of borrowing	2,000	(4,281)
7) Increase/(decrease) in other financial liabilities	1,480	62
8) Increase/(decrease) in provisions	211	(2)
9) Increase/(decrease) in other non-financial liabilities	27	24
Cash generated from operations	**49,121**	**(2,314)**
Direct taxes paid net (including MAT credit utilised)	(362)	(221)
Net cash generated from/(used in) operating activities	**48,759**	**(2,535)**
B. Cash flow from investing activities		
1) (Purchase) of investments	(35,201)	(27,152)
2) Proceeds of sale of investments	11,857	4,727
3) Dividend received	91	99
Net cash flow (used in) investing activities	**(23,253)**	**(22,326)**
C. Cash flow from financing activities		
Issue of share capital	12,000	25,000
Dividend and dividend distribution tax paid	(118)	–
Net cash flow generated from financing activities	**11,882**	**25,000**
Net increase in cash & cash equivalents during the year (A+B+C)	**37,388**	**139**
Cash on Hand	0	0
Scheduled Bank - In Current Account	187	48
Cash & cash equivalents as at beginning of the year	**187**	**48**
Cash and cheques in hand	0	0
Scheduled bank - In current account	37,574	187
Cash & Cash Equivalents at the end of the year	**37,574**	**187**

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 52 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
(Formerly known as Motilal Oswal Capital Markets Limited)

Motilal Oswal
Whole-time Director
DIN: 00024503

Ajay Menon
Director and Chief Financial Officer
DIN: 00024589

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 29 April, 2021

Statement of Changes in Equity

(All amounts are in INR lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(A) Equity share capital

Particulars	Equity share capital		Total
	Number of shares	Amount	
Issued,subscribed and paid up			
As at 1 April 2019	**2,94,76,212**	**10**	**2,948**
Add: issue of capital	1,98,83,877	10	1,988
As at 31 March 2020	**4,93,60,089**	**10**	**4,936**
Add: issue of capital	95,68,614	10	957
As at 31 March 2021	**5,89,28,703**	**10**	**5,893**

(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 2019	**90**	**27,087**	**42**	**426**	**–**	**238**	**0**	**27,884**
Addition during the year	–	23,012	–	–		–	–	23,012
Transfer from retained earning to impairment reserve	–	–	–	(62)	62	–	–	–
Loss for the year	–	–	–	(1,045)	–	–	–	(1,045)
Total other comprehensive (loss) for the year	–	–	–	–	–	(2,148)	0	(2,148)
Balance as at 31 March 2020	**90**	**50,099**	**42**	**(681)**	**62**	**(1,910)**	**0**	**47,702**
Addition during the year	–	11,043	0	–		–	–	11,043
Profit for the year	–	–	–	3,296	–	–	–	3,296
Transfer to Statutory Reserve from retained earnings	–	–	659	(659)	–	–	–	–
Interim Dividend	–	–	–	(118)	–	–	–	(118)
Total other comprehensive income for the year	–	–	–	–	–	4,685	(10)	4,675
Balance as at 31 March 2021	**90**	**61,142**	**701**	**1,838**	**62**	**2,775**	**(10)**	**66,598**

This is the statement of change in equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
(Formerly known as Motilal Oswal Capital Markets Limited)

Motilal Oswal
Whole-time Director
DIN: 00024503

Ajay Menon
Director and Chief Financial Officer
DIN: 00024589

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 29 April, 2021

(All amounts are in INR lakhs, unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Motilal Oswal Finvest Limited ("MOFL" or the "Company") is a Non-Banking Financial Company registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI effective 01 October 2018, enabling the Company to carry on business as a Non-banking Finance Company. The Company's registered office is at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund and every year transfers an amount equal to 20% of the profit after tax to the Reserve Fund.

The financial statements were approved for issue by the Company's Board of Directors on 29th April 2021.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2021 based on the 'Press Release' issued by the Ministry of Company Affairs on 18 January 2016. Any application guidance/ clarifications/ directions issued by the NHB or other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial instruments are measured at fair values;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 46.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed in note 3.

2.2. Revenue Recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based

(All amounts are in INR lakhs, unless otherwise stated)

on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable.

(i) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(ii) Training fee

Performance obligations are satisfied over a period of time and training fee is recognized in accordance with the terms of the contract with the clients.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(All amounts are in INR lakhs, unless otherwise stated)

2.3. Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted lnd AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.4. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.5. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

   When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

(All amounts are in INR lakhs, unless otherwise stated)

Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 49.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. **Financial assets carried at amortised cost**

   a financial asset is measured at the amortised cost if both the following conditions are met:

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. **Equity instruments**

   Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

   All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

(i) Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(All amounts are in INR lakhs, unless otherwise stated)

(iii) Derecognition

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.7. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful life
Office Equipments	5 years
Computers	3 years

(All amounts are in INR lakhs, unless otherwise stated)

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.8. Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata amortization from the day the asset is put to use.

Assets	Useful life
Computer Software	5 years

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.9. Goodwill

Goodwill is initially recognised based on the accounting policy for business combinations. 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.

(All amounts are in INR lakhs, unless otherwise stated)

2.12. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid/payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Reporting date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

The Company does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum day. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Functional and presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is MOFL’s functional and presentation currency.

2.13. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.14. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Managing Director who has been identified as the Chief Operating Decision Maker.

(All amounts are in INR lakhs, unless otherwise stated)

Operating segments of the Company comprises as under

– Lending and related activities

– Fund based

2.15. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.16. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.17. Recent accounting developments

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Disclosure related to funds borrowed from banks and financial institutions: If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then a disclosure providing details of utilisation of funds shall also be required to be provided.
- Revaluation of property: The reconciliation of gross and net carrying amount of both intangible and tangible assets at the beginning and end of the reporting period, along with other separate disclosures related to additions, disposals, acquisitions, depreciation, impairment, etc. shall also disclose separately details related to the amount of change due to revaluation, where there is a change of more than 10% in aggregate of the net carrying amount of the asset.

The company is also required to disclose whether the property, plant or equipment has been revalued by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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.

(All amounts are in INR lakhs, unless otherwise stated)

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in Financial Statements, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Defined benefit plans - The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-2021	As at 31-Mar-2020
Cash on hand	0	0
Balances with bank in current account	37,574	186
	37,574	**187**

NOTE 5 : RECEIVABLE

	As at 31-Mar-2021	As at 31-Mar-2020
(i) Trade receivable		
Considered good - unsecured	666	13
Receivables which have significant increase in credit risk	–	0
Less: impairment loss allowance	–	–
	666	**13**
(ii) Other receivable		
Other	6	111
	6	**111**

(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 to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and as not recognised any ECLs in the current year. Receivables outstanding for more than 90 days are considered under significant increase in credit risk.

(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 2020 - ₹ 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 2020 - ₹ Nil) are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6 : LOANS (AT AMORTISED COST)

	As at 31-Mar-2021	As at 31-Mar-2020
(A)		
Loan to related parties	1,866	9,347
Term loan	2,224	3,466
Loan repayable on demand	26,298	13,206
Total (A) gross	**30,387**	**26,019**
Less : impairment loss allowance	(91)	(42)
Total (A) Net	**30,296**	**25,977**

(All amounts are in INR lakhs, unless otherwise stated)

		As at 31-Mar-2021	As at 31-Mar-2020
(B)			
(i)	Secured by tangible assets	11,917	9,366
(ii)	Unsecured*	18,470	16,653
Total (B) gross		**30,387**	**26,019**
Less : impairment loss allowance		**(91)**	**(42)**
Total (B) Net		**30,296**	**25,977**
(C)	**Loans in India**		
(i)	Public sector	–	–
(ii)	Other than public sector	30,387	26,019
Total (C) Gross		**30,387**	**26,019**
Less : Impairment loss allowance		(91)	(42)
Total (C) Net		**30,296**	**25,977**

(i) Analysis of changes in the gross carrying amount of demand loans

Loan book movement

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening	**26,019**	**18,675**
Origination of new loan	6,047	9,327
Write-offs during the year	–	–
Repayments received during the year	(1,679)	(1,984)
Closing	**30,387**	**26,019**
Break - up of loans under		
Low credit risk (Stage 1)	30,382	26,014
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	5	5
Closing	**30,387**	**26,019**
Reconciliation of ECL balance		
Opening	**42**	**51**
ECL impact due to Write-offs	–	–
Addition during the year	49	(10)
Closing	**91**	42
Break - up of ECL under		
Low credit risk (Stage 1)	86	37
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	5	5
Closing	**91**	**42**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 7 : INVESTMENTS

	Particulars	Face value	As at 31-Mar-2021		As at 31-Mar-2020	
			Units	Amount	Units	Amount
I.	**Investments at amortised cost**					
	Investments at equity instruments					
	Investments in fellow subsidiaries - Unquoted					
	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	1	60,00,00,000	15,000	60,00,00,000	15,000
	Total I		**60,00,00,000**	**15,000**	**60,00,00,000**	**15,000**
II.	**Investment at fair value through profit and loss account at FVTPL**					
	Investments in Mutual Funds (Equity) - Fully paid up - Unquoted					
	Motilal Oswal Most Focused Multicap 35 Fund - Growth	10	5,58,04,414	18,776	1,50,18,013	3,096
	Most Focus Midcap 30 Fund - Growth	10	39,30,791	1,395	39,30,791	816
	Motilal Oswal Most Focused Multicap 25 Fund - Growth	10	8,36,077	275	8,36,077	170
	Motilal Oswal Nifty 50 Index Fund	10	6,15,438	75	6,15,438	44
	Motilal Oswal Nifty Next 50 Index Fund	10	1,79,254	21	1,79,254	13
	Total		**6,13,65,975**	**20,542**	**2,05,79,574**	**4,139**
	Investments in Exchange Traded Fund (Equity) - Fully paid up - Quoted					
	Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	10	17,889	60	17,889	35
	Motilal Oswal Mutual Fund-Motilal Oswal MOSt Shares Midcap 100 ETF	10	2,27,920	56	2,27,920	28
	Motilal Oswal Mutual Fund-Motilal Oswal MOSt Shares NASDAQ 100 ETF	10	3,78,201	76	3,78,201	48
	Reliance ETF Gold BeES	100	–	–	675	26
	Nippon India ETF Gold Bees	100	67,500	26	–	–
	SBI-ETF Nifty Next 50	10	44,978	67	44,978	40
	Total		**7,36,488**	**285**	**6,69,663**	**177**
	Investment in Private Equity					
	Investment in IREF IV	100	57,18,741	6,371	–	–
	Investment in Debenture					
	Investment in NCD - SPPL	10,00,000	325	3,263	–	–
	Investment in NCD - CASA	5,00,000	120	569	–	–
	Total		**445**	**3,832**	**–**	**–**
	Investment in security receipts					
	Phoenix Trust FY 20-9	733	22,10,000	14,007	22,10,000	19,647
	Phoenix Trust-FY20-21	882	2,84,750	1,907	2,84,750	2,848
	Phoenix Trust-FY21-16	1000	2,08,250	2,083	–	–
	Phoenix Trust-FY21-2	890	1,53,000	1,032	–	–
	Phoenix Trust-FY21-6	939	2,75,740	2,589	–	–
	Total		**31,31,740**	**21,617**	**24,94,750**	**22,494**
	Total II		**7,09,53,388**	**52,646**	**2,37,43,986**	**26,810**

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
III. Investment at fair value through other comprehensive income FVOCI:					
Quoted Equity Instruments- Fully paid-up					
Investment through Portfolio Management Services (PMS)					
3M India Ltd	10	–	–	10	2
Aarti Drugs Ltd	10	456	3	–	–
Aegis Logistics Ltd	1	1,02,183	305	1,02,183	142
Ajanta Pharma Ltd	2	212	4	137	2
Alkem Laboratories Ltd	2	7,157	198	11,046	257
APL Apollo Tubes Ltd	2	705	10	–	–
Ashok Leyland Ltd	1	15,076	17	–	–
Asian Paints Ltd	1	100	3	345	6
Au Small Finance Bank Ltd	10	–	–	1,107	6
Axis Bank Ltd	2	1,924	13	2,731	10
Bajaj Finance Ltd	2	459	24	7,512	166
Bajaj Finserv Ltd	5	93	9	83	4
Balkrishna Industries Ltd	2	–	–	525	4
Bata India Ltd	5	–	–	523	6
Bayer Cropscience Ltd	10	4,048	216	3,990	138
Bharat Forge Ltd	2	44,575	266	59,693	140
Bharti Airtel Ltd	5	4,948	26	–	–
Birla Corporation Ltd	10	19,639	187	–	–
BIRLASOFT Ltd	2	5,425	14	–	–
Bosch Ltd	10	2,111	297	2,111	198
Britania Ind. Ltd - Debentures	1	–	–	78	0
Britannia Industries Ltd	1	107	4	98	3
Cipla Ltd	2	80	1	–	–
Cholamandalam Investment And Finance Company Ltd	10	–	–	775	1
City Union Bank Ltd	1	–	–	2,34,315	302
Colgate Palmolive (India) Ltd	1	19,039	297	19,039	239
Container Corporation Of India Ltd	5	51,578	308	51,578	171
Coromandel International Ltd	1	451	3	–	–
CREDITACCESS GRAMEEN LTD	10	491	3	–	–
Cummins India Ltd	2	29,931	275	29,413	96
DCB Bank Ltd	10	–	–	5,933	6
Divis Laboratories Ltd	2	122	4	225	4
Dr Reddy's Laboratories Ltd	5	215	10	76	2
Eicher Motors Ltd	10	22,030	574	2,191	287
Emami Ltd	1	71,011	345	55,097	94
Engineers India Ltd	5	–	–	60,206	36
Eris Lifesciences Ltd	1	–	–	271	1
Federal Bank Limited	2	–	–	2,44,492	100
Gland Pharma Ltd	1	21,051	522	–	–
Glaxosmithkline Consumer Healthcare Ltd (Formerly Smithkline Beecham Consumer)	10	–	–	3,519	351
GlaxoSmithkline Pharmaceuticals Ltd	10	–	–	156	2

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
Godrej Industries Ltd	1	66,449	363	66,449	188
Godrej Properties Ltd	5	525	7	–	–
HCL Technologies Ltd	2	2,429	24	–	–
Hdfc Bank Ltd	2	2,903	43	2,534	22
HDFC Life Insurance Company Ltd	10	3,702	26	5,695	25
Hero Motocorp Ltd	2	378	11	–	–
Hindustan Petroleum Corporation Ltd	10	98,205	230	98,205	187
Hindustan Unilever Ltd	1	200	5	280	6
Honeywell Automation India Ltd	10	–	–	8	2
Housing Development Finance Corporation Ltd	2	300	7	242	4
ICICI Bank Ltd	2	1,34,137	781	1,33,046	431
ICICI Lombard General Insurance Company Ltd	10	699	10	691	7
ICICI SECURITIES LTD	5	695	3	–	–
Info Edge (India) Ltd	10	80	3	–	–
Infosys Technologies Ltd	5	1,456	20	–	–
IndusInd Bank Ltd	10	–	–	380	1
Infosys Ltd	5	–	–	881	6
Interglobe Aviation Ltd	10	–	–	–	–
Ipca Laboratories Ltd	2	26,553	506	31,917	444
ITC Ltd	1	1,12,129	245	3,788	7
JK Lakshmi Cement Ltd	5	3,200	14	–	–
J&k Bank	1	–	–	1,42,437	18
Jubilant Foodworks Ltd	10	–	–	650	10
Kajaria Ceramics Ltd	1	–	–	975	4
Kotak Mahindra Bank Ltd	5	82,985	1,455	85,688	1,111
L&T Technology Services Ltd	2	26,513	704	27,530	320
Larsen & Toubro Infotech Ltd	1	5,585	226	568	8
Larsen & Toubro Ltd	2	12,682	180	889	7
LIC Housing Finance Ltd	2	4,140	18	4,140	10
Liquid funds and cash and cash equivelents held through PMS		–	109	–	58
Mahindra & Mahindra Ltd	5	2,943	23	–	–
Maruti Suzuki India Ltd	5	632	43	222	10
Max Financial Services Ltd	2	89,680	771	92,513	356
Minda Industries Ltd	2	–	–	1,836	4
Motherson Sumi Systems Limited	1	3,668	7	2,988	2
Multi Commodity Exchange of India Ltd	10	400	6	298	3
Muthoot Finance Ltd	10	710	9	1,552	10
Natco Pharma Ltd	2	444	4	–	–
Page Industries Ltd	10	1,868	566	3,660	621
Persistent Systems Ltd	10	932	18	455	3
Petronet Lng Ltd	10	–	–	1,246	2
PI Industries Ltd	1	189	4	300	4
Polycab India Ltd	10	–	–	833	6
Quess Corp Ltd	10	–	–	1,547	3

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
Reliance Industries Ltd	10	1,902	38	–	–
SBI Cards and Payment Services Ltd	10	725	7	–	–
SBI Life Insurance Company Ltd	10	430	4	878	6
Sheela Foam Ltd	5	235	5	–	–
SRF Ltd	10	–	–	153	4
State Bank Of India	1	88,601	323	3,871	8
Sumitomo Chemical Indian Ltd	10	1,221	4	–	–
Sun Pharmaceuticals Ltd	1	171	1	–	–
Sundaram Finance Ltd	10	200	5	–	–
Tata Consultancy Services Ltd	1	9,073	288	214	4
Tata Consumer Prodcuts Ltd	1	800	5	–	–
Tata Motors Ltd	2	1,200	4	–	–
Teamlease Services Ltd	10	199	8	199	3
Tech Mahindra Ltd	5	47,848	474	47,570	269
Titan Company Ltd	1	558	9	1,760	16
Tube Investments of India Ltd	1	–	–	831	2
UltraTech Cement Ltd	10	182	12	–	–
United Spirits Ltd	2	1,000	6	825	4
Vaibhav Global Ltd	2	415	16	–	–
VIP Industries Ltd	2	–	–	1,207	3
Voltas Ltd	1	1,53,747	1,540	1,56,736	747
Wipro Ltd	2	2,515	10	–	–
Total III		**14,67,936**	**13,137**	**18,72,066**	**7,742**
Total (I)+(II)+(III)			**80,783**		**49,552**
Aggregate amount of quoted investments and market value thereof			13,422		7,919
Aggregate amount of unquoted investments			67,361		41,633
(i) Investment outside India			–		–
(ii) Investment in India			80,783		49,552
Total			**80,783**		**49,552**

NOTE 8 : OTHER FINANCIAL ASSETS

	As at 31-Mar-2021	As at 31-Mar-2020
Security deposits (Unsecured, considered good)	5	0
	5	**0**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 9 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-2021	As at 31-Mar-2020
Advance tax and tax deducted at source (net of provisions)	94	191
	94	**191**

NOTE 10 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-2021	As at 31-Mar-2020
Deferred tax assets		
Difference between tax depreciation and book depreciation	**0**	**–**
Provision for post retirement benefits and other employee benefits	(21)	2
Provision for doubtful debts and advances	(23)	10
Fair value gain/(loss) on investments	78	395
MAT credit receivable	–	9
Total deferred tax assets	**35**	**416**
Net deferred tax assets	**35**	**416**

NOTE 11 (A) : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computer	7	–	–	7	6	1	–	7	0	1
Mobile	0	–	–	0	0	0	–	0	0	0
Total (A)	**7**	**–**	**–**	**7**	**6**	**1**	**–**	**7**	**0**	**1**

NOTE 11 (B) INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computer Software	5	–	–	5	2	1	–	3	2	3
Total (B)	**5**	**–**	**–**	**5**	**2**	**1**	**–**	**3**	**2**	**3**

NOTE 11 (C) GOODWILL

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Goodwill	405	–	–	405	–	–	–	–	405	405
Total (C)	**405**	**–**	**–**	**405**	**–**	**–**	**–**	**–**	**405**	**405**
Total Net	**417**	**–**	**–**	**417**	**8**	**2**	**–**	**10**	**408**	**409**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 11 (A) : PROPERTY, PLANT AND EQUIPMENT

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer	7	–	–	7	5	1	–	6	1	2
Mobile	0	–	–	0	0	0	–	0	0	0
Total (A)	**7**	**–**	**–**	**7**	**5**	**1**	**–**	**6**	**1**	**2**

NOTE 11 (B) INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computer Software	5	–	–	5	1	1	–	2	3	4
Total (B)	**5**	**–**	**–**	**5**	**1**	**1**	**–**	**2**	**3**	**4**

NOTE 11 (C) GOODWILL

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Goodwill	405	–	–	405	–	–	–	–	405	405
Total (C)	**405**	**–**	**–**	**405**	**–**	**–**	**–**	**–**	**405**	**405**
Total Net	**417**	**–**	**–**	**417**	**5**	**2**	**–**	**8**	**409**	**411**

NOTE 12 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-2021	As at 31-Mar-2020
Unsecured, considered good		
Prepaid expenses	725	650
Indirect tax credit receivable	31	126
	757	**776**

NOTE 13 : DEBT SECURITIES

	As at 31-Mar-2021	As at 31-Mar-2020
At Amortised cost		
(i) from banks	–	–
(ii) Commercial paper (unsecured)	39,598	24,821
(iii) Non-convertible debentures (secured)	34,630	0
Total (A)	**74,228**	**24,821**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31-Mar-2021	As at 31-Mar-2020
Debt securities in India	74,228	24,821
Debt securities outside India	–	–
Total (B)	**74,228**	**24,821**

Terms and condition:-

As at 31 March 2021

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES M-1 / F.Y.21 / F.Y.24	375	3,750	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-1 / F.Y.21 / F.Y.24	109	1,093	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-1 / F.Y.21 / F.Y.24	100	1,004	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-1 / F.Y.21 / F.Y.24	260	2,623	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-1 / F.Y.21 / F.Y.24	5	51	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-2 / F.Y.21 / F.Y.24	128	1,280	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.75% for 3 years on maturity	Thursday, July 20, 2023
SERIES M-2 / F.Y.21 / F.Y.24	30	300	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.75% for 3 years on maturity	Thursday, July 20, 2023
SERIES M-2 / F.Y.21 / F.Y.24	140	1,417	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.75% for 3 years on maturity	Thursday, July 20, 2023
SERIES M-2 / F.Y.21 / F.Y.24	75	766	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.75% for 3 years on maturity	Thursday, July 20, 2023
SERIES M-1 / F.Y.21 / F.Y.24	142	1,490	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.70% for 3 years on maturity	Tuesday, April 18, 2023
SERIES M-2 / F.Y.21 / F.Y.24	83	856	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	22.75% for 3 years on maturity	Thursday, July 20, 2023
SERIES C 7.50 NCD 26SP22	2000	20,000	Exclusive charge over specific investments	1.5 times of the amount outstanding	7.5% per annum	Monday, September 26, 2022
Total		**34,630**				

NOTE 14 : BORROWINGS

	As at 31-Mar-2021	As at 31-Mar-2020
At Amortised cost		
Term loans		
(i) from banks	–	–
(ii) from other parties(secured)	–	–
Demand loans		
(i) from banks	–	–
(ii) from other parties(unsecured)*	2,000	–
Total (A)	**2,000**	**–**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31-Mar-2021	As at 31-Mar-2020
Borrowings in India	2,000	–
Borrowings outside India	–	–
Total (B)	**2,000**	**–**

*Borrowings from Non-Banking Financial Company is secured against shares and securities.

It consists of loan of ₹ 2,000 lakhs from Tata Capital Limited carrying interest rate of 8.75% p.a. which are repayable on demand.

NOTE 15 : OTHER FINANCE LIABILITIES

	As at 31-Mar-2021	As at 31-Mar-2020
Interest accrued and due on borrowings	538	–
Other payables	1,071	62
Book overdraft	–	67
	1,609	**129**

NOTE 16 : PROVISIONS

	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Employee Benefits		
Ex-gratia payable (refer note 36)	156	5
Gratuity obligation (unfunded) (refer note 36)	55	7
Heritage club Benefit (refer note 36)	3	–
Compensated absences (refer note 36)	24	0
	238	**12**

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-2021	As at 31-Mar-2020
Accrued salaries and benefits	3	2
Withholdings and other tax payables	55	31
	58	**33**

NOTE 18 : EQUITY SHARE CAPITAL

	As at 31-Mar-2021	As at 31-Mar-2020
Authorised share capital :		
Equity shares of ₹ 10 each	8,000	5,000
	8,000	**5,000**
Issued, Subscribed and Paid Up :		
Equity Shares of ₹ 10 Each Fully Paid Up	5,893	4,936
(All the above shares are held by holding company Motilal Oswal Financial Services Limited)		
	5,893	**4,936**

(All amounts are in INR lakhs, unless otherwise stated)

Rights, preferences and restrictions attached to shares

1. Equity shares :

The Company has one class of equity shares having a par value of Re. 10 each (previous year: having a par value of Re. 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-Mar-2021		As at 31-Mar-2020	
	Number of shares	In ₹	Number of shares	In ₹
At beginning of the year	4,93,60,089	4,936	2,94,76,212	2,948
Additions during the year	95,68,614	957	1,98,83,877	1,988
At the end of the year	**5,89,28,703**	**5,893**	**4,93,60,089**	**4,936**

3. Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	5,89,28,703	100.00%	4,93,60,089	100.00%

4. Shares held by holding company

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Financial Services Limited and its nominees	5,89,28,703	100.00%	4,93,60,089	100.00%

5. 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 19 : OTHER EQUITY

	As at 31-Mar-2021	As at 31-Mar-2020
a) Capital redemption reserve		
Balance at the beginning of the year	90	90
Add: Additions during the year	–	–
Balance at the end of the year	**90**	**90**
b) Securities premium		
Balance at the beginning of the year	50,099	27,087
Add: Additions during the year	11,043	23,012
Balance at the end of the year	**61,142**	**50,099**
c) Statutory reserves		
Balance at the beginning of the year	42	42
Add: Transferred from statement of profit and loss	659	–
Balance at the end of the year	**701**	**42**

(All amounts are in INR lakhs, unless otherwise stated)

	As at 31-Mar-2021	As at 31-Mar-2020
d) Retained earnings		
Balance at the beginning of the year	(681)	426
Add: Profit during the year	3,296	(1,045)
Less: Interim Dividend	(118)	
Less: Transfer to statutory reserves	(659)	–
Less: impairment reserve	–	(62)
Closing Balance	**1,838**	**(681)**
e) Impairment reserve		
Balance at the beginning of the year	62	–
Add: Transferred from statement of profit and loss	–	62
	62	**62**
f) Other comprehensive income		
Balance at the beginning of the year	(1,910)	238
Add: Other comprehensive income during the year	4,675	(2,148)
Balance as at end of the year	**2,765**	**(1,910)**
	66,598	**47,702**

Nature and purpose of Reserves

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has transferred an amount of ₹ 659 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.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 20 : INTEREST INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
On financial assets measured at amortised cost		
Interest on loans	6,353	4,295
	6,353	**4,295**

NOTE 21 : DIVIDEND INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Dividend income	91	99
	91	**99**

NOTE 22 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Training fees	–	21
Referral Fees	–	116
	–	**137**

NOTE 23 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
Realised	880	148
Unrealised	1,712	(1,324)
	2,592	**(1,176)**

NOTE 24 : IMPAIRMENT ON FINANCIAL INSTRUMENT (MEASURED AT AMORTISED COST)

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
a) Impairment loss allowance on Loan	49	(10)
b) Loan written off	–	2
	49	**(8)**

NOTE 25 : OTHER OPERATING INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Other operating income	196	54
	196	**54**

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 26 : OTHER INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Miscellaneous income	1,260	–
	1,260	**–**

NOTE 27 : FINANCE COST

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
On financial liabilities measured at amortised cost		
Interest on debt securities	558	2,433
Interest on borrowings	3,585	1,000
Other borrowing cost	25	1
	4,168	**3,433**

NOTE 28 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Distribution Fees	18	–
Arranger Fees	22	–
	39	**–**

NOTE 29 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Salary, bonus and allowance	896	45
Contribution to provident fund (refer note 42)	25	2
Expenses on employee stock option scheme	15	
Staff welfare expenses	39	4
Gratuity (refer note 42)	1	(1)
	975	**50**

NOTE 30 : OTHER EXPENSES

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Rates & Taxes	92	63
Bank charges	0	0
Printing stationery expenses	3	0
Power and fuel	1	2
Business Support Charges	25	24
Remuneration to auditors (refer note 33)	4	9
Legal & professional fees	1,515	862
Rent (refer note 41)	25	24

(All amounts are in INR lakhs, unless otherwise stated)

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Advertisement and Brand promotion expenses	0	–
Mobile charges	0	0
Travelling & conveyance	2	1
Computer software charges	–	1
Insurance	7	0
Miscellaneous expenses	53	11
	1,728	**998**

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

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
I. Tax expense recognised in the statement of profit and loss		
Current tax expense		
Current tax for the year	459	37
Tax adjustment in respect of earlier years	–	29
Total current tax expense	**459**	**66**
Deferred tax (credit)		
Origination and reversal of temporary differences	(224)	(87)
Net deferred tax (credit)	**(224)**	**(87)**
	235	**(21)**
II. Tax on other comprehensive income		
Deferred tax charge / (credit)		
(Gain)/loss on equity instruments through other comprehensive income	602	(277)
(Gain)/loss on remeasurement of net defined benefit plans	4	0
	606	**(277)**

(All amounts are in INR lakhs, unless otherwise stated)

C. Reconciliation of effective tax rate

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Profit/(loss) before income tax expense	**3,531**	**(1,066)**
Tax at the rate of 25.17%	889	(268)
Differences due to:		
Temporary tax difference		
Exempt income	(23)	(25)
Tax adjustment of previous years	–	29
Tax at different rate	(636)	243
Expenses disallowed under income tax	5	–
Income tax expense	**235**	**(21)**

D. Significant components and movements in deferred tax assets and liabilities

Movement during the year ended 31 March 2020	As at 1 April 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2020
Deferred tax assets / (liabilities)				
Difference between tax depreciation and book depreciation	84	(84)	–	0
Provision for post retirement benefits and other employee benefits	2	(0)	(0)	2
Provision for doubtful debts and advances	(14)	25		10
Fair value gain/(loss) on investments	(29)	147	277	395
MAT credit receivable	9	–	–	9
	52	**87**	**277**	**416**

Movement during the year ended 31 March 21	As at 1 April 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2021
Deferred tax assets / (liabilities)				
Difference between tax depreciation and book depreciation	0	(0)	–	0
Provision for post retirement benefits and other employee benefits	2	(22)	–	(21)
Provision for doubtful debts and advances	10	(33)		(23)
Fair value gain/(loss) on investments	395	289	(606)	78
MAT credit receivable	9	(9)	–	–
	416	**224**	**(606)**	**35**

Note:

The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 32 : EARNINGS PER SHARE

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Profit attributable to equity shareholders [A]	3,296	(1,045)
Weighted average number of equity shares issued [B]	525	400
Nominal value per share	10	10
Earning per share (Basic and diluted) [A]/[B] (Rupees)	**6.28**	**(2.61)**

NOTE 33 : REMUNERATION TO AUDITORS (EXCLUSIVE OF TAXES)

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
As auditors:		
Statutory audit	3	8
Other Fees	1	–
Out of pocket expenses	0	0
	4	**9**

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities and Commitments

Contingent liability is ₹ Nil (previous year : ₹ Nil)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ Nil (previous year : ₹ Nil)

NOTE 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	31-Mar-2021	31-Mar-2020
Principal amount remaining unpaid to any supplier as at the year end	–	–
Amount of interest paid by the company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the year of delay in making payment(which have been paid but beyond the appointed day during the year)but without adding the interest specified under the MSMEDA	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

NOTE 36 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2021

Particulars	Opening balance as on 1 April 2020	Provided for the F.Y. 2020-21	Provision reversed / paid for the FY 2020-21	Closing balance as of 31 March 2021
Ex - gratia	5	159	8	156
Provision for gratuity	7	48	1	54
Heritage club Benefit	–	3	–	3
Compensated absences	0	24	0	24

(All amounts are in INR lakhs, unless otherwise stated)

For the year ended 31 March 2020

Particulars	Opening balance as on 1 April 2019	Provided for the F.Y. 2019-20	Provision reversed / paid for the FY 2019-20	Closing balance as of 31 March 2020
Ex - gratia	7	5	7	5
Provision for gratuity	8	–	0	7
Compensated absences	0	–	–	0

NOTE 37 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged are:

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Financial assets		
Investments :		
Equity shares	13,023	6,339
Mutual funds	3,096	3,096
Total assets pledged as security	**16,119**	**9,435**

Terms and conditions

1. Investments are pledge with Banks and NBFCs against borrowing facilities taken by the Company.
2. The margin of two times cover is provided against the loan facilities for pledge of Investments.

NOTE 38 : RATINGS ASSIGNED BY CREDIT RATING AGENCIES

CRISIL Limited assigned the credit rating of "CRISIL A1+" & India Ratings & Research Private Limited has assigned credit rating of "IND A1+" to the Commercial Paper Programme of ₹ 8,47,500 lakhs of the company. Also, CRISIL Limited has assigned the credit rating of CRISIL PP-MLD AA-r/ Stable & CRISIL AA-/Stable to the Non-Convertible Debentures programme of the Company.

NOTE 39 : COMPANY NOT QUALIFIED FOR LISTED COMPANY

Pursuant to the provisions of the Companies Act, 2013 and applicable rules made thereunder, the Company has issued listed Non-Convertible Debentures on 8 October 2020. Further, pursuant to the amendment in Section 2 (52) i.e. definition of 'listed company'(which was notified on 28 September 2020 and made effective from January 22, 2021) read with Companies (Specification of definitions details) Second Amendment Rules, 2021 issued on February 19, 2021, the Company will no longer be considered as a Listed Company with effect from April 1, 2021 and so requirement of appointment of Independent Director & Woman Director will not apply w.e.f 1 April 2021 and hence no Independent Directors and Women Director was appointed by the Company during the period from 8 October 2020 to 31 March 2021.

NOTE 40 : CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

NOTE 41 : LEASE

The Company has taken office premises on short term lease. The Company as a lessee recognised ₹ 25 lacs (Previous Year ₹ 24 lacs) in the statement of profit and loss under the head "rent".

General description of lease terms: -

i) Lease rentals are charged on the basis of agreed terms.

ii) Assets are taken on lease for a period of less than 12 months.

iii) Lease agreement is cancellable and there is no escalation clause

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 42 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:

(a) Defined contribution plan

Particulars	31-Mar-2021	31-Mar-2020
Employer's contribution to provident fund (including Admin charges)	25	2

(b) Defined benefit plan

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS -19 "Employee benefits"and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
		31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Assumptions as at	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Mortality	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate	IALM (2012–14) Ultimate	–
	Interest / Discount Rate	3.93%	4.80%	3.93%	–
	Rate of increase in compensation	2.86%	5.00%	2.86%	–
	Rate of return (expected) on plan assets				
	Employee Attrition Rate (Past SelVice (PS))	PS: 0 to 40 : 6.67%	PS: 0 to 40 : 20%	PS: 0 to 40 : 6.67%	–
	Expected average remaining service	11.14	3.94	11.14	–
I)	**Changes in present value of obligations**				
	PVO at beginning of period	7	3	–	–
	Interest cost	0	0	–	–
	Current service cost	1	1	3	–
	Past service cost - (non vested benefits)	–	–	–	–
	Past service cost - (vested benefits)	–	–	–	–
	Transfer in Liability	33	0	–	–
	Transfer out Liability	–	(2)	–	–
	Benefits paid	(1)	–	–	–
	Contributions by plan participants	–	–	–	–
	Business combinations	–	–	–	–
	Curtailments	–	–	–	–
	Settlements	–	–	–	–
	Actuarial (gain)/loss on obligation	14	(0)	–	–
	PVO at end of period	55	7	3	–
II)	**Interest expense**				
	Interest cost	0	0	–	–
III	**Fair value of plan assets**				
	Fair Value of Plan Assets at beginning of period	–	–	–	–
	Interest income	–	–	–	–
IV	**Net Liability**				
	PVO at beginning of period	7	8	–	–

(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
		31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Fair value of the assets at beginning report	–	–	–	–
	Net Liability	7	8	3	–
V)	**Net Interest**				
	Interest expenses	0	0	–	–
	Interest income	–	–	–	–
	Net interest	0	0	–	–
VI)	**Actual return on plan assets**				
	Less Interest income included above	–	–	–	–
	Return on plan assets excluding interest income	–	–	–	–
VII)	**Actuarial (gain)/loss on obligation**				
	Due to demographic assumption	2	0	–	–
	Due to financial assumption	(7)	(0)	–	–
	Due to experience	20	(0)	–	–
	Total actuarial (gain)/loss	14	(0)	–	–
VIII)	**Fair value of plan assets**				
	Opening fair value of plan asset	–	–	–	–
	Adjustment to opening fair value of plan asset	–	–	–	–
	Return on plan assets excluding interest income	–	–	–	–
	Interest income	–	–	–	–
	Contributions by employer	1	–	–	–
	Contributions by employee	–	–	–	–
	Benefits paid	(1)	–	–	–
	Fair value of plan assets at end	–	–	–	–
IX)	**Past service cost recognised**				
	Past service cost- (non vested benefits)	–	–	–	–
	Past service cost- (vested benefits)	–	–	–	–
	Average remaining future service till vesting of the benefit	–	–	–	–
	Recognised past service cost- non vested benefits	–	–	–	–
	Recognised past service cost- vested benefits	–	–	–	–
	Unrecognised past service cost- non vested benefits	–	–	–	–
X)	**Amounts to be recognized in the balance sheet and statement of profit & loss account**				
	PVO at end of period	55	7	3	–
	Fair value of plan assets at end of period	–	–	–	–
	Funded Status	(55)	(7)	(3)	–
	Unrecognised past service cost- non vested benefits	–	–	–	–
	Net asset/(liability) recognized in the balance sheet	(55)	(7)	(3)	–
XI)	**Expense recognised in the statement of profit and loss**				

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Gratuity (unfunded)		Heritage club (unfunded)	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Current service cost	1	1	3	–
Net interest	0	0	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Curtailment effect	–	–	–	–
Settlement effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (gain)/loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	1	1	3	–
XII) Other comprehensive income (OCI)				
Actuarial (gain)/loss recognized for the period	14	(0)	–	–
Asset limit effect	–	–	–	–
Return on plan assets excluding net interest	–	–	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–	–	–
Total actuarial (gain)/loss recognized in (OCI)	14	(0)	–	–
XIII) Movement in liability recognized in balance sheet				
Opening net liability	7	8	–	–
Adjustment to opening balance	–	–	–	–
Transfer in liability	33	0	–	–
Transfer out liability	–	(2)	–	–
Expenses as above	1	1	3	–
Contribution paid	(1)	–	–	–
Other comprenehsive income(OCI)	14	(0)	–	–
Closing net liability	55	7	3	–
XIV) Schedule III of The Companies Act 2013				
Current liability	3	1	3	–
Non - current liability	52	5	–	–
XV) Projected service cost 31 March 2021	**14**	**1**	**3**	**–**
XVI) Asset information				
Cash and cash equivalents	–	–	–	–
Gratuity fund	–	–	–	–
Debt security - government bond	–	–	–	–
Equity securities - corporate debt securities	–	–	–	–
Other insurance contracts	–	–	–	–
Property	–	–	–	–
Total itemized assets	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	50	61	60	50

XIX) Expected payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	3	3	4	4	4	19

XX) Asset liability comparisons

Year	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021
PVO at end of period	1	–	8	7	55
Plan assets	–	–	–	–	–
Surplus / (deficit)	(1)	–	(8)	(7)	(55)
Experience adjustments on plan assets	–	–	–	–	–

NOTE 43 : SEGMENT REPORTING

The chief operating decision maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of "Lending activities" and "Fund based activities". Lending activities includes loan against shares. Fund based activities includes investment activities in mutual funds and equity instruments.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as “unallocable” in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

Particulars	Lending activities		Fund based activities		Unallocated		Total	Total
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
REVENUE:								
External Revenue	7,373	3,983	3,119	603	–	–	10,492	4,586
Inter-Segment Revenue	–	–		–	–	–	–	–
Total Revenue	**7,373**	**3,983**	**3,119**	**603**	**–**	**–**	**10,492**	**4,586**
RESULT:								
Segment Result	**2,423**	**723**	**1,117**	**(1,771)**	**(4)**	**(9)**	**3,536**	**(1,057)**
Unallocated Corporate Expenses		–	–	–		–	4	9
Operating Profit	**2,423**	**723**	**1,117**	**(1,771)**		**(9)**	**3,531**	**(1,066)**
Less: Tax Expenses:								–
Income Tax							(459)	(37)
Deferred Tax							224	87

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Lending activities		Fund based activities		Unallocated		Total	Total
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Profit from Ordinary Activities							**3,297**	**(1,016)**
Exceptional Item							–	29
Net Profit							**3,297**	**(1,044)**
OTHER INFORMATION:								
Segment Assets	69,711	27,473	80,783	49,552	129	607	150,623	77,632
Segment Liabilities	78,133	24,994	–	–	–	–	78,133	24,994
Capital Expenditure		–		–		–	–	–
Depreciation		–		–		–	2	2

NOTE 44 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(i) List of related parties and their relationship

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

Fellow subsidiaries:

1. Motilal Oswal Commodities Broker Private Limited
2. Motilal Oswal Investment Advisors Limited
3. MOPE Investment Advisors Private Limited
4. Motilal Oswal Wealth Management Limited
5. Motilal Oswal Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
6. Motilal Oswal Asset Management Company Limited
7. Motilal Oswal Trustee Company Limited
8. Motilal Oswal Securities International Private Limited
9. Motilal Oswal Capital Markets (Hongkong) Private Limited
10. Motilal Oswal Capital Markets (Singapore) Pte. Limited
11. Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)
12. Motilal Oswal Real Estate Investment Advisors Private Limited
13. Motilal Oswal Real Estate Investment Advisors II Private Limited
14. India Business Excellence Management Company
15. Motilal Oswal Asset Management (Mauritius) Private Limited
16. Motilal Oswal Capital Limited
17. Glide Tech Investment Advisors Private Limited
18. Motilal Oswal Finsec IFSC Limited

Key Management Personnel (KMP)

1. Motilal Oswal - Whole time Director
2. Ajay Menon -Director and Chief Financial Officer

(All amounts are in INR lakhs, unless otherwise stated)

3. Shalibhadra Shah- Director
4. Kailash Purohit - Company Secretary

(A) Transactions with related parties for the year ended 31 March 2021 and 31 March 2020

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Training Fees	Motilal Oswal Financial Services Limited	–	21	–	–	–	21
Business Support Income	Motilal Oswal Financial Services Limited	1,276	–	–	–	1,276	–
Business Support Expenses	Motilal Oswal Financial Services Limited	25				25	–
Referral Expense	Motilal Oswal Wealth Management Ltd	–	–	22	–	22	–
Interest Expense	Motilal Oswal Financial Services Limited	176	182	–	–	176	182
	Motilal Oswal Home Finance Limited			382	–	382	–
Interest Income	Motilal Oswal Financial Services Limited	899		–		899	–
	Motilal Oswal Finsec Limited	–		0		0	–
	Glide Tech Investment Advisors Private Limited	–	–	2	–	2	–
	Motilal Oswal Asset Management Company Limited	–	–	59	75	59	75
	Motilal Oswal Commodities Broker Private Limited	–	–	0	–	0	–
	Motilal Oswal Investment Advisors limited	–	–	118	61	118	61
	MOPE Investment Advisors Private Limited	–	–	36	88	36	88
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	4	5	4	5
	Motilal Oswal Wealth Management Limited	–	–	7	41	7	41
	Passionate Investment Management Private Limited	–	1	–	–	–	1
	Motilal Oswal Capital Limited	–	–	1	1	1	1
	Motilal Oswal Alternate Investment Advisors Private Limited	–	–	1	–	1	–
	Motilal Oswal Real Estate Investment Advisors Private Limited	–	–	0	–	0	–
Rent Expense	Motilal Oswal Financial Services Limited	25	24	–	–	25	24
Loan given	Motilal Oswal Financial Services Limited	824,327	284,067	–	–	824,327	284,067
	Motilal Oswal Home Finance Limited	–	–	60,600	–	60,600	–
	Motilal Oswal Asset Management Company Limited	–	–	13,542	27,761	13,542	27,761
	Motilal Oswal Commodities Broker Private Limited	–	–	8	–	8	–
	Motilal Oswal Investment Advisors limited	–	–	1,604	4,291	1,604	4,291
	MOPE Investment Advisors Private Limited	–	–	4,103	4,643	4,103	4,643
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	1,267	1,104	1,267	1,104
	Motilal Oswal Wealth Management Limited	–	–	620	5,773	620	5,773
	Glide Tech Investment Advisors Private Limited			127		127	–
	MO Alternate Investment Advisors P.Ltd.			31		31	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Name of the related Party	Holding Companies /Ultimate Holding Company		Fellow Subsidiary Companies		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Motilal Oswal Real Estate Investment Advisors Private Limited			1		1	–
	Passionate Investment Management Private Limited		21		–	–	21
	Motilal Oswal Capital Limited	–	–	30	63	30	63
	Motilal Oswal Finsec Limited			2	–	2	–
Repayment of loan	Motilal Oswal Financial Services Limited	832,708	274,406	–	–	832,708	274,406
	Motilal Oswal Home Finance Limited	–	–	60,600	–	60,600	–
	Motilal Oswal Asset Management Company Limited	–	–	13,157	27,761	13,157	27,761
	Motilal Oswal Commodities Broker Private Limited	–	–	–	0	–	0
	Motilal Oswal Investment Advisors limited	–	–	707	3,732	707	3,732
	MOPE Investment Advisors Private Limited			4,103	4,643	4,103	4,643
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	1,267	1,104	1,267	1,104
	Motilal Oswal Wealth Management Limited	–	–	1,008	5,385	1,008	5,385
	Passionate Investment Management Private Limited	–	21		–	–	21
	Motilal Oswal Capital Limited	–	–	30	63	30	63
	Glide Tech Investment Advisors Private Limited	–	–	127	–	127	–
	MO Alternate Investment Advisors P. Ltd.	–	–	31	–	31	–

*Note : All Loans referred above are repayable on demand

(B) Outstanding balances of / with related parties :

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary	
		As at 31-Mar-2021	As at 31-Mar-2020
Investments	Motilal Oswal Home Finance Limited	15,000	15,000
Loan & Advances receivables/ (payable)	Motilal Oswal Commodities Broker Private Limited	8	–
	Motilal Oswal Investment Advisors limited	1,456	559
	Motilal Oswal Asset Management Company Limited	385	–
	Motilal Oswal Real Estate Private Limited	1	–
	Motilal Oswal Finsec Limited	2	–
	Motilal Oswal Financial Services Limited	–	8,381
	Motilal Oswal Wealth Management Limited	–	388
Rent receivables/ (Payables)	Motilal Oswal Financial Services Limited	(1)	1
Trade receivables/ (Payables)	Motilal Oswal Home Finance	543	506
	Motilal Oswal Wealth Management Limited	(1)	–
	Motilal Oswal Financial Services Limited	116	23

(All amounts are in INR lakhs, unless otherwise stated)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary	
		As at 31-Mar-2021	As at 31-Mar-2020
Interst receivables/ (Payable)	Motilal Oswal Financial Services Limited	(0)	4
	Motilal Oswal Asset Management Company Limited	1	3
	Motilal Oswal Commodities Broker Private Limited	0	–
	Motilal Oswal Home Finance Limited	(95)	–
	Motilal Oswal Insurance Brokers Private Limited	0	–
	Motilal Oswal Investment Advisors limited	11	4
	MOPE Investment Advisors Private Limited	0	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	0	–
	Motilal Oswal Real Estate Private Limited	0	–
	Motilal Oswal Finsec Limited	0	–
	Motilal Oswal Capital Limited	0	–
	Motilal Oswal Wealth Management Limited	–	3

*Note : All Loans referred above are repayable on demand

NOTE 45 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and market risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, receivables, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk is the risk that the Company will incurr a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units and trade receivables.

Banks balance is considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered. For arriving at the ECL, the Company follows ECL module approved by the management.

Stage wise break - up of ECL on loan

Particulars	As at 31 March 2021	As at 31 March 2020
Low credit risk (Stage 1)	86	37
Significant increase in credit risk (Stage 2)	–	–
Credit impaired (Stage 3)	5	5
Total	**91**	**42**

(All amounts are in INR lakhs, unless otherwise stated)

Age of receivables that are past due:

Particulars	As at 31 March 2021	As at 31 March 2020
Upto 3 months	666	111
3 - 6 months	–	–
6 - 12 months	6	13
More than 12 months	–	–
Total	**672**	**124**

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Borrowing and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31-Mar-2021	31-Mar-2020
Expiring within one year (working capital demand loan sanctioned)	28,000	30,000

The credit facilities may be drawn at any time and may be terminated by the NBFC/bank. Subject to the continuance of satisfactory credit ratings.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	39,598	34,630	–	74,228
Borrowing	–	2,000	–	2,000
Other financial liabilities	1,609	–	–	1,609
Total	**41,207**	**36,630**	**–**	**77,837**

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Debt securities	24,821	–	–	24,821
Borrowing	–	–	–	–
Other financial liabilities	129	–	–	129
Total	**24,950**	**–**	**–**	**24,950**

(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.

(All amounts are in INR lakhs, unless otherwise stated)

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Interest rate risk

The company's main interest rate risk arises from variable rates borrowings , which expose the company to interest rate risk. The company eliminates the risk by having short term borrowing and providing demand loans on variable interest rates.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Variable rate borrowing	–	–
Fixed rate borrowing	76,228	24,821
Total Borrowing	**76,228**	**24,821**

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	31-Mar-2021	31-Mar-2020
Interest rates – increase by 1%	–	–
Interest rates – decrease by 1%	–	–

(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-Mar-2021	As at 31-Mar-2020
Exposure to price risk	65,783	12,057

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-Mar-2021	31-Mar-2020
Impact on profit before tax for 10% increase in NAV/price	6,578	1,206
Impact on profit before tax for 10% decrease in NAV/price	(6,578)	(1,206)

(All amounts are in INR lakhs, unless otherwise stated)

NOTE 46 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	37,574	–	37,574	187	–	187
Receivables						
Trade receivables	666	–	666	13	–	13
Other receivables	6	–	6	111	–	111
Loans	30,296	–	30,296	25,977	–	25,977
Investments	10,432	70,352	80,783	6,600	42,952	49,552
Other financial assets	5	–	5	0	–	0
Non-financial assets						
Current tax assets (net)	–	94	94	–	191	191
Deferred tax assets (net)	–	35	35	–	416	416
Property, plant and equipment	–	0	0	–	1	1
Intangible assets	–	2	2	–	3	3
Goodwill	–	405	405	–	405	405
Other non-financial assets	757	–	757	776	–	776
Total assets	**79,736**	**70,888**	**150,624**	**33,664**	**43,968**	**77,633**

Liabilities	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Debt securities	39,598	34,630	74,228	24,821	–	24,821
Borrowings	2,000	–	2,000	–	–	–
Other financial liabilities	1,071	538	1,609	129	–	129
Non-financial Liabilities						
Provisions	238	–	238	11	–	11
Other non-financial liabilities	58	–	58	33	–	33
Total liabilities	**42,965**	**35,168**	**78,133**	**24,994**	**–**	**24,994**

NOTE 47: DISCLOSURES AS PER GUIDELINES FOR NBFC-ND-SI AS REGARDS CAPITAL ADEQUACY, LIQUIDITY AND DISCLOSURE NORMS

A. Capital and Risk Assets Ration (CRAR)

Sr. No.	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
i)	CRAR (%)	60.02%	56.99%
ii)	CRAR - Tier I Capital (%)	59.92%	56.91%
iii)	CRAR - Tier II Capital (%)	0.09%	0.07%
iv)	Amount of subordinated debt raised as Tier-II capital	–	–
v)	Amount raised by issue of Perpetual Debt Instruments	–	–

(All amounts are in INR lakhs, unless otherwise stated)

B. Investments

Sr. No.	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(1)	**Value of investments**		
(i)	Gross value of investments		
	(a) In India	80,783	49,552
	(b) Outside India	–	–
(ii)	Provisions for depreciation*		
	(a) In India	–	–
	(b) Outside India	–	–
(iii)	Net value of investments		
	(a) In India	80,783	49,552
	(b) Outside India	–	–
(2)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	–	–
(ii)	Add : Provisions made during the year	–	–
(iii)	Less : Write-off / write-back of excess provisions during the year	–	–
(iv)	Closing balance	–	–

*Provision for depreciation includes provision for diminution in value of Investment.

C. Derivatives

The Company has no transactions/exposure in derivative during the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2021.

D. Disclosures relating to securitisation

(i) The Company has not entered into securitisation transactions during the current and previous year.

(ii) **Details of financial assets sold to securitisation/reconstruction company for asset reconstruction:**

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction in the current year.

(iii) **Details of assignment transactions:** There are no assignment transaction during the current year

(iv) **Details of non-performing financial assets purchased/sold -** The Company has not purchased/sold any non-performing financial asset during the current year.

E) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Particulars	As at 31 March 2021								
	Upto 31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Loan	6,633	3,039	10,858	1,964	7,893	–	–	–	30,387
Investments	550	550	550	5,482	3,300	15,017	33,964	21,371	80,783
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	–	–	–	–	2,000	–	–	–	2,000
Debt securities	–	19,855	19,743	–	–	–	34,630	–	74,228
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2020								
	Upto 31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Loan	2,560	2,602	2,602	7,806	10,408	–	–	–	25,977
Investments	550	550	550	1,650	3,300	15,894	12,057	15,000	49,552
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	–	–	–	–	–	–	–	–	–
Debt securities	24,821	–	–	–	–	–	–	–	24,821
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

Notes

1. The above maturity pattern is determined on management estimation.
2. Borrowing does not include accrued interest on borrowings
3. The Company does not accepts public deposits.
4. Terms and conditions of the advances does not have any repayment schedule. They are repayable on demand. Hence the categorization of advances over various maturity pattern as shown above is as per the past trends, which has been identified by the management and relied upon by the auditors.

F. Exposures

F.1 Exposure to real estate sector

Sr. No.	Category	As at 31-Mar-2021	As at Mar-2020
a)	**Direct exposure**		
(i)	**Residential mortgages -**		
	Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	–	–
(ii)	**Commercial real estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits (Refer below note 4)	–	–
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
	a. Residential	–	–
	b. Commercial real estate	–	–
b)	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	15,000	15,000
	Others	21,617	22,494
	Total exposure to real estate sector	**36,617**	**37,494**

(All amounts are in INR lakhs, unless otherwise stated)

F.2 Exposure to capital market

Sr. No.	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(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;	37,227	12,057
(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;	29,613	8,888
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–	–
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;	7,729	4,065
(vii)	bridge loans to companies against expected equity flows / issues;	–	–
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	–	253
	Total exposure to capital market	**74,569**	**25,263**

F.3 Details of financing of parent Company products: Nil

F.4 Details of Single borrower limits (SBL) / Group borrower limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI.

F.5 Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

G Miscellaneous

G.1 Registration obtained from other financial sector regulators

No registration has been obtained from other financial sector regulators.

G.2 Penalties or Fines imposed by Reserve Bank of India

During the Financial year 2020-21, no penalties or fines have been imposed by Reserve Bank of India.

G.3 Related Party Transactions

Refer note no. 44 for transaction with related parties

G.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

G.5 Remuneration of Directors (Non-executive)

During the Financial year 2020-21, Nil remmuneration paid to the directors.

(All amounts are in INR lakhs, unless otherwise stated)

H. Additional disclosures

H.1 Provisions

Provisions shown under the head expenditure in profit and loss account	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Provisions for depreciation on Investment	–	–
Provision towards NPA	–	–
Provision made towards Income tax	235	(21)
Other provision (with details)*	238	12
Provision for standard assets	49	(10)
***Other provisions**		
Provision for employee benefits	55	7
Provision for ex-gratia	156	5
Compensated absences	24	0
Heritage club Benefit	3	–
	238	**12**

H.2 Drawn down from reserve

No draw down from reserve during the year.

H.3 Concentration of advances

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Total advances to twenty largest borrowers	24,002	23,112
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	79%	89%

H.4 Concentration of exposures

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Total Exposure to twenty largest borrowers	48,275	41,440
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	17.63%	28.46%

H.5 Concentration of NPAs

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Total exposure to top four NPA accounts	5	5

H.6 Sector - wise NPAs

Sr. No.	Percentage of NPAs to Total Advances in that sector	As at 31-Mar-2021	As at 31-Mar-2020
	Sector		
1	Agriculture and allied activities	–	–
2	MSME	–	–
3	Corporate borrowers	5	5
4	Services	–	–
5	Unsecured personal loans	–	–
6	Auto loans	–	–
7	Other personal loans	–	–

(All amounts are in INR lakhs, unless otherwise stated)

H.7 Movement of NPAs

Sr. No.	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(i)	Net NPAs to Net Advances (%)	–	–
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	5	5
(b)	Additions during the year	–	–
(c)	Reductions during the year	–	–
(d)	Closing balance	5	5
(iii)	Movement of Net NPAs		
(a)	Opening balance	–	–
(b)	Additions during the year	–	–
(c)	Reductions during the year	–	–
(d)	Closing balance	–	–
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	5	5
(b)	Provisions made during the year	–	–
(c)	Write-off / (write-back) of excess provisions	–	–
(d)	Closing balance	5	5

H.8 Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have overseas assets.

H.9 Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored.

I) Disclosures of Compliant

I.1 Customer Complaints*

Sr. No.	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
a)	Number of customer complaints pending at the beginning of the year	–	–
b)	Number of customer complaints received during the financial year	–	–
c)	Number of customer complaints redressed during the financial year	–	–
d)	Number of customer complaints pending at the end of the year	–	–

*Details of customer complaints given here are as represented by the management and relied upon by the auditors.

J) Schedule to the Balance Sheet of "Motilal Oswal Finvest Limited" as at 31 March 2021 (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-Mar-2021		As at 31-Mar-2020	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	34,630	–	–	–
	Unsecured (other than falling within the meaning of public deposits)	–	–	–	–
	(b) Deferred Credits	–	–	–	–
	(c) Term Loans	–	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Liabilities side :	As at 31-Mar-2021		As at 31-Mar-2020	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(d) Inter-corporate loans and borrowing	–	–	–	–
(e) Commercial paper	39,598	–	24,821	–
(f) Other loans (Borrowings)	2,000	–	–	–

	Assets side :	As at 31-Mar-2021	As at 31-Mar-2020
		Amount outstanding	Amount outstanding
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**		
	(a) Secured	11,917	9,366
	(b) Unsecured	18,470	16,653
		30,387	**26,019**
3	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	–	–
	(b) Operating lease	–	–
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	–	–
	(b) Repossessed Assets	–	–
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	–	–
	(b) Loans other than (a) above	–	–
4	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted		
	(i) Shares :		
	(a) equity	–	–
	(b) preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	2. Unquoted		
	(i) Shares :		
	(a) equity	–	–
	(b) preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	Long term Investments :		
	1. Quoted		
	(i) Shares :		
	(a) Equity	13,137	7,740

(All amounts are in INR lakhs, unless otherwise stated)

Assets side :	As at 31-Mar-2021	As at 31-Mar-2020
(b) Preference	–	–
(ii) Debentures and bonds	–	–
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Others - Exchange traded funds	285	177
2. Unquoted		
(i) Shares :		
(a) Equity	15,000	15,000
(b) Preference	–	–
(ii) Debentures and bonds	3,832	–
(iii) Units of mutual funds	20,542	4,139
(iv) Government Securities	–	–
(v) Others (Investment in security receipts)	27,988	22,494
Total	**80,783**	**49,550**

5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provision (Refer Note No. 6)					
	As at 31-Mar-2021			As at 31-Mar-2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	–	–	–	–	–	–
(b) Companies in the same group	–	–	–	–	–	–
(c) Other related parties	–	1,866	1,866	–	9,347	9,347
2. Other than related parties	11,917	16,605	28,521	9,366	7,306	16,672
Total	**11,917**	**18,470**	**30,387**	**9,366**	**16,653**	**26,019**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31-Mar-2021		As at 31-Mar-2020	
	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)	65,783	65,783	34,550	34,550
Total	**80,783**	**80,783**	**49,550**	**49,550**

7) Other Information

Particulars	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2019
(i) Gross non- performing assets	–	–	–
(a) Related parties	–	–	–
(b) Other than related parties	–	–	–
(ii) Net non- performing assets	–	–	–
(a) Related parties	–	–	–
(b) Other than related parties	–	–	–
(iii) Assets acquired in satisfaction of debt	–	–	–

(All amounts are in INR lakhs, unless otherwise stated)

Notes:

1. In respect of investment in companies in same group, fair value is computed on the basis of book value.
2. In respect of investment in mutual funds, NAV has been taken for calculation of fair value.
3. The figures are not netted with provision against standard assets as it is not a specific provision.
4. Exposure to related party by way of demand loans are considered at the closing balance of the demand loan as on 31 March 2021.

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 2021

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	30,382	86	30,296	74	12
	Stage 2	–	–	–	–	–
Subtotal		**30,382**	**86**	**30,296**	**74**	**12**
Non-performing Assets (NPA)						
Sub-standard	Stage 3	–	–	–	–	–
Doubtful - upto 1 year	Stage 3	–	–	–	–	–
Doubtful - 1 to 3 year	Stage 3	5	5	–	5	–
Doubtful - More than 3 years	Stage 3	–	–	–	–	–
Loss asset	Stage 3	–	–	–	–	–
Subtotal		**5**	**5**	**–**	**5**	**–**
		30,387	**91**	**30,296**	**79**	**12**

The above table discloses the provisions amounts as per IRAC norms, while the Company has made a provision of non-performing assets of ₹ 91 lacs as per IndAs 109. The difference between Ind-AS 109 provisions and IRACP norms of ₹ 12 lakhs.

As at 31 March 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	26,014	37	25,977	99	(62)
	Stage 2	–	–	–	–	–
Subtotal		**26,014**	**37**	**25,977**	**99**	**(62)**

(All amounts are in INR lakhs, unless otherwise stated)

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross Carrying Amounts as per Ind-AS	Loss Allowances (Provisions) as required under Ind-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Non-performing Assets (NPA)						
Sub-standard	Stage 3	–	–	–	–	–
Doubtful - upto 1 year	Stage 3	–	–	–	–	–
Doubtful - 1 to 3 year	Stage 3	5	5	–	5	–
Doubtful - More than 3 years	Stage 3	–	–	–	–	–
Loss asset	Stage 3	–	–	–	–	–
Subtotal		**5**	**5**	**–**	**5**	**–**
		26,019	**42**	**25,977**	**104**	**(62)**

The above table discloses the provisions amounts as per IRAC norms, while the Company has made a provision of non-performing assets of ₹ 42 lacs as per IndAs 109. The difference between Ind-AS 109 provisions and IRACP norms of ₹ 62 lacs has been transferred in impairment reserve.

L) Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Provision for COVID-19 moratorium cases

Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on moratorium dated 17 April 2020 and 23 May 2020. The Company had offered moratorium in accordance with its Board approved policies to its eligible customers based on requests as well as on a suo-moto basis between 1 April 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification was kept stand still during the moratorium period.

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Principal amount outstanding of cases where moratorium benefit was extended	194	–
Respective amounts in SMA/overdue categories where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	–	–
Respective amount where asset classification benefit is extended	194	–
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to NBFC's covered under Ind AS) (5% in March 2020 & 10% cumulatively in June 2020) *	27	–
Provisions adjusted against slippages in terms of paragraph 6 or the circular	**(8)**	**–**
Residual provisions in terms of paragraph 6 of the circular	**19**	**–**

M) Disclosure pursuant to Reserve Bank of India circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies pertaining to public disclosure on Liquidity Risk

As at 31 March 2021

(All amounts are in INR lakhs, unless otherwise stated)

M.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 - 1	39,598	51.95%	50.68%
Non Convertible Debenture - 124	34,630	45.43%	44.32%
Demand Loan - 1	2,000	2.62%	2.56%

M.2 Top 20 large deposits (amount and % of total deposits) – Not Applicable

M.3 Top 10 borrowings (amount in ₹ lacs and % of total borrowings) - ₹ 65,718 lacs and 86.21%

M.4 Funding concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits / borrowings
Commercial paper	39,598	51.95%
Non Convertible Debenture	34,630	45.43%
Demand Loan	2,000	2.62%

M.5 Stock Ratios

(a) Commercial papers as a % of total public funds (27.28%), total liabilities (50.68%) and total assets (26.29%)

(b) Non-Convertible Debenture as a % of total public funds (23.86%), total liabilities (44.32%) and total assets (22.99%)

(c) Demand Loan as a % of total public funds (1.38%), total liabilities (2.56%) and total assets (1.33%)

(d) Other short-term liabilities, if any as a % of total public funds (1.31%), total liabilities (2.44%) and total assets (1.26%)

M.6 Institutional set-up for liquidity risk management

The company has an Asset Liability Management Committee (ALCO) to handle liquidity risk management. The ALCO meetings are held at periodic intervals and minutes of the ALCO are presented to the Board.

* 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.

NOTE 48 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The application of Ind AS 115 has had no impact on the cash flows of the Company. The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company derives revenue primarily from the lending business. Its other major revenue sources are trainging and treasury income.

(All amounts are in INR lakhs, unless otherwise stated)

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to Profit and Loss account:

Particulars	2020-21		2019-20	
	Type of service		Type of service	
	Interest income	Training and referral income	Interest income	Training and referral income
Total Revenue from contracts with customers	**6,353**	**–**	**4,295**	**137**
Geographical Markets				
India	6,353	–	4,295	137
Outside India	–	–	–	–
Total Revenue from contracts with customers	**6,353**	**–**	**4,295**	**137**
Timing of revenue recognition				
Services transferred at a point in time		–		116
Services transferred over time	6,353	–	4,295	21
Total Revenue from contracts with customers	**6,353**	**–**	**4,295**	**137**

b) Performance obligations

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Training fees are received on subscription but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

Income from referral is recognised upon rendering of the services.

NOTE 49 : FAIR VALUE MEASUREMENT

a) Financial instruments by category

Particulars	As at 31-Mar-2021			As at 31-Mar-2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	37,574	–	–	187
Receivables						
Trade receivables	–	–	666	–	–	13
Other receivables	–	–	6	–	–	111
Loans	–	–	30,296	–	–	25,977
Investments	98,922	13,137	15,000	53,620	7,742	15,000
Other financial assets	–	–	5	–	–	0
Total financial assets	**98,922**	**13,137**	**83,548**	**53,620**	**7,742**	**41,288**
Financial liabilities						
Debt securities	–	–	74,228	–	–	24,821
Borrowings	–	–	2,000	–	–	–
Other financial liabilities	–	–	1,609	–	–	129
Total financial liabilities	**–**	**–**	**77,837**	**–**	**–**	**24,950**

(All amounts are in INR lakhs, unless otherwise stated)

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the quoted market prices.

The fair values for investment in security receipt 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 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-Mar-2021			As at 31-Mar-2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVTPL						
– Mutual funds	20,542	–	–	4,139	–	–
– Exchange traded funds	285	–		177	–	–
– Investment in security receipt	–	–	21,617			22,494
– Investment in IREF IV			6,371			
– Investment in NCD			3,832			
Financial investments at FVOCI						
– Equity instruments held through portfolio management schemes	13,137	–	–	7,742	–	–
Total	**33,964**	**–**	**31,819**	**12,057**	**–**	**22,494**

(All amounts are in INR lakhs, unless otherwise stated)

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Particulars	Security receipts	IREF IV	NCD
As at 1 April 2019	**–**	**–**	**–**
Additions	22,494	–	–
Disposals	–	–	–
Gains/(losses) recognised in statement of profit and loss	–	–	–
As at 31 March 2020	**22,494**	**–**	**–**
Additions	6,370	7,481	9,250
Disposals	(4,120)	(1,425)	(5,432)
Gains/(losses) recognised in statement of profit and loss	(3,127)	314	13
As at 31 March 2021	**21,617**	**6,371**	**3,832**

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-Mar-2021	As at 31-Mar-2020
Fair value of instruments	27,988	22,494
Significant unobservable inputs		
Net worth of the fund at Fair value		
– increase by 100 bps	280	225
– decrease by 100 bps	(280)	(225)
Fair value of NCD	3,832	
Significant unobservable inputs		
Net Asset Value of the investment		
– increase by 100 bps	38	–
– decrease by 100 bps	(38)	–

NOTE 50 : BUSINESS SUPPORT

The company provides business support to its subsidiaries, fellow subsidiaries for activities like finance, accounting, human resources, information technology, back office operations, corporate planning, administrative services and various other services for which it recovers business support charges.

NOTE 51 : COVID-19

The current second wave of Covid-19 pandemic have resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19 , the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. However the Company believes that it has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. The Company will continue to monitor for any material changes to future economic conditions.

(All amounts are in INR lakhs, unless otherwise stated)

The Company as a part of its Investment portfolio has made investments in the Security receipts. Given the dynamic nature of pandemic, the Company expects there will be a deferment in collections from the underlying assets of these security receipts on the basis of independent valuer report, the Company has recognised fair value loss through profit and loss of ₹ 3,127 lakh for the year ended 31 March 2021. The carrying value of the Security receipts as at 31 March 2021 is Rs 21,617 lakhs. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 52:

Amounts below ₹ 0.50 lakhs are rounded off and shown as "0".

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 29 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Finvest Limited
(Formerly known as Motilal Oswal Capital Markets Limited)

Motilal Oswal
Whole-time Director
DIN: 00024503

Ajay Menon
Director and Chief Financial Officer
DIN: 00024589

Shalibhadra Shah
Director
DIN: 07669954

Kailash Purohit
Company Secretary
M N. : ACS - 28740

Place : Mumbai
Date : 29 April, 2021

Motilal Oswal Alternate Investment Advisors Private Limited

(Formerly known as Motilal Oswal Fincap Private Limited)

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To,

The Members **MO Alternate Investment Advisors Private Limited,**

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **MO Alternate Investment Advisors Private Limited** which comprises the Balance Sheet as at March 31, 2021, 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, 2021, and profit/loss, and its cash flows for the year ended on March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
---NIL---	

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in

terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  (i) The Company does not have any pending litigations which would impact its financial position;

  (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

  (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Aneel Lasod And Associates**

Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No.: 040117
UDIN: 21040117AAAAFK9671

Place: Mumbai
Date: 22nd April 2021

ANNEXURE "A" TO AUDITORS' REPORT:

Annexure "A" referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under.

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) and; therefore this clause is not applicable

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For **Aneel Lasod And Associates**

Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No.: 040117
UDIN: 21040117AAAAFK9671

Place: Mumbai
Date: 22nd April 2021

ANNEXURE "B" TO AUDITORS' REPORT:

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of MO Alternate Investment Advisors Private Limited ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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: 21040117AAAAFK9671

Place: Mumbai
Date: 22nd April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

	Note No.	As at 31-Mar-2021 (In ₹)	As at 31-Mar-2020 (In ₹)
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	6,255	6,255
(b) Deferred tax assets (net)	5	26,06,015	2,310
Current Assets			
(a) Financial assets			
(i) Trade receivables	6	19,68,600	5,47,000
(ii) Cash and cash equivalents	7	7,60,899	1,24,74,731
(iii) Investments	8	1,70,00,736	–
(iv) Other financial assets	9	20,08,261	16,60,249
(b) Current tax assets (net)	10	48,92,055	37,13,709
(c) Other current assets	11	1,06,261	4,06,401
TOTAL ASSETS		**2,93,49,082**	**1,88,10,655**
II. EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	12	3,00,00,000	3,00,00,000
(b) Other equity	13	(10,67,882)	(1,17,47,102)
Current Liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	14	4,16,964	5,57,681
(ii) Provisions	15	–	77
TOTAL EQUITY AND LIABILITIES		**2,93,49,082**	**1,88,10,655**

Notes referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No. : 40117
UDIN: 21040117AAAAFK9671

Place : Mumbai
Dated : 22nd April 2021

For and on behalf of the Board of Directors of
For Motilal Oswal Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

Motilal Oswal
Director
DIN: 00024503

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Dated : 22nd April 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note No.	Year Ended 31-Mar-2021 (in ₹)	Year Ended 31-Mar-2020 (in ₹)
Revenue from operations			
(i) Training fees Income	16	84,50,423	78,72,000
(ii) Commission & Brokerage income	17	–	6,170
(iii) Interest income	18	1,106	50,120
(iv) Dividend Income	19	6,825	–
(v) Net gain on fair value changes	20	4,89,732	–
1) Total revenue from operations		**89,48,086**	**79,28,290**
Expenses			
(i) Finance cost	21	54,260	–
(ii) Net gain on fair value changes	20	–	10,89,751
(iii) Employee benefits expense	22	900	(44,998)
(iv) Depreciation and amortisation expense	4	–	–
(v) Other expenses	23	8,17,412	4,59,846
2) Total expenses		**8,72,572**	**15,04,598**
3) Profit/(loss) before tax (1 - 2)		**80,75,514**	**64,23,692**
Tax expense/(credit):	24		
(i) Current tax		–	–
(ii) Deferred tax expense/(credit)		(26,03,705)	38,186
4) Total tax expenses		**(26,03,705)**	**38,186**
5) Profit/(loss) for the period (3 - 4)		**1,06,79,219**	**63,85,506**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		–	–
(b) Deferred tax impact on the above		–	–
6) Other comprehensive income		**–**	**–**
Total comprehensive income for the period (5+6)		**1,06,79,219**	**63,85,506**
Earnings per share (₹ 1 each)			
Basic (amount in ₹) (Refer Note 25)		3.56	2.13
Diluted (amount in ₹)		3.56	2.13

As per our attached report of even date

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M.No. : 40117
UDIN: 21040117AAAAFK9671

Place : Mumbai
Dated : 22nd April 2021

For and on behalf of the Board of Directors of
For Motilal Oswal Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

Motilal Oswal
Director
DIN: 00024503

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Dated : 22nd April 2021

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Year Ended 31-Mar-2021 (in ₹)	Year Ended 31-Mar-2020 (in ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**80,75,514**	**64,23,692**
Adjustment for		
Finance cost	54,260	–
Interest income	(1,106)	(50,120)
Dividend Income	(6,825)	–
Profit on sale of Investment	(4,89,732)	–
Adjustment for working capital changes		
Increase/(Decrease) in other financial liabilities	(1,40,717)	5,19,337
(Decrease) in provisions	(77)	(1,82,120)
Decrease in non financial assets	3,00,140	3,11,516
(Increase)/Decrease In trade receivables	(14,21,600)	(5,47,000)
(Increase)/Decrease in Other financial assets	(3,48,012)	(16,60,249)
CASH USED IN OPERATIONS	**60,21,846**	**48,15,056**
Taxes Paid (Net of Refunds)	11,78,347	(1,35,060)
NET CASH FROM OPERATING ACTIVITIES	**48,43,499**	**49,50,116**
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	(1,65,11,004)	–
Dividend Income	6,825	–
Interest Received on Income tax refund	1,106	50,120
NET CASH FLOW FROM INVESTING ACTIVITIES	**(1,65,03,073)**	**50,120**
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	–	–
Interest paid	(54,260)	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**(54,260)**	**–**
NET CASH FLOW FOR THE YEAR ENDED	**(1,17,13,833)**	**50,00,236**
Cash & Cash Equivalents comprise of		
Cash on hand	14,800	14,800

Cash Flow Statement *(Contd..)*

	Year Ended 31-Mar-2021 (in ₹)	Year Ended 31-Mar-2020 (in ₹)
Scheduled Bank - In Current Account	1,24,59,931	14,59,695
Fixed Deposit with Banks	–	60,00,000
Total Cash & Cash Equivalents as at beginning of the year	**1,24,74,731**	**74,74,495**
Cash & Cash Equivalents as at end of the year		
Cash on hand	14,800	14,800
Scheduled Bank - In Current Account	7,46,099	1,24,59,931
Fixed Deposit with Banks	–	–
Total Cash & Cash Equivalents as at end of the year	**7,60,899**	**1,24,74,731**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

This is the Cash Flow Statement referred to in our report of even date.

As per our attached report of even date

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M.No. : 40117
UDIN: 21040117AAAAFK9671

Place : Mumbai
Dated : 22nd April 2021

For and on behalf of the Board of Directors of
For Motilal Oswal Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

Motilal Oswal
Director
DIN: 00024503

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Dated : 22nd April 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. CORPORATE INFORMATION

Motilal Oswal Alternate Investment Advisors Private Limited was incorporated on April 23, 2007. The principal shareholder of the Company as at March 31, 2021 is Motilal Oswal Financial Services Limited (MOFSL).

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, 2021 based on the 'Press Release' issued by the Ministry of Company Affairs on January 18, 2016. Any application guidance/ clarifications/ directions issued by the other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOFPL's functional and presentation currency.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(c) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(d) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(e) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(f) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Classification and subsequent measurement of financial assets depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOFPL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Equity instruments and financial liability

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) **Financial liability:**

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

– The contractual rights to receive cash flows from the financial asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.3 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year determined in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.6 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

(iv) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.7 Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefit

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

(iii) Other long-term employee benefit

(a) Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

3.8 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.9 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.10 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.11 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Current Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Deductions	Balance as at 31 March 2021	Balance as at 1 April 2020	Additions	Deductions	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computers	4,40,589	–	–	4,40,589	4,34,334	–	–	4,34,334	6,255	6,255
Total	**4,40,589**	**–**	**–**	**4,40,589**	**4,34,334**	**–**	**–**	**4,34,334**	**6,255**	**6,255**

Previous Year

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 1 April 2019	Additions	Deductions	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
Computers	4,40,589	–	–	4,40,589	4,34,334	–	–	4,34,334	6,255	6,254
Total	**4,40,589**	**–**	**–**	**4,40,589**	**4,34,334**	**–**	**–**	**4,34,334**	**6,255**	**6,254**

NOTE 5 : DEFERRED TAX ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Provision for gratuity	–	–
Unrelaised Gains	26,46,810	–
Carry forward of business loss	(43,105)	–
Difference between tax depreciation and book depreciation	2,310	2,310
TOTAL	**26,06,015**	**2,310**

NOTE 6 : RECEIVABLES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
(I) Trade receivables		
Considered good - unsecured	19,68,600	5,47,000
TOTAL	**19,68,600**	**5,47,000**

NOTE 7 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Cash on hand	14,800	14,800
Balances with banks		
In current accounts	7,46,099	1,24,59,931
TOTAL	**7,60,899**	**1,24,74,731**

NOTE 8 : INVESTMENTS

Particulars	Face value/ NAV	31 March 2021		March 31, 2020	
		Units	Amount	Units	Amount
I. Investments carried at cost					
II. Mandatorily measured at FVTPL					
Investments in Mutual Funds (Equity) - Fully paid up - Unquoted					
SBI Savings Fund - Direct Plan - Growth	34	4,49,669	1,53,76,051	–	–
Investments at equity instruments					
AFFLE (India) Ltd.	10	1	5,458	–	–
Ashok Leyland Ltd.	1	812	92,121	–	–
Axis Bank Ltd.	2	140	97,650	–	–
Bajaj Finance Limited	2	9	46,340	–	–
Balrampur Chini Mills Ltd.	1	45	9,653	–	–
Bharti Airtel Ltd.	5	16	8,277	–	–
Birlasoft Ltd.	2	245	61,961	–	–
Colgate-Palmolive (India) Ltd.	1	42	65,503	–	–
Dalmia Bharat Sugar And Industries Ltd.	2	55	10,260	–	–
Gail (India) Ltd.	10	81	10,980	–	–
Glenmark Pharmaceuticals Ltd.	1	41	19,047	–	–
Granules India Ltd.	1	194	58,840	–	–
Gujarat Gas Ltd.	2	178	97,856	–	–
HCL Technologies Ltd.	2	45	44,255	–	–
HDFC Life Insurance Company Ltd.	10	15	10,436	–	–
Hindustan Petroleum Corporation Ltd.	10	35	8,209	–	–
Housing Development Finance Corp. Ltd.	2	32	79,966	–	–
ICICI Bank Ltd.	2	211	1,22,644	–	–
ICICI Lombard General Insurance Company Ltd.	10	6	8,615	–	–

Particulars	Face value/ NAV	31 March 2021		March 31, 2020	
		Units	Amount	Units	Amount
ICICI Prudential Life Insurance Company Ltd.	10	20	8,905	–	–
ICICI Securities Ltd.	5	157	59,903	–	–
Indiamart Intermesh Ltd.	10	1	7,733	–	–
Indian Hotels Co. Ltd.	1	79	8,761	–	–
Indraprastha Gas Ltd.	2	19	9,705	–	–
Infosys Ltd.	5	7	9,574	–	–
JK Lakshmi Cement Ltd.	5	189	81,743	–	–
Just Dial Ltd.	10	91	78,483	–	–
K.P.R. Mill Limited	5	10	10,649	–	–
Mahanagar Gas Ltd.	10	9	10,505	–	–
Max Financial Services Ltd.	2	13	11,172	–	–
Minda Industries Ltd.-$	2	113	61,280	–	–
Petronet Lng Ltd.	10	39	8,771	–	–
PI Industries Ltd.	1	20	45,091	–	–
SBI Life Insurance Company Ltd.	10	11	9,686	–	–
State Bank Of India	1	266	96,917	–	–
Sun Tv Network Ltd.	5	21	9,872	–	–
Tamil Nadu Newsprint & Papers Ltd.	10	69	10,098	–	–
Tata Chemicals Ltd.	10	18	13,523	–	–
Tata Coffee Ltd.	1	87	10,414	–	–
Tata Consumer Products Ltd.	1	16	10,216	–	–
Tata Elxsi Ltd.	10	3	8,080	–	–
Tata Motors Ltd - Dvr	2	91	11,657	–	–
Tata Power Co.Ltd.	1	117	12,074	–	–
Tata Steel Ltd.	10	14	11,367	–	–
Tinplate Company Of India Ltd.	10	55	8,828	–	–
Titan Company Limited	1	6	9,344	–	–
Trident Ltd.	1	666	9,357	–	–
Vaibhav Global Ltd.	2	27	1,03,479	–	–
Welspun India Ltd.	1	130	10,543	–	–
West Coast Paper Mills Ltd.	2	37	8,886	–	–
Total			**1,70,00,736**		**–**

NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Margin Money with MOFSL	20,08,261	16,60,249
TOTAL	**20,08,261**	**16,60,249**

NOTE 10 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Advance Tax and TDS	48,92,055	37,13,709
TOTAL	**48,92,055**	**37,13,709**

NOTE 11 : OTHER CURRENT ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Prepaid expenses	1,863	1,863
Accrued Interest on FDR	–	–
Indirect tax credit receivable	1,04,398	4,04,538
TOTAL	**1,06,261**	**4,06,401**

NOTE 12 : SHARE CAPITAL

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of shares	In ₹	Number of shares	In ₹
AUTHORISED				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10/- each (previous year ₹ 10 each)	30,00,000	3,00,00,000	30,00,000	3,00,00,000
TOTAL	**30,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**

12.1 Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 /- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of Company , the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 Reconciliation of the number of shares outstanding

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of shares	in ₹	Number of shares	in ₹
Number of shares at the beginning	3,00,00,000	3,00,00,000	30,00,000	3,00,00,000
Add: Shares issued during the year	–	–	–	–
Number of shares at the end	**3,00,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**

12.3 Share holder having more than 5% equity holding in the Company

Name of Shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	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

12.4 The ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTE 13 : OTHER EQUITY

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
a) Retained earnings		
Balance at the beginning of the year	(1,18,81,217)	(1,82,66,723)
Add: Transfer from Statement of Profit and Loss	1,06,79,221	63,85,506
Balance at the end of year	**(12,01,997)**	**(1,18,81,217)**
b) Other comprehensive income		
Balance at the beginning of the year	1,34,115	1,34,115
Add: Transfer from Statement of Profit and Loss	–	–
Balance at the end of year	**1,34,115**	**1,34,115**

NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Interest accrued and due on borrowings	6,601	–
Advance received from customers	77	–
Withholding and other taxes payable	3,09,846	4,40,680
Other payables	1,00,440	1,17,001
TOTAL	**4,16,964**	**5,57,681**

NOTE 15 : PROVISIONS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Gratuity obligation - unamortised amount relating to plan amendment (LT) (Refer Note 32)	–	–
Gratuity obligation - unamortised amount relating to plan amendment	–	–
Provision for Expenses	–	77
TOTAL	**–**	**77**

NOTE 16 : TRAINING FEES INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Training fees income	84,50,423	78,72,000
TOTAL	**84,50,423**	**78,72,000**

NOTE 17 : COMMISSION & BROKERAGE INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Commission & Brokerage income	–	6,170
TOTAL	**–**	**6,170**

NOTE 18 : INTEREST INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Interest on Income tax refund	1,106	9,751
Interest on Fixed Deposit	–	40,369
TOTAL	**1,106**	**50,120**

NOTE 19 : DIVIDEND INCOME

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Dividend Income investments	6,825	–
TOTAL	**6,825**	**–**

NOTE 20 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Net gain/ (loss) on financial instruments designated at fair value through profit or loss		
(i) On financial instruments designated at fair value through profit or loss		
Fair Value changes:		
Gain on Financial Assets - Realised	(9,76,820)	
Gain on Financial Assets - Unrealised	14,66,552	(10,89,751)
TOTAL	**4,89,732**	**(10,89,751)**

NOTE 21 : FINANCE COST

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Interest on borrowings	54,260	–
TOTAL	**54,260**	**–**

NOTE 22 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Salary, Bonus and Allowances	–	1,06,804
Contribution to Provident and other Fund	900	900
Gratuity	–	(1,44,202)
Staff welfare expenses	–	(8,500)
TOTAL	**900**	**(44,998)**

NOTE 23 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Rates & Taxes	–	9,423
Rent	12,000	12,000
Insurance	–	–
Auditors Remuneration (refer note 38)	40,000	40,000
Legal & Professional Fees	–	79,196
Marketing & brand promotion expenses	–	52,500
Communication Expenses	–	–
Business Support Expenses	6,00,000	1,50,000
Training Expenses	35,500	80,200
Printing and Stationary exp	–	2,350
Travelling Expenses	–	–
Entertainment Expenses	–	–
Registration & filling fees	–	–
Miscellaneous Expenses	1,29,912	34,177
TOTAL	**8,17,412**	**4,59,846**

NOTE 24 : TAX EXPENSES, DEFERRED TAX ASSET AND LIABILITIES

Particulars	For the Year Ended 31-Mar-2021 (in ₹)	For the Year Ended 31-Mar-2020 (in ₹)
Note : 24.1 Tax expense		
Current tax expense	–	–
Current tax for the year	–	–
Total current tax expense	–	–
Deferred taxes		
Change in deferred tax liabilities	(26,03,705)	38,186
Net deferred tax expense	**(26,03,705)**	**38,186**
TOTAL	**(26,03,705)**	**38,186**
Note : 24.2 Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	**80,75,514**	**64,23,692**
Tax at the rate of 25.17%	20,32,607	16,16,843
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purposes	–	–
Change due to deferred tax	(46,36,312)	(16,55,029)
Income tax expense	**(26,03,705)**	**(38,186)**
Note : 24.3 Items of deferred tax asset		
Deferred tax assets on account of:		
Written Down Value of Fixed Assets	2,310	2,310
Gratuity provision	–	–
Total deferred tax assets	**2,310**	**2,310**

NOTE 25 : AUDITORS' REMUNERATION

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
As Auditors:		
Audit fees	40,000	40,000
TOTAL	**40,000**	**40,000**

NOTE 26 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	1,06,79,219	63,85,506
Weighted Average Number of equity shares issued [B] (₹)	30,00,000	30,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**3.56**	**2.13**

NOTE 27 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2021 COMPRISES OF:

Provisions made for the Year ended 31st March, 2021 comprises of: (in ₹)

Particulars	Opening balances as of 1st April, 2020	Provided during the year ended 31st March, 2021	Paid/reversed during the year ended 31st March, 2021	Closing balance as of 31st March, 2021
Ex-gratia	–	–	–	–
Incentive	–	–	–	–
Gratuity	–	–	–	–

Provisions made for the Year ended 31st March, 2020 comprises of:

Particulars	Opening balance as of 1st April, 2019	Provided during the year ended 31st March, 2020	Paid /reversed during the year ended 31st March, 2020	Closing balance as of 31st March, 2020
Ex-gratia	–	1,31,800	1,31,800	–
Incentive	–	–	–	–
Gratuity	1,44,202	–	1,44,202	–

NOTE 28 : CONTINGENT LIABILITIES

Demand in respect of Income Tax matters for which appeal is pending is Nil (P. Y. Nil).

NOTE 29 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ Nil (Previous Year : ₹ Nil)

NOTE 30 : 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 31 : 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 32 : RELATED PARTY DISCLOSURE

(i) Names of Related Parties:-

Holding Company

– Motilal Oswal Financial Services Limited

Ultimate Holding Company

– Passionate Investment Management Private Limited

Fellow subsidiaries

- Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Market Limited)
- Motilal Oswal Trustee Co. Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Market (Singapore) Pte Limited
- Motilal Oswal Home Finance (formerly known as Aspire Home Finance Corporation Limited)
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited

Key management personnel

- Motilal Oswal - Director
- Vishal Tulsyan – Director

Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation
- OSAG Enterprises LLP

(ii) Transactions with related parties for the year ended 31st March, 2021 :

Transaction	Name of the related Party	Holding Company		Fellow Subsidiary Companies		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Training Fees	Motilal Oswal Financial Services Ltd	(66,70,000)	(55,50,000)	–	–	(66,70,000)	(55,50,000)
Interest Expense	Motilal Oswal Finvest Limited	–		54,259	–	54,260	–
Rent Expense	Motilal Oswal Financial Services Ltd	12,000	12,000	–	–	12,000	12,000
Business Support Charge	Motilal Oswal Financial Services Ltd	6,00,000	1,50,000	–	–	6,00,000	1,50,000
Loans taken (Maximum balance)	Motilal Oswal Finvest Limited	–		(10,00,000)	–	(10,00,000)	–
Outstanding Balances:							
Loans Given / (Taken)	Motilal Oswal Finvest Limited	–	–	(31,05,000)	–	(31,05,000)	–
Loans Given / (Taken)	Motilal Oswal Finvest Limited	–	–	31,05,000	–	31,05,000	–
Other (payables) / receivables	Motilal Oswal Financial Services Ltd	18,90,800	5,44,820	–	–	18,90,800	5,44,820
Rent / MOT Cost	Motilal Oswal Financial Services Ltd	1,180	–		–	1,180	–
Interest receivables/ (Payable)	Motilal Oswal Finvest Limited	–	–	(6,601)	–	(6,601)	–

Note: Income/receipts figures are shown in brackets.

NOTE 33 : FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financial instruments by category

(Amount in rupees)

Particulars	March 31, 2021		March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	7,60,899	–	1,24,74,731
Derivative financial instruments	–	–	–	–
Receivables				
(i) Trade receivables	–	19,68,600	–	5,47,000
(ii) Other receivables	–	–	–	–
Loans				
Investments	1,70,00,736	–	–	–
Other financial assets	–	20,08,261	–	16,60,249
Total financial assets	**1,70,00,736**	**47,37,760**	**–**	**1,46,81,980**
Financial liabilities				
Trade payables				
Other payables	–	4,16,964	–	5,57,681
Borrowings	–	–	–	–
Deposits	–	–	–	–
Subordinated liabilities	–	–	–	–
Other financial liabilities	–	–	–	77
Total financial liabilities	**–**	**4,16,964**	**–**	**5,57,758**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

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 2021		As at 31 March 2020	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Financial investments at FVTPL				
- Mutual funds	1,53,76,051	–	–	–
- Equity Shares	16,24,685	–	–	–
Total	**1,70,00,736**	**–**	**–**	**–**

ii) Fair value hierarchy - Assets and liabilities measured at amortised cost for which fair values are disclosed

The company has not disclosed fair value of financial asset or liability which is measured at amortised cost.

NOTE 34 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of borrowing. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, receivables, cash and cash equivalents that derive directly from its operations.

A. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company.

To manage credit risk, the Company follows a policy of providing 0-90 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Ages of Receivables that are past due:

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Upto 3 months	19,08,200	5,46,000
3 - 6 months	39,000	1,000
6 - 12 months	20,400	–
More than 12 months	1,000	–
Total	**19,68,600**	**5,47,000**

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non – derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	–	–	–	–
Other current financial liabilities	1,00,440	–	–	1,00,440
Total	**1,00,440**	**–**	**–**	**1,00,440**

As at 31 March 2020

Particulars	Upto 1 year in ₹	Between 1 and 5 years in ₹	Beyond 5 years in ₹	Total in ₹
Financial Liabilities				
Trade payables	–	–	–	–
Other current financial liabilities	1,17,001	–	–	1,17,001
Total	**1,17,001**	**–**	**–**	**1,17,001**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to foreign currency risk as it does not have any payables or receivables in foreign currency.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any long term borrowings with fluctuating interest rate.

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs of mutual funds at balance sheet date:

Sensitivity	31 March 2021 in ₹	31 March 2020 in ₹
Impact on profit before tax for 1% increase in NAV/price	–	–

As per our attached report of even date

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M.No. : 40117
UDIN: 21040117AAAAFK9671

Place : Mumbai
Dated : 22nd April 2021

For and on behalf of the Board of Directors of
For Motilal Oswal Alternate Investment Advisors Private Limited
(Formerly known as Motilal Oswal Fincap Private Limited)

Motilal Oswal
Director
DIN: 00024503

Vishal Tulsyan
Director
DIN: 00139754

Place : Mumbai
Dated : 22nd April 2021

Motilal Oswal Securities International Private Limited

FINANCIAL STATEMENT 2020-21

Report on audit of the Standalone Financial Statements

Dear Sir,

Re: Audit of Standalone Financial Statements for the year ended March 31, 2021

This representation letter is provided in connection with your audit of the Standalone Financial Statements of **Motilal Oswal Securities International Private Limited** ("the Company") as at March 31, 2021 and for the year then ended. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Financial Statements give a true and fair view of the financial position of **Motilal Oswal Securities International Private Limited** as of balance sheet date and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in India.

We acknowledge our responsibility for the fair presentation of the Financial Statements in accordance with accounting standards and other recognized accounting practices and policies generally accepted in India.

A Complete Set of Financial Statements comprises of:

a) Balance Sheet as at March 31, 2021 and March 31, 2020 ,

b) Statement of Profit and Loss for the periods 2020-21 and 2019-20,

c) Statement of changes in equity for the periods 2020-21 and 2019-20,

d) Statement of Cash Flow for the periods 2020-21 and 2019-20,

e) Explanatory notes, comprising a summary of significant accounting policies and other explanatory information; and

f) Comparative information in respect of the preceding period as specified in paragraphs 38 and 38A of Ind AS 1;

All the above items from a to f (hereinafter referred to as the Ind AS Financial Statements) are in accordance with the Companies (Indian Accounting Standards(Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting except for certain financial instruments, which have been accounted on fair value basis. The Management accepts responsibility and objectivity of the accounts as well as the estimates and the judgment relating to matters not concluded by the period-end. The Management is of the opinion that the accounts reflect fairly the form and substance of the transactions and reasonably present the Company's Financial conditions and the results of operations and to ensure this the Company has an internal control procedure which is reviewed, evaluated and updated on an ongoing basis, commensurate with its size of operations and the natures of its business.

We confirm, to the best of our knowledge and belief, the following representations are true and correct:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letters for the preparation of the Financial Statements Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 with respect to the Financial Statements.
2. We acknowledge, as members of management of the Company, our responsibility for the preparation of the Financial Statements. We believe the Financial Statements referred to above give a true and fair view of the financial position and cash flows of the Company in accordance with Ind AS, and are free of material misstatements, including omissions. We have prepared the Financial Statements and the Board of Directors has approved the same.
3. We pursued all the applicable standards and acknowledge that we have appropriately applied the Ind AS to each of the transactions considering the substance over form and the underlying reasons for the transactions. We confirm having dealt

with the issues during our joint preliminary discussions on the various provisions of the Ind AS and as to its applicability to the Company.

4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate Financial Statements in accordance with Ind AS that are free from material misstatement, whether due to fraud or error. The internal financial control over financial reporting is also evaluated and is adequate to enable the preparation of the financial statements. We have corrected certain weaknesses in ensuring timely accounting, which were identified by us before the year-end, and the necessary systems are in place as at the end of the year.
5. There is no material unadjusted audit differences identified during the current review and pertaining to the latest period presented based on the discussions and the queries raised during the substantive audit carried out by you.
6. None of our directors, have been disqualified as being appointed as a director under section 164(2) of the Act as on the balance sheet date and the Company has received all the certificates in this regards from the Directors.

B. Fraud

1. We acknowledge our responsibility for the implementation and operations of accounting and internal financial control systems that are designed to prevent and detect fraud and error.
2. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the Financial Statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistle-blowers") which could result in a misstatement of the Financial Statements or otherwise affect the financial reporting of the Company.

C. Compliance with Laws and Regulations

1. We have no knowledge of the occurrence of any non-compliance with laws and regulations which may have material effect on the Financial Statement, or which warrants disclosure in the Financial Statements.
2. Effects of all known actual or possible noncompliance with laws and regulations have been considered when preparing Financial Statements.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

D. Information Provided and Completeness of Information and Transactions

We have provided you with

- Access to all information of which we are aware that is relevant to the preparation of the Financial Statements such as records, documentation and other matters.
- Additional information that you have requested from us for the purpose of the audit and unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

E. Accounting Policies

1. The accounting policies are in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
2. The Financial Statements are prepared on accrual basis.
3. The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.
4. We confirm that classification of current and non-current is as per requirements of Schedule III. All current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the operating date as required by Schedule III to the Act.

5. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities except what has been represented to you.

F. Financial risk management objectives and policies

a) 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.

b) 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.

c) Liquidity risk - 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.

d) 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.

e) 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.

G. Internal Financial Control Structure:

1. There have been no irregularities, such as thefts, frauds, or defalcations, involving management or employees who have significant roles in the internal control structure.
2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial results.
3. There is an adequate internal financial control system commensurate with the size of the Company and the nature of its business, for fixed assets and for the rendering of services. There is no failure to correct any major weakness in internal control system.

H. Registers, Minutes And Contracts:

1. The Minutes of the meetings of the Shareholders, Directors, the Audit Committee, Remuneration Committee and Investor Grievances Committee required to be maintained under the Act are complete and authentic.
2. We have made available to you all significant registers, contracts and agreements and all minutes of the meetings of shareholders, directors, and committees of directors or summaries of action of recent meetings for which minutes have not yet been prepared.
3. All matters required to be recorded in the registers and minute books of the company have been, and are, recorded correctly.
4. We have disclosed to you, and the Company has complied with all aspects of contractual agreements that would have a material effect on the financial results in the event of non-compliance.
5. All contracts or arrangements that need to be entered into a register in pursuance of Section 189 of the Act have been so entered. All the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

I. Ownership and Pledging of Assets:

1. The Company has satisfactory title to all assets appearing in the balance sheet.
2. No security agreements have been executed and there are no liens or encumbrances on assets nor has any asset been pledged, mortgaged or hypothecated, except as disclosed in the Financial Statements.

J. Related Party Transactions:

1. We confirm the completeness of information provided regarding the identification of related parties as stated in notes of the Financial Statements. The disclosure of related party transactions is complete and complies with the requirement of Ind AS-24 – "Related Party Disclosures".
2. We have disclosed to you the identity of the Company's related parties and all related parties and related party transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, transfer of research and development, transfer if license arrangements, transfer of financial arrangements (including loans and equity contributions in cash or in kind), provision for guarantees or collateral, Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised), Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party, and Management contracts including for deputation of employees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the March 31, 2021 end. These transactions have been appropriately accounted for and disclosed in the Financial Statements in accordance with Ind AS 24- 'Related Party Disclosures'. The said transactions are not prejudicial to the interests of the company and are entered into at normal commercial terms.
3. All the transactions have been entered into with the related party are at arms' length and in the ordinary course of business. The Audit committee of the Company has examined these transactions and taken a view that the same are at arms length and in the ordinary course of business as required under Section 177 of the Companies Act 2013.
4. The Company has disclosed key management personnel compensation in total for each of following categories:
   a. Short-term employee benefits,
   b. Post-employment benefits,
   c. Other long-term benefits,
   d. Termination benefits, and
   e. Share based payment
5. The Company has not received any fresh unsecured loan / deposits during the year from the company covered in the register maintained under section 73 of the Companies Act, 2013.
6. The company has not taken any loans from parties listed under register-maintained u/s 189.

K. Conflicts of Interests:

There are no instances where any officer or employee of the company has an interest in a company with which the company does business that would be a "conflict of interest." Even where the interest exists, the transactions have been made at prices, which are reasonable having regard to the prevailing market prices and are not prejudicial to the interest of the company.

L. Property Plant and Equipment (PPE):

1. The Property, Plant and Equipment (PPE) and other fixed assets stated in the schedule of Fixed Assets annexed to the Balance Sheet are in existence and they are not encumbered except as indicated in the Balance Sheet. The Company is maintaining complete record of all PPE showing therein the particulars of purchase, name of the supplier, amount paid, date of each purchase, type of asset, number of assets and where it is situated and the depreciation provided on the assets.
2. The additions during the period are recorded at cost and include;
   a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
   b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and
3. The Company has chosen the cost model as its accounting policy and applied the same to entire class of PPE.

4. The Company has carried out physical verification of fixed assets during the year. No material discrepancies were noticed on such verification.
5. Depreciation for the accounting period is provided on:
   a. Depreciation on all assets of the Company is charged on Straight Line basis over the useful life of assets mentioned in Schedule II to the Companies Act, 2013.
6. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
7. No events or changes in circumstances have occurred that indicate the carrying amounts of PPE and intangibles may not be recoverable. PPE and intangibles have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense in the Statement of profit and loss. However, no case of impairment was noticed during the period.
8. The PPE have not been re-valued during the period.
9. There were no outstanding commitments for capital expenditure excepting those disclosed in Notes to the Financial Statements.
10. The Company has not disposed of any substantial part of PPE.
11. The management at reasonable intervals has physically verified PPE. No material discrepancies were noticed on such verification.
12. The Management and the technical team have reviewed the cost of all the assets, including the major components of each asset in light of Application Guide on the provisions of Schedule II of the Companies Act 2013 issued by the Institute of Chartered Accountants of India. The detailed review indicated that there is no significant component costing more than 10% of the value of the original asset, with a life that is different from the main asset, which needs to be componentized. Consequently, none of the assets have been broken down and shown as components.

M. Investments:

1. The Company has no non-current investments as on 31st March 2021.

N. Trade Receivables, Other Assets, Loans And Advances:

1. Trade Receivables represent valid claims for services rendered upto and including March 31, 2021 but do not include charges for services to be rendered or other type of arrangement not constituting turnover.
2. The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from debtors and there are no experience of losses on receivable in the past. Where the company has expected credit loss, company has written off amount in the profit and loss account after taking approval from respective business head.
3. The Current Assets, Loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the books/records.
4. There are no debts due by the Directors/Other Officers of the Company or any of them either severally or jointly with any other person/persons or by firms/private companies respectively in which any Director is a partner/director/member or from other Companies under the same management as at 31st March 2021, except as indicated in the Balance Sheet as at that date.
5. In the opinion of the Board All assets other than non-current investments and PPE have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Financial Statements.

O. Share Capital:

1. The Company has not granted any options, warrants or conversion rights in respect of the Company's Capital except as disclosed in the financial statements.
2. The Company has not made any preferential allotment of shares to any party or company.

P. Trade Payables and Other Liabilities:

1. All known liabilities have been put through the books of account and all disputed and un-provided liabilities have been recorded as contingent liabilities.
2. The Company is generally regular in depositing undisputed statutory dues including Income-tax, Goods and Service tax, with appropriate authorities.
3. No undisputed amounts payable in respect of investor education, income-tax, Goods and service tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Q. Provisions:

1. The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.
2. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.
3. The Company has provided for Income-tax in accordance with the Indian Income Tax Act, 1961 issued by the Central Board of Direct taxes.
4. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
5. All claims where outflow of economic resources is probable or possible have been properly accrued or disclosed respectively in the Financial Statements. No other claims in connection with litigation have been or are expected to be received.

R. Contingent Liability and Commitments:

1. In our opinion and to the best of knowledge, there are no other current, estimated, outstanding, accrued or contingent claims, charges, expenses debts or liabilities secured or unsecured, hypothecated or pledged except those included and shown in the Accounts or in the notes to the Balance Sheet. All contingent liabilities have been appropriately recorded in the accounts and we are not aware of any other liabilities.
2. The Company has provided all the information regarding litigation and claims made by or on the company and the same are adequate, in our opinion, for estimating financial implication, including legal cost.
3. Contingent liabilities disclosed in the notes to the financial statements do not include any contingencies which are likely to result in a loss and which, therefore, require adjustment of assets or liabilities
4. There are no non-cancellable commitments, which are either material to the Financial Statements or are relevant in understanding the Financial Statements or may impact the decision making of the users of the Financial Statements, other than those disclosed in notes of the Financial Statements.
5. There are no enquiries pending against the Company from any regulatory authority including Securities and Exchange Board of India and the Stock Exchanges.

S. Statement Of Profit & Loss:

1. All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount, which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet.
2. All expenses debited and charged in the accounts were paid or incurred in the ordinary course of business of the Company and no personal expenses were charged in the accounts.
3. Full provision has been made in the Financial Statements/results for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet, including losses resulting from forward purchase and/or sale contracts.
4. Except as recorded in the Financial Statements, the results for the period were not materially affected by:
    a. Transactions of a nature not usually undertaken by the Company;
    b. Circumstances of an exceptional or non-recurring nature; and
    c. Changes in accounting policies.

5. The Company has dealt with items, which are covered by the object clause of the Memorandum of Association and has not commenced any business listed in the other objects of the Memorandum without obtaining the approval of the members by a special resolution.
6. The Company has not given any donations exceeding the limits specified in section 182 of the Act and has not given any donations to a Political Party or to any person for a political purpose in contravention of section 182 of the Act.

T. Other Matters

1. The Company has an internal audit system commensurate with the size of the Company and nature of its business
2. We believe that the significant assumptions we used in making accounting estimates are reasonable
3. We agree with the findings of the experts engaged to evaluate the relevant Financial Statement assertions and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the Financial Statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
4. The Company has not appointed without the approval of the shareholders by a special resolution and the sanction of the Central Government wherever necessary, any director, partner or relative of such director, a firm in which such director or relative is a Partner, a private Company of which such a director is a director or a member to any office or place of profit.
5. In our opinion and to the best of knowledge and to the best of knowledge, no transactions of the Company represented merely by book entries are prejudicial to the interest of the Company.
6. The company has not accepted any deposits from the public & therefore the provisions of Companies Acceptance of Deposit Rules/NBFC (RB) Directors, 1998 are not applicable to the company.
7. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil , sales commitments, etc.)
8. The Company has also maintained registers required under section 189 of the Act recording the particulars of all contracts to which sections 182 or 184 of the Act apply. The transactions made with parties covered under the provisions of sections 182 or 184 have all been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
9. The Company has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the Financial Statements in the event of non-compliance.
10. There are no long term contracts including derivative contracts in which there are any material foreseeable losses which needs to be provided for.
11. The following have been properly recorded and where appropriate, adequately disclosed in the Financial Statements/ results:
    a. Losses arising from sale and purchase commitments.
    b. Agreement and options to buy back assets previously sold.
    c. Assets pledged as collateral.
12. The Financial Statements/results are free of material misstatements, including omissions.
13. Regarding disclosure in accordance with Section 22 of Micro, Medium and Small Enterprises Development Act, 2006, As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
14. The Company has a whole time Company Secretary appointed in accordance with provisions of Section 203 of the Companies Act, 2013.

U. Subsequent Events

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the Financial Statements/results at that date or for the period then ended, other than those reflected or fully disclosed in the books of account.
2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the Financial Statement/results in order to make them not misleading regarding the results of operations of the Company.

Thank you.

Yours faithfully,

(CFO/Director)

PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

301, Laxmi Krupa,
3rd Lokmanya Tilak Colony Road,
Near Yogi Sabhagruh, Dadar (East),
Mumbai: 400014

Place: Mumbai
Date: 22nd April 2021

Balance Sheet

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Notes	As at 31-Mar-2021 (In ₹)	As at 31-Mar-2020 (In ₹)
I ASSETS			
1. Financial assets			
(a) Cash and Cash Equivalents	1	4,58,55,048	4,40,95,189
(b) Trade receivables	2	2,87,462	9,11,759
(c) Current tax assets	3	9,17,340	42,97,574
(d) Other financial assets	4	–	–
Sub - total Financial assets		**4,70,59,850**	**4,93,04,522**
2. Non-Financial assets			
(a) Other Non-Financials Assets	5	6,84,098	3,66,744
(b) Deferred Tax Assets (net)	6	2,86,669	4,05,887
(c) Property plants and equipments	7	2,394	10,794
Sub - total Non- Financial assets		**9,73,161**	**7,83,425**
TOTAL ASSETS		**4,80,33,011**	**5,00,87,947**
II EQUITY & LIABILITIES			
1. Financial liabilities			
(a) Other financials Liabilities	8	6,00,611	51,268
(b) Provisions	9	1,44,945	5,22,937
Sub - total Financial liabilities		**7,45,556**	**5,74,205**
2. Other non-financial liabilities			
(a) Other non-financial liabilities	10	0	34,01,001
Sub - total Other non-inancial liabilities		**0**	**34,01,001**
3. Equity:			
(a) Equity share capital	11	4,56,92,000	4,56,92,000
(b) Other Equity	12	15,95,454	4,20,741
Sub - total Equity		**4,72,87,454**	**4,61,12,741**
TOTAL LIABILITIES AND EQUITY		**4,80,33,011**	**5,00,87,947**

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

For Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date :

Harsh Joshi
Director
DIN: 02951058
Place : Mumbai
Date :

Nikunj Sheth
Director
DIN: 08118427

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	For the Year Ended 31-Mar-2021 (In ₹)	For the Year Ended 31-Mar-2020 (In ₹)
Revenue from Operations	13	92,45,904	1,46,73,577
Other Income	14	2,30,605	–
Total Revenue		**94,76,509**	**1,46,73,577**
Expenses:			
Employee Benefits	15	(4,91,140)	52,95,912
Other Expense	16	85,31,056	74,63,720
Depreciation	7	8,399	14,364
Total Expenses		**80,48,315**	**1,27,73,997**
Profit/(Loss) Before Tax		**14,28,194**	**18,99,580**
Tax Expense:			
Current Tax		2,99,646	3,92,813
MAT credit (entitlement)/utilisation		–	13,82,155
Deferred Tax		1,05,777	96,353
For previous year(s) (Income tax)		(1,06,640)	
Profit/(Loss) for the year		**11,29,411**	**28,260**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/ (losses) on post retirement benefit plans		58,743	(88,901)
Income Tax there on		(13,440)	20,341
Total		**45,303**	**(68,560)**
Balance Carried to Balance Sheet		**11,74,714**	**(40,301)**
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.25	0.01

Notes referred above form part is an integral part of financial statements.

As per our attached Report of even date.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date :

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

Place : Mumbai
Date :

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	As at 31-Mar-2021 In (₹)		As at 31-Mar-2020 In (₹)	
CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT / (LOSS) BEFORE TAX		**14,28,194**		**18,99,580**
Add / (Less):				
1) Depreciation	8,399		14,364	
2) Ind AS (Acturial gain and tax thereon)	45,303		(68,560)	
3) Effect Of Exchange Rate Changes	–		–	
		53,702		(54,196)
OPERATING PROFIT / (LOSS)		**14,81,895**		**18,45,384**
Adjustment For:				
(Increase) / Decrease In Trade receivables	6,24,297		(7,32,077)	
(Increase) / Decrease In Current tax Assets	33,80,233		(20,80,327)	
(Increase) / Decrease In Other financial assets	–		–	
Increase / (Decrease) Provisions	(3,77,993)		(14,69,281)	
Increase / (Decrease) In Other Non-Financials Assets	(3,17,353)		13,21,363	
Increase / (Decrease) In Current tax liabilities	(34,01,001)		33,26,401	
Increase / (Decrease) In Other financials Liabilities	5,49,343	4,57,527	(16,51,827)	(12,85,747)
CASH GENERATED FROM OPERATIONS		**19,39,422**		**5,59,637**
Taxes Paid		(1,79,563)		(17,95,309)
NET CASH FROM OPERATING ACTIVITIES		**17,59,859**		**(12,35,672)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		–		–
NET CASH FLOW FROM INVESTING ACTIVITIES		**–**		**–**
CASH FLOW FROM FINANCING ACTIVITIES		**–**		**–**
NET CASH FLOW FOR THE YEAR		**17,59,859**		**(12,35,672)**
Cash & Cash Equivalents As At 01.04.2020	**–**	**4,40,95,189**	**–**	**4,53,30,861**
Balances With bank	4,40,95,189	–	4,53,30,861	–
Effect Of Exchange Rate Changes				
Cash & Cash Equivalents As At 30.09.2020	**–**	**4,58,55,048**	**–**	**4,40,95,189**
Cheques In hand				
Balances With bank	4,58,55,048	–	4,40,95,189	–
Effect Of Exchange Rate Changes				

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, ‘Statement of Cash Flow’, as specified under section 133 ‘of the companies Act, 2013 read with Rule “7” of the Companies (Account) Rules, 2015 (as amended)

This is the statement of Cash Flow referred to in our report of even date.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date :

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

Place : Mumbai
Date :

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

SHARE CAPITAL

Particulars	Equity share capital		Total (Amount in ₹)
	Number of shares	Amount (In ₹)	
As at 1 April 2018	**45,69,200**	**4,56,92,000**	**4,56,92,000**
Changes during the year	–	–	–
As at 31 March 2019	**45,69,200**	**4,56,92,000**	**4,56,92,000**
Changes during the year	–	–	–
As at 31 March 2020	**45,69,200**	**4,56,92,000**	**4,56,92,000**

OTHER EQUITY

Particulars	Reserves and Surplus	Total (Amount in ₹)
	Retained earnings	
Opening balance as at 1 April 2018	**4,56,92,000**	**4,56,92,000**
Transactions during the year		
Profit for the year	4,56,92,000	4,56,92,000
Other comprehensive income for the year	–	–
Closing balance as at 31 March 2019	**9,13,84,000**	**9,13,84,000**
Transactions during the year		
Profit for the year	4,56,92,000	4,56,92,000
Other comprehensive income for the year	–	–
Closing balance as at 31 March 2020	**13,70,76,000**	**13,70,76,000**

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the company over the years.

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date :

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

Place : Mumbai
Date :

Notes to Financial Statement

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. CORPORATE INFORMATION

Motilal Oswal Financial Services Limited (MOFSL) is a company registered under SEBI with broker license to carry on securities business in India. As part of its broking business, it deals with Foreign Institutional Investors who have been domiciled in the United States (U.S) as regards their investments in Indian Equities. In order to cater to such U.S. based Institutions within the framework provided by SEC, MOFSL has set up a 100% subsidiary domiciled in India - Motilal Oswal Securities International Private Limited (MOSIPL) which has received approval for broker dealer registration from FINRA. The Company will only reach out to Major Institutional Investors as defined in Rule 15a-6. The main activity of MOSIPL would be to distribute research published in India and advise institutional clients based in United States(U.S.) on investments in Indian equity markets and serve as a chaperoning broker dealer pursuant to Rule 15 a-6(a)(3) of the U.S. Securities Exchange Act 1934, as amended by the U.S. Securities and Exchange Commission (SEC).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 30.

2.2. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.4. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.5. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost **:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income **:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss **:** A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognized only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.6. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Assets	Useful life
Computers	3 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.9. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.10. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.12. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

3. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTE 1 : CASH & CASH EQUIVALENTS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Balance with bank	–	–
Scheduled banks- In current accounts	4,58,55,048	4,40,95,189
TOTAL	**4,58,55,048**	**4,40,95,189**

NOTE 2 : TRADE RECEIVABLES

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Unsecured, Considered Good	2,87,462	9,11,759
TOTAL	**2,87,462**	**9,11,759**

NOTE 3: CURRENT TAX ASSETS (NET)

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Taxes Receivable	9,80,394	10,59,141.29
Advance Tax (net of provisions)	(63,053)	32,38,432
TOTAL	**9,17,340**	**42,97,574**

NOTE 4 : OTHER FINANCIAL ASSETS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Rent Deposit	–	–
TOTAL	**–**	**–**

NOTE 5 : OTHER NON-FINANCIALS ASSETS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Prepaid Expense	6,42,996	3,44,845
Advance Against Expenses	41,101	21,899
TOTAL	**6,84,098**	**3,66,744**

NOTE 6 : DEFERRED TAX (LIABILITIES)/ASSETS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Provision for Gratuity	36,483	1,19,648
WDV of licence	2,48,234	2,85,031
WDV of fixed asset	1,952	1,208
Mat Credit Entitlement	–	–
TOTAL	**2,86,669**	**4,05,887**

NOTE 7 : PROPERTY PLANTS AND EQUIPMENTS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Property plants and equipments	2,394	10,794
TOTAL	**2,394**	**10,794**

NOTE 8 : OTHER FINANCIALS LIABILITIES

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Payable for Expenses	6,00,611	51,268
Taxes payable	–	–
TOTAL	**6,00,611**	**51,268**

NOTE 9 : PROVISIONS

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Ex-gratia Payable	–	–
Provision for Gratuity	1,44,945	5,22,937
TOTAL	**1,44,945**	**5,22,937**

NOTE 10 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Accrued salary and benefits	–	18,33,876
Other Provisions	–	15,67,125
TOTAL	**–**	**34,01,001**

NOTE 11 : EQUITY SHARE CAPITAL

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Authorised:		
1,00,00,000 Equity Shares of ₹ 10/- each	100,000,000	100,000,000
TOTAL	**100,000,000**	**100,000,000**
Issued, Subscribed and Paid Up:	–	–
45,69,200 Equity Shares of ₹ 10/- each. (All the above, equity shares are held by Motilal Oswal Financials Services Ltd the holding company and it's nominee)	45,692,000	45,692,000
TOTAL	**45,692,000**	**45,692,000**

1.1 Reconciliation of number of Equity shares outstanding

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Number of shares at beginning of the year	45,69,200	45,69,200
Add: Shares issued during this year	–	–
Number of shares at the end of the year	**45,69,200**	**45,69,200**

1.2 Share holder having more than 5% equity holding in the Company

Motilal Oswal Securities Ltd. (Holding Company)

NOTE 12 : OTHER EQUITY

	As at 31-Mar-2021 (₹)	As at 31-Mar-2020 (₹)
Profit & Loss Account		
Opening balance	4,20,741	4,61,041
Add: Additions during the year	11,29,411	28,260
Add: Ind AS Impact	45,303	(68,560)
TOTAL	**15,95,454**	**4,20,741**

NOTE 13 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Advisory Fees	92,45,904	1,46,73,577
TOTAL	**92,45,904**	**1,46,73,577**

Notes to Financial Statement *(Contd..)*

NOTE 14 : OTHER INCOME

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Interest on Income tax Refund	2,30,605	–
TOTAL	**2,30,605**	**–**

NOTE 15 : EMPLOYEE BENEFITS

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Salaries and Incentives	(5,18,044)	50,54,093
Gratuity	26,904	2,41,819
TOTAL	**(4,91,140)**	**52,95,912**

NOTE 16 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Remuneration to Auditors	21,36,872	17,91,917
Legal & Professional Fees	42,97,738	35,87,750
Examination Fees	2,12,788	79,802
Data Processing Charges		
Rent Expenses	7,20,000	7,20,000
Consultancy Charges	–	–
Membership and Subscription Fees	1,84,861	4,74,609
Communication Expenses	523	3,728
Rent Rates & Taxes	–	48
Travelling Expenses	–	33,956
Back up Charges	1,40,663	14,169
Bank Charges	1,37,368	1,02,250
Business Support Charges	1,80,000	1,80,000
Foreign Exchange Fluctuation	1,09,394	95,963
Insurance Charges	4,09,432	3,77,568
Miscellaneous Expenses	1,417	1,960
TOTAL	**85,31,056**	**74,63,720**

NOTE 17 : AUDITORS' REMUNERATION

Auditor's Remuneration (inclusive of Service Tax):

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
As Auditors:		
Audit fees	21,36,872	17,91,917
In any other capacity, in respect of:		
Other Certification	–	–
TOTAL	**21,36,872**	**17,91,917**

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	11,74,714	(40,301)
Weighted Average Number of equity shares issued [B]	45,69,200	45,69,200
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**0.25**	**0.01**

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-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Provision for gratuity	36,483	1,19,648
WDV of assets	2,50,187	2,86,239
Deferred Tax (Liability)/Assets	**2,86,669**	**4,05,887**

NOTE 20 : GRATUITY PLAN

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Assumptions as at	30/Jun/20	31/Mar/20
Interest / Discount Rate	3.73%	4.80%
Expected Return On Plan Assets		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Rate of increase in compensation	13.12%	18.06%
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 33.33%	PS: 0 to 40 : 33.33%
Expected average remaining service	1.99	1.99

NOTE 21 : CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Present value of obligation at beginning of the period	4,45,230	1,92,217
Interest cost	4,649	13,679
Current service cost	22,522	1,50,433
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Benefits paid	–	–
Actuarial (gain) loss on obligation	(58,743)	88,901
Present value of obligation at end of the period	**4,13,658**	**4,45,230**

NOTE 22 : CHANGES IN FAIR VALUE OF THE PLAN ASSETS

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Fair value of plan assets at beginning of the period	–	–
Expected return on plan assets	–	–
Contributions	–	–
Benefits paid	–	–
Actuarial gain (Loss) plan assets	–	–
Fair value of plan assets at end of the period	**–**	**–**

NOTE 23 : FAIR VALUE OF PLAN ASSETS

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Fair value of plan assets at beginning of the period	–	–
Actual return on plan assets	–	–
Contributions	–	–
Benefit paid	–	–
Fair value of plan assets at end of the period	**–**	**–**

NOTE 24 : EXPERIENCE HISTORY

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
(Gain)/Loss on obligation due to change in Assumption	(31,572)	46,795
Experience (Gain)/Loss on obligation	(27,171)	42,106
Actuarial (Gain)/Loss on plan asset	**(58,743)**	**88,901**

NOTE 25 : ACTURIAL GAIN/(LOSS) RECOGNIZED

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Actuarial Gain/(Loss) for the period (obligation)	58,743	(88,901)
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	**58,743**	**(88,901)**
Actuarial Gain/(Loss) recognized for the period	58,743	(88,901)
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

NOTE 26 : PAST SERVICE COST RECOGNIZED

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
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	–	–

NOTE 27 : AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Present value of obligation at end of period	4,13,658	4,45,230
Fair value of plan assets at end of period	–	–
Funded status	(4,13,658)	(4,45,230)
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benfits	–	–
Net Liability/ (Asset) recognised in the Balance Sheet	**(4,13,658)**	**(4,45,230)**

NOTE 28 : PROFIT AND LOSS ACCOUNT – EXPENSE

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Current service cost	22,522	1,50,433
Interest cost	4,649	13,679
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Unrecognised past service cost - non vested benfits	–	–
Expected return on plan assets	–	–
Net actuarial (gain)/ loss recognised for the period	–	–
Expenses Recognised in the statement of Profit & Loss Account	**27,171**	**1,64,112**

NOTE 29 : MOVEMENT IN NET LIABILITY RECOGNIZED IN THE BALANCE SHEET

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Opening net liability	4,45,230	1,92,217
Expenses as above	27,171	1,64,112
Total Actuarial (Gain)/Loss recognized in (OCI)	(58,743)	88,901
Contribution paid	3,46,154	–
Closing net Liability	**67,504**	**4,45,230**

NOTE 30 : OTHER COMPREHENSIVE INCOME (OCI)

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Actuarial (Gain)/Loss recognized for the period	(58,743)	88,901
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	**(58,743)**	**88,901**

NOTE 31 : SCHEDULE III OF THE COMPANIES ACT 2013

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Current Liability	–	1,15,605
Non-Current Liability	67,504	3,29,625
Heritage Club Benefits		
Current Liability	75,000	75,000
Non-Current Liability	2,440	2,707.00

NOTE 32 : FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will 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 33 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities.

(Amount in ₹)

Particulars	As at 31-March 2021		As at 31-March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Cash and cash equivalents	–	4,58,55,048	–	4,40,95,189
Trade receivables		2,87,462		9,11,759
Current tax assets		9,17,340		42,97,574
Total Financial Assets	**–**	**4,70,59,850**	**–**	**4,93,04,522**
Financial Liabilities				
Other financial liabilities		6,00,611		51,268
Provisions		1,44,945		5,22,937
Other non-financial liabilities		–		34,01,001
Total Financial Liabilities	**–**	**7,45,556**	**–**	**39,75,206**

NOTE 34 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in ₹)

Particulars	As at 31-March 2021			As at 31-March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4,58,55,048	–	4,58,55,048	4,40,95,189	–	4,40,95,189
Trade receivables	2,87,462	–	2,87,462	9,11,759	–	9,11,759
Current tax assets	–	9,17,340	9,17,340	–	42,97,574	42,97,574
Non-Financial assets						
Property, plant and equipment	–	2,394	2,394	–	10,794	10,794
Other non-financial assets	6,84,098	–	6,84,098	3,66,744	–	3,66,744
Deferred Tax Assets (net)	2,86,669	–	2,86,669	4,05,887	–	4,05,887
Total Assets	**4,71,13,277**	**9,19,734**	**4,80,33,011**	**4,57,79,579**	**43,08,367**	**5,00,87,947**
Liabilities						
Financial Liabilities						
Other financial liabilities	6,00,611	–	6,00,611	51,268	–	51,268
Non Financial Liabilities						
Provisions	1,44,945	–	1,44,945	20,90,062	–	20,90,062
Accrued salary and benefits		–	–		18,33,876	18,33,876
Total Liabilities	**7,45,556**	**–**	**7,45,556**	**21,41,330**	**18,33,876**	**39,75,206**

NOTE 35 : TAX NOTE

(Amount in ₹)

	Particulars	For the Year Ended 31-Mar-2021	For the Year Ended 31-Mar-2020
1	**Tax expense**		
	Current tax expense		
	Current tax for the year	2,99,646	3,92,813
	Tax adjustment in respect of earlier years	–	13,82,155
	Total current tax expense	**2,99,646**	**17,74,968**
2	**Deferred taxes**		
	Change in deferred tax liabilities	1,05,777	96,353
	Net deferred tax expense	**1,05,777**	**96,353**
		4,05,423	**18,71,321**
	Tax reconciliation (for Profit and Loss)		
	Profit/(loss) before income tax expense	**14,28,194**	**18,99,580**
	Tax at the rate of 22.88% (for 31 March 2019 - 26%)	2,99,646	4,34,624
	Others	1,05,777	14,36,697
	Income tax expense	**4,05,423**	**18,71,321**

(Amount in ₹)

		As at 31-Mar-21	As at 31-Mar-20
3	**Deferred tax assets on account of:**		
	Gratuity	36,483	1,19,648
	WDV of licence	2,48,234	2,85,031
	WDV of fixed asset	1,952	1,208
	Total	**2,86,669**	**4,05,887**

NOTE 36 : DEFERRED TAX RELATED TO THE FOLLOWING:

(Amount in ₹)

Particulars	As at 31 March 2021	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2020	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2019
Deferred tax assets on account of:							
Gratuity	36,483	1,03,506	(20,341)	1,19,648	(94,139)	94,139	1,19,648
WDV of licence	2,48,234	36,797	–	2,85,031	–		2,85,031
WDV of fixed asset	1,952	(745)	–	1,208	–		1,208
Total deferred tax assets	**2,86,669**	**1,39,558**	**(20,341)**	**4,05,887**	**(94,139)**	**94,139**	**4,04,679**
Total deferred tax Assets/liability (net)	**2,86,669**	**1,39,558**	**(20,341)**	**4,05,887**	**(94,139)**	**94,139**	**4,04,679**

NOTE 37 : RELATED PARTY DISCLOSURE :

I. Names of Related Parties:

A) Enterprises where control exists:

– Motilal Oswal Financial Services Limited - Holding Company
– Passionate Investment Management Private Limited - Ultimate Holding Company

Transactions with related parties: 31-03-2019

(Amount in ₹)

Transaction	Name of the related Party	For the Year Ended 31-Mar-2021	For the Year Ended 31-Mar-2020
Rent	Motilal Oswal Financial Services Limited	7,20,000.00	7,20,000.00
Business Support Service	Motilal Oswal Financial Services Limited	1,80,000.00	1,80,000.00
Advisory Fees	Motilal Oswal Financial Services Limited	92,45,903.94	1,46,73,577.38
Trade Receivables	Motilal Oswal Financial Services Limited	2,06,462.09	9,11,759.35
Consultancy charges	Rajesh Dharamshi	–	–

Note: Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

– Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
– MOPE Investment Advisors Private Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Asset Management Company
– Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
– Motilal Oswal Capital Market (Singapore) Pte Ltd.
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited
– Aspire Home Finance Corporation Limited
– India Business Excellence Management Company
– Motilal Oswal Asset Management (Mauritius) Private Limited
– Nagori Agro & Cattle Feeds Private Limited
– Motilal Oswal Capital Limited
– Motilal Oswal Finsec IFSC Limited
– Glide Tech Investment Advisory Private Limited

NOTE 38 : DUE TO MICRO,SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 39 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 40 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	For the Year Ended 31-Mar-2021 (₹)	For the Year Ended 31-Mar-2020 (₹)
Audit Fees	21,20,014	17,59,417
Back up charges	1,40,663	14,169
Filling Fees	74,770	–
Examination Fees	2,12,788	79,802
Insurance Charges	4,15,470	–
Legal and Professional Fees	39,74,088	–
Membership Charges	6,09,139	4,74,609
	75,46,932	**23,27,997**

NOTE 41 :

In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
Membership No: 111592

Place : Mumbai
Date :

For Motilal Oswal Securities International Private Limited

Harsh Joshi
Director
DIN: 02951058

Nikunj Sheth
Director
DIN: 08118427

Place : Mumbai
Date :

Motilal Oswal Capital Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To the Members of Motilal Oswal Capital Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Capital Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Director's report is not made available to us at the date of this audit report. We have nothing to report in this regard.

Responsibilities of Management the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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.

8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

10. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 April 21 as per Annexure II expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABC1278

Place : Mumbai
Date : 27 April 2021

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited, on the financial statements for the year ended 31 March 2021

ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any property, plant and equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABC1278

Place : Mumbai
Date : 27 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited on the Financial Statements for the year ended 31 March 2021

ANNEXURE II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Motilal Oswal Capital Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Responsibility of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABC1278

Place : Mumbai
Date : 27 April 2021

BALANCE SHEET AS AT 31 MARCH, 2021

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	As at 31-March-2021	As at 31-March-2020
I. ASSETS			
1. Non - current assets			
Non - Current tax assets (net)	4	3,335	7,342
Total non - current assets (A)		**3,335**	**7,342**
2. Current assets			
a) Financial assets			
(i) Investments	6	2,50,866	2,01,477
(ii) Trade receivables	7	13,571	29,090
(iii) Cash and cash equivalents	8	20,170	53,037
(iv) Other bank balances	9	5,05,583	5,07,126
(v) Other current financial assets	10	220	220
b) Other current assets	11	32,181	14,875
Total Current assets (B)		**8,22,591**	**8,05,825**
TOTAL ASSETS (A+B)		**8,25,926**	**8,13,167**
II. EQUITY AND LIABILITIES			
A. Equity:			
(i) Equity share capital	12	8,00,000	8,00,000
(ii) Other equity	13	14,450	6,629
Total equity (A)		**8,14,450**	**8,06,629**
B. Liabilities			
1. Current liabilities			
a) Financial liabilities			
(i) Trade payables			
– Total outstanding dues of micro enterprise and small enterprise (refer note 25)			
– Total outstanding dues of creditors other than micro enterprise and small enterprise		–	–
(ii) Other payables	14	8,043	1,234
b) Other current liabilities	15	1,982	2,216
c) Deferred tax liabilities (net)	5	1,451	3,088
Total current liability (B)		**11,476**	**6,538**
TOTAL EQUITY AND LIABILITIES (A+B)		**8,25,926**	**8,13,167**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 form an integral part of the financial statements

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 27 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 27 April, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
REVENUE FROM OPERATIONS			
Fees and commission income	16	46,813	76,577
1) Total revenue from operations		**46,813**	**76,577**
2) Other income	17	39,419	51,585
3) Total revenue (1 + 2)		**86,231**	**1,28,162**
EXPENSES			
(i) Finance cost	18	1,338	726
(ii) Other expenses	19	74,030	92,636
4) Total expenses		**75,368**	**93,362**
5) Profit/(loss) before tax (3 - 4)		**10,864**	**34,800**
Tax expense/(credit):	20		
(i) Current tax		4,680	896
(ii) Deferred tax expense/(credit)		(1,637)	10,034
6) Total tax expenses		**3,043**	**10,930**
7) Profit/(Loss) after tax (5 - 6)		**7,821**	**23,870**
8) Other comprehensive income		**–**	**–**
Total comprehensive income/ (loss) for the year (7 + 8)		**7,821**	**23,870**
Earnings/(Loss) per equity share	28		
Basic and diluted (in ₹)		0.10	0.30
Face value per share (in ₹)		10	10

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 form an integral part of the financial statements

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 27 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 27 April, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR Hundred, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	**80,00,000**	**8,00,000**
Issued during the year	–	–
As at 31 March 2020	**80,00,000**	**8,00,000**
Issued during the year	–	–
As at 31 March 2021	**80,00,000**	**8,00,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Surplus in the Statement of Profit and Loss
Balance as at 31 March 2019	**(17,241)**
Profit for the year	23,870
Balance as at 31 March 2020	**6,629**
Profit for the year	7,821
Balance as at 31 March 2021	**14,450**

Summary of significant accounting policies and other explanatory information

The accompanying notes 1 to 35 form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 27 April, 2021

For and on behalf of the Board of Directors

Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 27 April, 2021

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**10,864**	**34,800**
Adjustment for :		
Interest expense	1,338	726
Interest income on fixed deposits	(30,375)	(37,028)
Realised (gain)/loss	(16,855)	(2,882)
Net (gain)/loss on fair value change	7,729	(11,273)
Operating profit/(loss) before working capital changes	**(27,299)**	**(15,657)**
Adjustment for working capital changes :		
1) Increase/(decrease) in current financial liabilities	6,560	(10,912)
2) Increase/(decrease) in other current liabilities	(234)	401
3) (Increase)/decrease in trade receivables	15,519	(26,512)
4) (Increase)/decrease in other current financial assets	–	(120)
5) (Increase)/decrease in other current assets	(17,306)	(4,217)
Net changes in working capital	**4,539**	**(41,360)**
Cash generated/ (used in) from operating activities	**(22,760)**	**(57,017)**
Income taxes paid (net of refunds)	(673)	(7,420)
Net cash flow (used in)/ generated from operating activities (A)	**(23,433)**	**(64,437)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	31,918	39,252
Purchase of investment in mutual fund	(2,45,000)	–
Sale of investment in mutual fund	2,04,736	65,000
Net cash (used in)/ generated from investing activities (B)	**(8,346)**	**1,04,252**

Cash Flow Statement *(Contd..)*

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short-term borrowings	3,540	62,550
Repayment of short-term borrowings	(3,540)	(62,550)
Interest paid	(1,089)	(726)
Net cash (used in)/ generated from financing activities (C)	**(1,089)**	**(726)**
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	**(32,868)**	**39,089**
Cash and cash equivalent at the beginning of the year	**53,037**	**13,948**
Cash and cash equivalents at the end of the year (Refer Note no. 8)	**20,170**	**53,037**
* Composition of cash and cash equivalent		
Balance with scheduled bank - In Current Account	20,170	53,037
	20,170	**53,037**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013.

(ii) Figures in brackets indicate cash outflows.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 27 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 27 April, 2021

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 27 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial instruments are measured at fair value.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

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.

(i) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized in accordance with the terms of the contract with the clients.

(ii) Interest income

Interest income is recognized using the effective interest rate.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax:

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.4. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.5. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in 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 23.

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 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 derecognized only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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 profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income

2.10. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.11. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundred as per the requirements.

(All amounts are in INR Hundred, unless otherwise stated)

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 developments

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: The Company recognises loss allowances for expected credit loss on its financial assets measured at amortised cost. At each reporting date, Company assess whether financial assets carried at amortised cost are credit impaired. Financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

(c) Recognition of deferred tax liabilities - Deferred tax liabilities are recognised on temporary difference created on unreleased loss booked on investments.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 4 : NON-CURRENT TAX ASSETS (NET)

	As at 31-Mar-2021	As at 31-Mar-2020
Advance tax and tax deducted at source [Net of provision for income tax 31 March 2021: ₹ 4,680; (31 March 2020: ₹ 896)]	3,335	7,342
Total	**3,335**	**7,342**

NOTE 5 : DEFERRED TAX ASSETS/LIABILITIES (NET)

	As at 31-Mar-2021	As at 31-Mar-2020
Deferred tax assets arising on account of:		
Others	25	23
Total deferred tax assets (A)	**25**	**23**
Deferred tax liability arising on account of:		
Net gain on mutual fund investment measured at FVTPL	1,476	3,111
Total deferred tax liabilities (B)	**1,476**	**3,111**
Deferred tax assets/(liabilities) (net) (A-B)	**(1,451)**	**(3,088)**

NOTE 6 : INVESTMENT

Particulars	Subsidiary / Others	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
Investment in Mutual Funds measured at FVTPL (Quoted)					
HDFC liquid fund direct plan (G)	Others	5,607.30	2,50,866	5,157.35	2,01,477
Total			**2,50,866**		**2,01,477**

NOTE 7 : TRADE RECEIVABLES

	As at 31-Mar-2021	As at 31-Mar-2020
Considered good - unsecured	13,571	29,090
Total	**13,571**	**29,090**

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Company applies the Ind AS 109 simplified approach for measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year.

2) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a

(All amounts are in INR Hundred, unless otherwise stated)

director or a member.

NOTE 8 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-2021	As at 31-Mar-2020
Balance with banks		
In current accounts	20,170	53,037
Total	**20,170**	**53,037**

NOTE 9 : OTHER BANK BALANCES

	As at 31-Mar-2021	As at 31-Mar-2020
Fixed Deposit with bank having maturity within twelve months	5,05,583	5,07,126
Total	**5,05,583**	**5,07,126**

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 10 : OTHER CURRENT FINANCIAL ASSETS

	As at 31-Mar-2021	As at 31-Mar-2020
Other deposit	100	100
Security deposits	120	120
Total	**220**	**220**

Note 1. The Company's financial assets include cash and deposits and trade receivables. Financial assets are classified as being at FVTPL or as receivables. The classification adopted by the Company depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

NOTE 11 : OTHER CURRENT ASSETS

	As at 31-Mar-2021	As at 31-Mar-2020
Prepaid expenses	305	–
Indirect tax credit receivable	31,876	14,875
Total	**32,181**	**14,875**

NOTE 12 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	80,00,000	8,00,000	80,00,000	8,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	80,00,000	8,00,000	80,00,000	8,00,000

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of Shares	Amount	Number of Shares	Amount
Total	**80,00,000**	**8,00,000**	**80,00,000**	**8,00,000**

12.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of the year	80,00,000	8,00,000	80,00,000	8,00,000
Add: Shares issued during the year	–	–	–	–
Balance at the end of the year	**80,00,000**	**8,00,000**	**80,00,000**	**8,00,000**

12.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	79,99,994	99.99%
Balance at the end of the year	**79,99,994**	**99.99%**	**79,99,994**	**99.99%**

12.3 Shares held by holding company

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	79,99,994	99.99%	79,99,994	99.99%

12.4 Rights, preferences and restriction attached to each class of shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, there is no preferential amount as at 31st March 21. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

12.5 The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during five years immediately preceding 31 March 2021.

NOTE 13 : OTHER EQUITY

	As at 31-Mar-2021	As at 31-Mar-2020
a) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	6,629	(17,241)
Add: Transfer from Statement of Profit and Loss	7,821	23,870
Balance at the end of year	**14,450**	**6,629**

(All amounts are in INR Hundred, unless otherwise stated)

Nature and Purpose of Reserves

Surplus in the Statement of Profit and Loss

Surplus in the Statement of Profit and Loss pertain to the accumulated earnings / losses made by the company over the years.

NOTE 14 : OTHER PAYABLES

	As at 31-Mar-2021	As at 31-Mar-2020
Interest accrued and due	248	–
Other payables	7,795	1,234
Total	**8,043**	**1,234**

NOTE 15 : OTHER CURRENT LIABILITIES

	As at 31-Mar-2021	As at 31-Mar-2020
Outstanding Expenses	1,927	1,300
Withholding and other taxes payable	54	916
Total	**1,982**	**2,216**

NOTE 16 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Investment advisory fees	46,813	76,577
Total	**46,813**	**76,577**

NOTE 17 : OTHER INCOME

		For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
i)	Interest income on financial assets measured at amortised cost		
	- Interest on fixed deposit	30,375	37,028
ii)	Net gain on foreign currency transaction and translation	(81)	402
iii)	Realised gain (non - current investment)	16,855	2,882
iv)	Net gain on mutual fund investment measured at FVTPL	(7,729)	11,273
Total		**39,419**	**51,585**

NOTE 18 : FINANCE COST

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Interest on borrowing measured at amortised cost	1,338	726
Total	**1,338**	**726**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 19 : OTHER EXPENSES

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Advisory expense	22,241	36,379
Legal and professional charges	46,588	45,602
Set up expenses	1,097	6,723
Remuneration to auditors (Refer note no 26)	260	280
Registration and filing charges	222	1,450
Communication expenses	2,487	1,485
Depository charges	225	225
Marketing & brand promotion expenses	–	320
Miscellaneous expenses	910	172
Total	**74,030**	**92,636**

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.

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Current tax expense		
Current tax for the year	4,680	896
Tax adjustment in respect of earlier years	–	–
Total current tax expense	**4,680**	**896**
Deferred taxes		
Change in deferred tax liabilities	(1,637)	10,034
Net deferred tax expense/ (credit)	**(1,637)**	**10,034**
Total tax expense/ (credit)	**3,043**	**10,930**

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 2021 and 31 March 2020.

(All amounts are in INR Hundred, unless otherwise stated)

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Profit/(loss) before income tax expense	**10,864**	**34,800**
Tax at the rate of 25.17% (for 31 March 2020 - 22.88%)	2,734	7,962
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
MAT adjustment of previous year		
Preliminary expenses allowance	–	(23)
Income not subject to tax	1,945	(2,579)
Brought forward loss	–	(4,464)
Deferred tax on account of:		
Business loss	–	7,499
Others	(2)	29
Net gain on mutual fund investment measured at FVTPL	(1,634)	2,506
Income tax expense	**3,043**	**10,930**

NOTE 20.3 : NET DEFERRED TAX

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Deferred tax assets on account of:		
Others	25	23
Total deferred tax assets (A)	**25**	**23**
Deferred tax liability on account of :		
Net gain on mutual fund investment measured at FVTPL	1,476	3,111
Total deferred tax liabilities (B)	**1,476**	**3,111**
Net deferred tax assets/(liability) (A-B)	**(1,451)**	**(3,088)**

NOTE 20.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31 March 2021	Recognised through profit and loss	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019
Deferred tax assets on account of:					
Business loss	–	–	–	(7,499)	7,499
Others	25	2	23	(29)	52
Total deferred tax assets	**25**	**2**	**23**	**(7,528)**	**7,551**
Deferred tax liabilities on account of:					
Net gain on mutual fund investment measured at FVTPL	1,476	(1,634)	3,111	2,507	604
Total deferred tax liabilities	**1,476**	**(1,634)**	**3,111**	**2,507**	**604**
Total deferred tax Assets/liability (net)	**(1,451)**	**1,637**	**(3,088)**	**(10,035)**	**6,947**

(All amounts are in INR Hundred, unless otherwise stated)

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 and provides PMS services for which invoice is raised to MOAMC i.e. domestic revenue. The company earns advisory fees from offshore businesses.

a) Disaggregation of revenue

Revenue from contracts with customers:

Set out below is the disaggregation of revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Type of service Investment advisory services - Offshore
Total Revenue from contracts with customers	**46,813**
Geographical Markets	
India	21,285
Outside India	25,528
Total Revenue from contracts with customers	**46,813**
Timing of revenue recognition	
Services transferred at a point in time	
Services transferred over time	46,813
Total Revenue from contracts with customers	**46,813**

b) Contract balances (note 7)

Trade receivable are non-interest bearing balances. The outstanding balance as on 31 March 2021 is ₹ 13,571 hundreds, 31 March 2020 is ₹ 29,090 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.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 23 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Cash and cash equivalents	–	20,170	–	53,037
Bank balance other than above	–	5,05,583	–	5,07,126
Trade receivables	–	13,571	–	29,090
Investments	2,50,866	–	2,01,477	–
Other current financial assets	–	220	–	220
Total Financial Assets	**2,50,866**	**5,39,544**	**2,01,477**	**5,89,473**
Financial Liabilities				
Other payables	–	8,043	–	1,234
Other current liabilities	–	1,982	–	2,216
Total Financial Liabilities	**–**	**10,024**	**–**	**3,450**

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.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 24 : FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer Company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Upto 3 months	13,571	29,090
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**13,571**	**29,090**

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.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	8,043	–	–	8,043
Total	**8,043**	**–**	**–**	**8,043**

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other payables	1,234	–	–	1,234
Total	**1,234**	**–**	**–**	**1,234**

(All amounts are in INR Hundred, unless otherwise stated)

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk as it has receivables in foreign currency.

(ii) Interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest.

The Company is not exposed to interest rate risk as it does not have any borrowings or any investments with fluctuating interest rate

(iii) Price risk

The company is exposed to price risk from its investment in mutual funds, classified in the balance sheet at fair value through profit and loss.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

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 2021	For the year ended 31 March 2020
Impact on profit before tax for 1% increase in NAV/price	2,509	2,015

NOTE 25 : DUE TO MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount remaining unpaid at the end of the year	–	–
The interest amount remaining unpaid at the end of the year	–	–
Balance of Micro and Small Enterprise at the end of the year	–	–

NOTE 26 : AUDITORS' FEES

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Statutory audit fees	260	260
Out of pocket expenses	–	20
	260	**280**

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

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 28 : EARNINGS / (LOSS) PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Profit/(Loss) attributable to equity shareholders (₹)	7,821	23,870
Weighted average number of equity shares outstanding during the year	80,00,000	80,00,000
Nominal value per share (₹)	10	10
Earnings/(Loss) per share (Basic and diluted) (₹)	**0.10**	**0.30**

NOTE 29 : TRANSACTIONS IN FOREIGN CURRENCY

(i) Earnings in foreign currency (on accrual basis)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Advisory income	25,528	47,331
	25,528	**47,331**

(ii) Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Legal and professional fees	45,775	44,744
	45,775	**44,744**

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 2021	As at 31 March 2020
Trade receivables	USD	129	241
	INR	9,590	17,999

NOTE 31 : RELATED PARTY DISCLOSURES

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Asset Management Company Limited

(ii) Holding company of Motilal Oswal Asset Management Company Limited:

Motilal Oswal Financial Services Limited (Previously known as Motilal Oswal Securities Limited)

(All amounts are in INR Hundred, unless otherwise stated)

(iii) Ultimate holding company:

Passionate Investment Management Private Limited

(iv) Fellow subsidiaries:

Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)

Motilal Oswal Alternet Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)

Motilal Oswal Commodities Broker Private Limited

Motilal Oswal Investment Advisors Limited

MOPE Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors II Private Limited

India Business Excellence Management Company

Motilal Oswal Wealth Management Limited

Motilal Oswal Capital Markets (Hong Kong) Private Limited

Motilal Oswal Capital Markets Singapore Pte Limited

Motilal Oswal Securities International Private Limited

Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)

Motilal Oswal Trustee Company Limited

Motilal Oswal Asset Management (Mauritius) Private Limited

Glide Tech Investment Advisors Private Limited

Motilal Oswal Finsec Private Limited

TM Investment Technologies Private Limited

(v) Key Management Personnel (KMP)

(a) Executive directors

Mr. Akhil Chaturvedi

Mr. Motilal Oswal

Mr. Navin Agrawal

(vi) Enterprises in which KMP and their relatives exercise significant influence

Motilal Oswal Foundation

Motilal Oswal HUF

(vii) Associate enterprises

Indian Reality Excellence Fund II LLP

b. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended March 31, 2021	Year ended March 31, 2020
Advisory income	Motilal Oswal Asset Management (Mauritius) Private Limited	25,528	47,331
Advisory income	Motilal Oswal Asset Management Company Limited	6,347	29,246
Advisory expense	Motilal Oswal Asset Management Company Limited	22,241	36,379
Interest expense	Motilal Oswal Finvest Limited	1,338	726
Outstanding balances	**Name of the related party**	**Holding company/Fellow subsidiary**	
		year ended March 31, 2021	**year ended March 31, 2020**
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	9,590	17,999
Trade payable	Motilal Oswal Asset Management Company Limited	6,473	11,090

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 32 : ISSUE OF SHARE CAPITAL

There are no equity shares has been issued during the year.

NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at the balance sheet date.

NOTE 34 :

Amounts below ₹ 50 have been rounded off and shown as "0"

NOTE 35 : COVID-19

The current second wave of Covid-19 pandemic have resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19 , the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables. However the Company has recognized provisions as on 31 March 2021 towards its assets based on the information available at this point of time including estimates and assumptions specific to the impact of the COVID-19 pandemic. The Company's capital and liquidity position stands very strong as on reporting date.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership. No : 043334

Place : Mumbai
Date : 27 April, 2021

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503

Navin Agarwal
Director
DIN : 00024561

Place : Mumbai
Date : 27 April, 20201

Motilal Oswal Commodities Broker Private Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To,

The Members Motilal Oswal Commodities Broker Private Limited,

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Motilal Oswal Commodities Broker Private Limited** which comprises the Balance Sheet as at March 31, 2021, 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, 2021, and profit/loss, and its cash flows for the year ended on March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Legal & Regulatory Risk: Following default at NSEL in 2012 and initial investigations by Economic Offences Wing (EOW) and complaints received from investors against the broker of the now defunct spot exchange, NSEL and EOW in March and April 2015 had requested SEBI to take appropriate actions. However, In EOW report there was no allegation against MOCBPL. – In this matter, SEBI has issued Show Cause Notice to Motilal Oswal Commodities Broking Pvt. Ltd. (MOCBPL, the company) in financial year i.e. 2017-18 relating to NSEL Scam, for which management has replied accordingly. – SEBI vide its order dated 22nd February 2019, rejected MOCBPL's registration application on the grounds that it is not fit and proper person to hold, directly or indirectly, the certificate of registration as commodity derivatives broker.	Following are the areas where risks are assessed & procedures were followed. **1. Recording of Receivables & Dues - NSEL:** After scrutinizing the books of accounts & discussion with the management it has been found that the amounts receivable from NSEL (Exchange) & due to the clients have direct nexus and MOCBPL has the role of a broker only. Hence, the amount receivable from Exchange has not been provided for Doubtful debts as they are directly payable to the Clients. **2. Impact of SEBI order on the MOCBPL business:** The Company has already ceased its Commodity Broking business from April'18. Also, the order of SEBI signifies that MOCBPL's registration application as Commodities Broker may be rejected; however the management doesn't plan to continue its Commodities Broking business under the company (MOCBPL). The company has also filed an appeal against the order of SEBI before the Securities Appellate Tribunal (SAT) & the same is currently pending. **3.** The company may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts. Our procedures with respect to approaching the KAM: – **Enquiring with Accounts & Finance Team:** We have discussed with Finance team, Management & have scrutinized books of accounts.

Key audit matter	How our audit addressed the key audit matter
	– Assessing management's conclusions & ensuring that updates regarding the matter are informed to us on timely basis. **Our results:** Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate "Annexure B".
   (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M. No.: 040117

Place: Mumbai

Date: -----------------------------------

UDIN:- 20040117AAAACF5447

ANNEXURE "A" TO AUDITOR'S REPORT

Annexure "A" referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1 Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the Balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act, 2013 or the rules framed there under.

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments); therefore this clause is not applicable.

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable.

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc. as required by accounting standard (AS) 18- Related Party Transaction.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For **Aneel Lasod And Associates**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No.: 040117

Place: Mumbai
Date: -----------------------------------

UDIN:- 20040117AAAACF5447

ANNEXURE "B" TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Motilal Oswal Commodities Broker Private Limited** ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Aneel Lasod And Associates**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M. No.: 040117

Place: Mumbai
Date: ----------------------

UDIN:- 20040117AAAACF5447

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at 31-March-2021 (In ₹)	As at 31-March-2020 (In ₹)
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	1	54,95,352	56,45,638
(b) Bank balance other than (a) above	2	5,69,046	5,75,266
(c) Receivables			
(I) Trade Receivables	3	2,54,02,48,794	2,54,02,65,175
(d) Loans	4	4,16,501	4,16,501
(e) Investments	5	(1)	(1)
(f) Other financial assets	6	1,88,71,364	2,09,35,627
Total financial assets (A)		**2,56,56,01,054**	**2,56,78,38,205**
2. Non-financial assets			
(a) Current tax assets (net)	7	74,16,810	73,35,803
(b) Deferred tax assets (net)	8	28,97,376	29,17,051
(c) Investment property	9	–	–
(d) Property, plant and equipment	10	3,38,755	5,14,251
(e) Other intangible assets	10	1,245	1,245
(f) Other non-financial assets	11	6,67,13,144	6,51,37,863
Total non-financial assets (B)		**7,73,67,332**	**7,59,06,215**
Total Assets (A+B)		**2,64,29,68,386**	**2,64,37,44,420**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of creditor other than micro enterprises and small enterprises	12	3,03,00,721	3,09,25,681
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	12	2,45,75,52,461	2,45,75,52,461
(b) Debt Securities	13	–	–
(c) Borrowings (Other than Debt securities)	14	8,35,432	–
(d) Other financial liabilities	15	6,54,67,844	6,57,44,632
Total financial liabilities (A)		**2,55,41,56,458**	**2,55,42,22,775**

Balance Sheet *(Contd..)*

Particulars	Note No.	As at 31-March-2021 (In ₹)	As at 31-March-2020 (In ₹)
2. Non-financial liabilities			
(a) Current tax liabilities (net)	17	–	–
(b) Provisions	18	3,65,683	3,65,683
(c) Deferred tax liabilities (net)	8	–	–
(d) Other non-financial liabilities	19	13,562	13,562
Total non-financial liabilities (B)		**3,79,245**	**3,79,245**
3. Equity			
(a) Equity share capital	20	41,00,440	41,00,440
(b) Other equity	21	8,43,32,243	8,50,41,960
Total equity (C)		**8,84,32,683**	**8,91,42,400**
Total Liabilities and Equity (A+B+C)		**2,64,29,68,386**	**2,64,37,44,420**

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
UDIN: 21040117AAAAFL8461

Place : Mumbai
Date : 22nd April, 2021

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Harsh Joshi
Director
DIN: 2951058

Kishore Narne
Director
DIN: 07974034

Place : Mumbai
Date : 22nd April, 2021

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
1) Income:			
(a) Revenue from operations			
(a) Interest income	22	51,993	61,322
(b) Other operating income	27	(6)	–
Total revenue from operations		**51,987**	**61,322**
(b) Other income	28	–	14,10,683
Total income (a+b) (1)		**51,987**	**14,72,005**
2) Expenses:			
(a) Finance costs	29	15,409	–
(b) Fees and commission expense	30	–	5,000
(d) Employee benefit expense	32	600	7,27,243
(e) Depreciation and amortisation expense	33	1,75,496	4,04,244
(g) Other expenses	34	6,06,965	8,52,347
Total expenses (2)		**7,98,470**	**19,88,834**
3) Profit before tax (3) = (1) - (2)		**(7,46,483)**	**(5,16,829)**
4) Tax expenses / (credit)			
(b) Deferred tax expenses / (credit)		19,674	96,017
(c) Short / (excess) provision for earlier years		(56,440)	(1,91,713)
Total tax expenses (4)		**(36,766)**	**(95,696)**
5) Profit after tax from continuing operations (5) = (3) - (4)		**(7,09,717)**	**(4,21,133)**
7) Profit for the period (7) = (5) + (6)		(7,09,717)	(4,21,133)
9) Profit after tax and share in profit of associates		**(7,09,717)**	**(4,21,133)**
11) Total comprehensive income (11) = (9)+(10)		**(7,09,717)**	**(4,21,133)**
Profit after Minority Interest		**(7,09,717)**	**(4,21,133)**

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No: 40117
UDIN: 21040117AAAAFL8461

Place : Mumbai
Date : 22nd April, 2021

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Harsh Joshi
Director
DIN: 2951058

Kishore Narne
Director
DIN: 07974034

Place : Mumbai
Date : 22nd April ,2021

Cash Flow Statement

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**(7,46,483)**	**(51,68,29)**
Adjustment for		
Unrealised gain	–	–
Interest expense	15,409	–
Depreciation	1,75,496	4,04,244
Bad Debts written off	–	–
Acturial gains	–	–
Adjustment for working capital changes		
(Increase)/Decrease in receivables	16,382	5,57,80,616
(Increase)/Decrease in loans	–	45,863
(Increase)/Decrease in other financial assets	20,64,263	(1,59,96,63)
(Increase)/Decrease in current tax assets	(81,007)	48,24,621
(Increase)/Decrease in other non financial assets	(15,75,281)	24,74,139
Increase/(Decrease) in payables	(6,24,960)	(6,12,65,264)
Increase/(Decrease) in other financial liabilities	(2,76,787)	(10,63,662)
Increase/(Decrease) in provisions	–	(5,65,885)
Increase/(Decrease) in other non financial liabilities	–	–
CASH GENERATED FROM OPERATIONS	**(10,32,969)**	**(14,81,820)**
Taxes Paid (Net of Refunds)	56,440	1,91,713
NET CASH FROM OPERATING ACTIVITIES	**(9,76,529)**	**(12,90,107)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investment		
Purchase of fixed assets	–	–
NET CASH FLOW FROM INVESTING ACTIVITIES	–	–
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan from holding company	8,35,432	–
Dividend Paid		
Interest paid	(15,409)	–
NET CASH FLOW FROM FINANCING ACTIVITIES	**8,20,023**	**–**
NET CASH FLOW FOR THE YEAR ENDED	**(1,56,506)**	**(12,90,106)**

Cash Flow Statement *(Contd..)*

Particulars	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
Cash & Cash Equivalents comprise of		
Cash on hand	18,030	99,000
Scheduled Bank - In Current Account	23,77,608	27,23,816
Fixed Deposit with Banks	38,25,266	46,88,194
Total Cash & Cash Equivalents as at beginning of year	**62,20,904**	**75,11,010**
Cash & Cash Equivalents as at end of year :		
Cash on hand	18,030	18,030
Scheduled Bank - In Current Account	22,27,322	23,77,608
Fixed Deposit with Banks	38,19,046	38,25,266
Total Cash & Cash Equivalents as at end of year	**60,64,398**	**62,20,904**

As per our attached Report of even Date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No: 40117
UDIN: 21040117AAAAFL8461

Place : Mumbai
Date : 22nd April, 2021

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Harsh Joshi
Director
DIN: 2951058

Kishore Narne
Director
DIN: 07974034

Place : Mumbai
Date : 22nd April, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. CORPORATE INFORMATION

The company is a registered commodities broker on Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL) and is primarily engaged in the business of providing commodities markets related transaction services. The company is also engaged in the business of proprietary trading in commodities.

The company has surrendered its license from Multi Commodity Exchange of India Limited (MCX) vide member id 29500 and membership number MCX/TCM/CORP/0725, date of registration 24th February, 2006 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX) vide member id 00114 and membership number NCDEX/TCM/CORP/0033, date of registration 9th January 2004 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCEDX SPOT (NeML)) vide member id 10014 , date of registration 9th August 2007 and date of submission of surrender of membership application to exchange is 17th April, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements for the year ended March 31 2021 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

2.2. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in note xx, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.3. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

F**air value through profit or loss**: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

2.4. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.5. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage fee income

It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

(ii) Interest income

Interest income is recognized using the effective interest rate.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Fees and commission income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognized on accrual basis over the life of the instrument.

2.6. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Provision for current tax is made on the basis of estimated taxable income of the accounting year in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.7. Brokerage Sharing with Intermediaries

Brokerage sharing with intermediaries is charged to Statement of Profit and Loss on accrual basis.

2.8. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companys of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.10. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.11. Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.12. Inventories

Commodities are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of commodity. Cost is considered on weighted average basis.

Financial instruments held as inventory are measured at fair value through profit or loss.

2.13. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.14. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance

Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.16. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.19. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.20. Fiduciary assets

Assets held by the Company in its own name, but on the account of third parties, are not reported in the standalone balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

2.21. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirements

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: 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 1 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Cash on hand	18,030	18,030
Balances with banks		
In current accounts	22,27,322	23,77,608
Fixed deposit with bank (maturity within 3 months)	32,50,000	32,50,000
TOTAL	**54,95,352**	**56,45,638**

NOTE 2 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Fixed Deposit with original maturity more than 12 months	1,00,000	1,00,000
Accrued interest on fixed deposit (maturity more than 12 months)	4,69,046	4,75,266
TOTAL	**5,69,046**	**5,75,266**

NOTE 3 : RECEIVABLES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
(i) Trade receivables		
Secured, considered good	(0.40)	(0.40)
Unsecured, considered good	2,54,55,60,960	2,54,55,77,342
Less : Allowances for impairment losses	(5,312,166)	(5,312,166)
TOTAL	**2,54,02,48,794**	**2,54,02,65,175**

NOTE 4 : LOANS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
(A) Loans - At amortised cost		
Loans to employees	4,16,501	4,16,501
Total (A) Gross	**4,16,501**	**4,16,501**
Less : Impairment loss allowance	–	–
TOTAL (A) NET	**4,16,501**	**4,16,501**

NOTE 5 : INVESTMENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
A) Non Current Investment		
Mutual funds	(1.25)	(1.25)
TOTAL – GROSS (A)	**(1.25)**	**(1.25)**
TOTAL	**(1.25)**	**(1.25)**

NOTE 6 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Rent, electricity, and other deposits	69,645	21,33,908
Deposits with exchange and other receivables	1,87,57,379	1,87,57,379
Interest accrued but not due on fixed deposit and home loan	224	224
Securities in trade	44,116	44,116
TOTAL	**1,88,71,364**	**2,09,35,627**

NOTE 7 : CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Advance tax and tax deducted at source (net of provisions)	74,16,810	73,35,803
TOTAL	**74,16,810**	**73,35,803**

NOTE 8 : DEFERRED TAX (NET)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Deferred tax assets	28,97,376	29,17,051
Net DTA/DTL	**28,97,376**	**29,17,051**
NET DEFERRED TAX ASSETS	**28,97,376**	**29,17,051**

NOTE 10 : PROPERTY PLANT AND EQUIPMENTS

Current year

Particulars	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Balance as at 01 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 01 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2020	Balance as at 31 March 2021
Property, plant and equipment										
Buildings	73,71,988	–	–	73,71,988	73,67,431	–	–	73,67,431	4,557	4,557
Plant and machinery	2,58,847	–	–	2,58,847	2,38,257	1,361	–	2,39,617	20,590	19,230
Furniture and fixtures	1,14,852	–	–	1,14,852	1,10,825	–	–	1,10,825	4,027	4,027
Vehicles	81,885	–	–	81,885	24,735	6,972	–	31,706	57,150	50,179
Office equipments	3,57,666	–	–	3,57,666	3,27,183	7,905	–	3,35,088	30,483	22,578
Computers	56,82,747	–	–	56,82,747	52,85,303	1,59,259	–	54,44,561	3,97,444	2,38,186
Total (A)	**1,38,67,985**	**–**	**–**	**1,38,67,985**	**1,33,53,733**	**1,75,496**	**–**	**1,35,29,229**	**5,14,252**	**3,38,755**
Intangible assets										
Computer software	49,82,061	–	–	49,82,061	49,80,816	–	–	49,80,816	1,245	1,245
Total (B)	**49,82,061**	**–**	**–**	**49,82,061**	**49,80,816**	**–**	**–**	**49,80,816**	**1,245**	**1,245**
Total (A) + (B)	**1,88,50,046**	**–**	**–**	**1,88,50,046**	**1,83,34,549**	**1,75,496**	**–**	**1,85,10,044**	**5,15,497**	**3,40,000**

Previous year

Particulars	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2019	Balance as at 31 March 2020
Property, plant and equipment										
Buildings	73,71,988	–	–	73,71,988	73,67,431	–	–	73,67,431	4,557	4,557
Plant and machinery	2,58,847	–	–	2,58,847	2,36,770	1,487	–	2,38,257	22,077	20,590
Furniture and fixtures	1,14,852	–	–	1,14,852	1,10,825	–	–	1,10,825	4,027	4,027
Vehicles	81,885	–	–	81,885	17,116	7,619	–	24,735	64,769	57,150
Office equipments	3,57,666	–	–	3,57,666	3,18,221	8,962	–	3,27,183	39,445	30,483
Computers	56,82,747	–	–	56,82,747	48,99,126	3,86,177	–	52,85,303	7,83,621	3,97,444
Total (B)	**1,38,67,985**	**–**	**–**	**1,38,67,985**	**1,29,49,489**	**4,04,244**	**–**	**1,33,53,732**	**9,18,496**	**5,14,251**
Intangible assets										
Computer software	49,82,061	–	–	49,82,061	49,80,816	–	–	49,80,816	1,245	1,245
Total (B)	**49,82,061**	**–**	**–**	**49,82,061**	**49,80,816**	**–**	**–**	**49,80,816**	**1,245**	**1,245**
Total (A) + (B)	**3,27,18,031**	**–**	**–**	**1,88,50,046**	**1,79,30,304**	**4,04,244**	**–**	**1,83,34,548**	**18,38,238**	**5,15,496**

NOTE 11 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Prepaid expenses	–	9,042
Advances and other non-financial assets	41,38,347	41,38,347
Indirect tax credit receivable	6,23,54,451	6,07,55,128
Capital advances	25,300	25,300
For supply of services	1,95,046	2,10,046
TOTAL	**6,67,13,144**	**6,51,37,863**

NOTE 12 : PAYABLES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
(i) **Trade payables**		
total outstanding dues of creditors other than Micro small & medium enterprises	3,03,00,721	3,09,25,681
(ii) **Other payables**		
total outstanding dues of creditors other than Micro small & medium enterprises	2,45,75,52,461	2,45,75,52,461
TOTAL	**2,48,78,53,182**	**2,48,84,78,143**

Notes to Financial Statement *(Contd..)*

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
At Amortised cost		
Unsecured- From Subsidiary	8,35,432	–
Total (A)	**8,35,432**	**–**
Borrowings in India	8,35,432	–
Total (B)	**(835,432)**	**–**
Unsecured	8,35,432	–
Total (C)	**(835,432)**	**–**

NOTE 15 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Interest accrued and due on borrowings	12,628	–
Margin money	2,03,701	2,03,701
Other payables (includes payable to vendors)	6,22,86,730	6,25,06,223
Book overdraft	29,64,785	30,34,708
TOTAL	**6,54,67,844**	**6,57,44,632**

NOTE 18 : PROVISIONS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
For employee benefits		
Gratuity unfunded	3,64,700	3,64,700
Compensated absences	983	983
TOTAL	**3,65,683**	**3,65,683**

NOTE 19 : OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Accrued salaries and benefits	13,562	13,562
TOTAL	**13,562**	**13,562**

NOTE 20 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number	Amount in ₹	Number	Amount in ₹
Authorised shares				
Issued and subscribed				
Paid-up				
Equity shares of Re. 1 each	–	41,00,440	–	41,00,440
Total	**–**	**41,00,440**	**–**	**41,00,440**

Particulars	As at 31-Mar-2021 Number	As at 31-Mar-2021 Amount in ₹	As at 31-Mar-2020 Number	As at 31-Mar-2020 Amount in ₹
Minority Interest on Share Capital - Computed		–		–
Minority Interest on Share Capital - Adjusted		–		–
Total Minority Interest on Share Capital	**–**	**–**	**–**	**–**
Share Capital transferred to Balance Sheet	**–**	**41,00,440**	**–**	**41,00,440**

NOTE 21: OTHER EQUITY

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Capital redemption reserve		
Balance at the beginning of the year	60,00,000	60,00,000
Balance as at the end of the year	**60,00,000**	**60,00,000**
General reserve		
Balance at the beginning of the year	2,00,000	2,00,000
Balance as at the end of the year	**2,00,000**	**2,00,000**
Retained earnings		
Balance at the beginning of the year	7,80,55,592	7,84,76,725
Balance at the beginning of the year - after Minority Interest	7,80,55,592	7,84,76,725
Add: Net profit for the year	(7,09,717)	(4,21,133)
Balance as at end of the year	**7,73,45,875**	**7,80,55,592**
Other comprehensive income		
Balance at the beginning of the year	7,86,368	7,86,368
Balance as at the end of the year	**7,86,368**	**7,86,368**
TOTAL	**8,43,32,243**	**8,50,41,960**

NOTE 22: INTEREST INCOME

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
On financial assets measured at amortised cost		
Interest on deposits with banks	51,993	61,322
TOTAL	**51,993**	**61,322**

NOTE 27: OTHER OPERATING INCOME

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Other Operating revenue :		
Others	(6)	–
TOTAL	**(6)**	**–**

NOTE 28 : OTHER INCOME

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Interest on Income Tax Refund	–	14,10,683
TOTAL	**–**	**14,10,683**

NOTE 29 : FINANCE COST

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	15,409	–
TOTAL	**15,409**	**–**

NOTE 30 : FEES AND COMMISSION EXPENSE

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Depository and processing charges - Broking	–	5,000
TOTAL	**–**	**5,000**

NOTE 32 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Salary, bonus and allowances	–	9,02,329
Contribution to provident fund and other benefits	600	900
Staff welfare expenses	–	(1,75,986)
TOTAL	**600**	**727,243**

NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Depreciation / amortization of property, plant and equipment and intangible assets	1,75,496	4,04,244
TOTAL	**1,75,496**	**4,04,244**

NOTE 34 : OTHER EXPENSES

Particulars	For the Year Ended 31st March 2020 in ₹	For the Year Ended 31st March 2019 in ₹
Rates and taxes	18,250	13,423
Insurance	4,877	21,837
Legal and professional charges	(2,02,292)	4,32,458
Remuneration to auditors	1,80,000	1,80,000
Marketing and brand promotion expenses	12,084	–
Printing and stationery	–	1,500
Communication expenses	–	(10,064)
Travelling and conveyance expenses	(11,096)	–
Entertainment expenses	–	(40,650)
Miscellaneous expenses	6,05,142	2,53,843
TOTAL	**6,06,965**	**8,52,347**

NOTE 35 : AUDITORS REMUNERATION

Particulars	31-03-2021 in ₹	31-03-2020 in ₹
Audit fees	1,80,000	1,80,000
Tax Audit fees	–	–
In any other capacity, in respect of:		
Other Services	–	–
Total	**1,80,000**	**1,80,000**

NOTE 36 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	31-03-2021 in ₹	31-03-2020 in ₹
Net Profit /(Loss) attributable to equity shareholders [A] (₹)	(7,09,717)	(4,21,134)
Number of equity shares issued [B]	4,10,044	4,10,044
Basic & Diluted Earnings/(Loss) per share [A/B] (₹)	**(1.73)**	**(1.03)**

NOTE 37 : THE FOLLOWING TABLE SET OUT THE GRATUITY PLAN AS REQUIRED UNDER AS 15.

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

		March 31, 2021	March 31, 2020
I	**Assumptions as at**	**March 31, 2021**	**March 31, 2020**
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	0.00%	0.00%
	Rate of increase in compensation	0.00%	0.00%

		March 31, 2021	March 31, 2020
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(Past Service (PS))	0.00%	0.00%
	Expected average remaining service	0.00	0.00
II	**Changes in present value of obligations (PVO)**		
	PVO at beginning of year	–	–
	Interest cost	–	–
	Current Service Cost	–	–
	Transfer out liability	–	–
	Past Service Cost - (non vested benefits)	–	–
	Past Service Cost - (vested benefits)	–	–
	Benefits Paid	–	–
	Actuarial (Gain)/Loss on obligation	–	–
	PVO at end of year	–	–
(III)	**Changes in fair value of plan assets**		
	Fair Value of Plan Assets at beginning of year	–	–
	Expected Return ori Plan Assets	–	–
	Contributions	–	–
	Benefit Paid	–	–
	Actuarial Gain/(Loss) on plan assets	–	–
	Fair Value of Plan Assets at end of year	–	–
(IV)	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at beginning of year	–	–
	Actual Return on Plan Assets	–	–
	Contributions	–	–
	Benefit Paid	–	–
	Fair Value of Plan Assets at end of year	–	–
	Funded Status (including unrecognised past service cost)	–	–
	Excess of actual over estimated return on Plan Assets	–	–
(V)	**Experience History**		
	(Gain)/Loss on obligation due to change in Assumption	–	–
	Experience (Gain)/ Loss on obligation	–	–
	Actuarial Gain/(Loss) on plan assets	–	–
(VI)	**Actuarial Gain/(Loss) Recognized**		
	Actuarial Gain/(Loss) for the year (Obligation)	–	–
	Actuarial Gain/(Loss) for the year (Plan Assets)	–	–
	Total Gain/(Loss) for the year	–	–
	Actuarial Gain/(Loss) recognized for the year	–	–
	Unrecognized Actuarial Gain/(Loss) at end of year	–	–
(VII)	**Past Service Cost Recognised**		
	Past Service Cost - (non vested benefits)	–	–
	Past Service Cost - (vested benefits)	–	–

	March 31, 2021	March 31, 2020
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost - non vested benefits	–	–
Recognised Past service Cost- vested benefits	–	–
Unrecognised Past Service Cost - non vested benefits	–	–
(VIII) Amounts to be recognized in the balance sheet and statement of profit and loss		
PVO at end of period	–	–
Fair Value of Plan Assets at end of year	–	–
Funded Status	–	–
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost - non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	–	–
(IX) Expense recognized in the statement of profit and loss		
Current Service Cost	–	–
Interest cost	–	–
Past Service Cost - (non vested benefits)	–	–
Past Service Cost - (vested benefits)	–	–
Unrecognised Past Service Cost - non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	–	–
Expense recognized in the statement of profit and loss	–	–
(X) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	–	–
Expenses as above	–	–
Contribution paid	–	–
Closing Net Liability	–	–
(XI) Revised schedule VI		
Current liability	–	–
Non-current liability	–	–

(XII) Sensitivity analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	–	–	–	–

(XIII) Expected Payouts

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	–	–	–	–	–	–

(XIV) Asset Liability Comparison

Year	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
PVO at the end of the year	23,05,532	24,45,852	3,64,700	–	–
Plan Assets					
Surplus/(Deficit)	(23,05,532)	(24,45,852)	(3,64,700)	–	–
Experience adjustments on plan assets					

NOTE 38 : SEGMENT REPORTING

As per IND AS 108 para 4, Segment has been disclosed in Consolidated financial statement, Hence no separate disclosure has been given in standalone financial statements of the Company.

NOTE 39 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2021 COMPRISES OF

(in ₹)

Particulars	Opening balance	Provided during the year ended 31.03.21	Provision Paid / reversed during the year ended 31.03.21	Closing balance as of 31.03.21
Ex-gratia	–	–	–	–
Gratuity	3,64,700	–	–	3,64,700

Particulars	Opening balance	Provided during the year ended 31.03.20	Provision Paid / reversed during the year ended 31.03.20	Closing balance as of 31.03.20
Ex-gratia	347,693	–	347,693	–
Gratuity	364,700	–	–	364,700

NOTE 40 : CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

Contingent liabilities:

a) Claims against the company in respect of Legal matters filed against the Company

Pending against Forum	As at 31st March 2021		As at 31st March 2020	
	No. of Cases	Amount	No. of Cases	Amount
Arbitration Cases	–	–	–	–

b) Demand in respect of Income Tax matters for which appeal is pending is ₹ 10,08,55,800, (Previous Year ₹ 1,46,74,909/-). This is disputed by the company and hence not provided for. The company has paid demand by way of deposit of ₹ 33,00,000 by way of regular assessment till date. Above liability does not include interest u/s 234 B and 234 C as the same depends on the outcome of the demand.

Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ Nil (Previous Year : ₹ Nil)

NOTE 41

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 42 : 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 43 :

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 44 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

I) List of related parties and their relationships

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

Fellow subsidiaries:

1) Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
2) MOPE Investment Advisors Private Limited
3) Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
4) Motilal Oswal Wealth Management Limited
5 MO Alternate Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
6) Motilal Oswal Asset Management Company Limited
7) Motilal Oswal Trustee Company Limited
8) Motilal Oswal Securities International Private Limited
9) Motilal Oswal Capital Market (Hongkong) Private Limited
10) Motilal Oswal Capital Market (Singapore) Pte Limited
11) Aspire Home Finance Corporation Limited
12) Motilal Oswal Real Estate Investment Advisors Private Limited
13) Motilal Oswal Real Estate Investment Advisors II Private Limited
14) India Business Excellence Management Company
15) Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
16) Motilal Oswal Capital Limited
17) Motilal Oswal Finsec IFSC Limited
18) Glide Tech Investment Advisory Private Limited
19) TM Investment Technologies Pvt. Ltd.

Key management personnel

– Mr Kishore Narne - Director
– Mr Anupam Agal - Director
– Mr Harsh Joshi - Director

Relatives of Key management personnel

1) Mrs Rajya Lakshmi Narne - Spouse of the director
2) Mrs Poonam Agal - Spouse of the director
3) Mrs Smita Parekh - Spouse of the director
4) Mr Prasad Rao Narne - Father of the director
5) Mr Shivraj Agal - Father of the director
6) Mr Kanhaiyalal Joshi - Father of the director
7) Mrs Anjani Devi - Mother of the director
8) Mrs Late Kamla Agal - Mother of the director

9) Mrs Kumud Joshi - Mother of the director
10) Mstr Aakash Narne - Son of the director
11) Mstr Jeet Agal - Son of the director
12) Miss Aakanksha Narne - Daughter of the director
13) Miss Kamya Agal - Daughter of the director
14) Miss Tashvi Joshi - Daughter of the director
15) Manju Deopura, Alka Mundra, Minu Chaparwal, Honey Malani - Sister of the director
16) Mrs Hinoti Joshi - Sister of the director

II) The transactions were entered into with the above related parties during the year in the ordinary course of business have been provided in the Annexure.

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Interest Expense	Motilal Oswal Finvest Limited	–	–	15,409		15,409	–
Loan Taken	Motilal Oswal Finvest Limited	–	–	835,432	–	–	–
Loan Repaid	Motilal Oswal Finvest Limited	–	–	–	–	–	–
Loans (Maximum balance)	Motilal Oswal Finvest Limited	–	–	835,432			–
Outstanding Balances:							–
Unsecured Loan (Including Interest)	Motilal Oswal Finvest Limited	–	–	848,060	–	848,060	–
Other Receivables	Motilal Oswal Financial Services Limited		224	–	–	–	224

Note: Income/liabilities figures are shown in brackets.

NOTE 45 : TAX DISCLOSURES

(Amount in rupees)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
1 Tax expense		
Current tax expense		
Current tax for the year	–	
Tax adjustment in respect of earlier years	(56,440)	(1,91,713)
Total current tax expense	**(56,440)**	**(1,91,713)**
Deferred taxes		
Change in deferred tax	19,674	96,018
Net deferred tax expense	**19,674**	**96,018**
	(36,766)	**(95,695)**

(Amount in rupees)

Particulars	31-Mar-2021	31-Mar-2020
2 Deferred tax assets on account of:		
Provision for gratuity	91,788	91,788
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	62,350	82,024
Provision for VAT	13,36,966	13,36,966
Loss on sale of Office premises	14,06,272	14,06,272
Total deferred tax assets (A)	**28,97,376**	**29,17,050**
Net deferred tax assets	**28,97,376**	**29,17,050**

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 2021	Recognised through profit and loss	As at 31 March 2020	Recognised through profit and loss	As at 31 March 2019
Deferred tax assets on account of:					
Provision for gratuity	91,788	–	91,788	(3,034)	94,822
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	62,350	(19,674)	82,024	(2,298)	84,323
Provision for VAT	13,36,966	–	13,36,966	(44,197)	13,81,163
Loss on sale of Office premises	14,06,272	–	14,06,272	(46,488)	14,52,760
Total deferred tax assets					
Total deferred tax Assets/liability (net)	**28,97,376**	**(19,674)**	**29,17,050**	**(96,018)**	**30,13,068**

NOTE 46 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Assets	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	54,95,352	–	54,95,352	56,45,638	–	56,45,638
Bank balance other than cash and cash equivalents above	5,69,046	–	5,69,046	5,75,266		5,75,266
Trade receivables	2,54,02,48,794	–	2,54,02,48,794	2,54,02,65,175	–	2,54,02,65,175
Other financial assets	–	1,88,71,364	1,88,71,364	–	2,09,35,627	2,09,35,627
Non-Financial assets						
Property, plant and equipment	–	3,38,755	3,38,755	–	5,14,251	5,14,251
Intangible assets		1,245	1,245	–	1,245	1,245
Current tax assets	74,16,810	–	74,16,810	73,35,803	–	73,35,803
Deferred tax assets	28,97,376	–	28,97,376	29,17,050	–	29,17,050
Other non-financial assets	1,95,046	6,65,18,098	6,67,13,144	2,19,088	6,49,18,775	6,51,37,863
Total Assets	**2,55,72,38,924**	**8,57,29,463**	**2,64,29,68,387**	**2,55,73,74,521**	**8,63,69,899**	**2,64,37,44,420**

Assets	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	248,78,53,182	–	248,78,53,182	248,84,78,143	–	248,84,78,143
Borrowings (Other than Debt securities)	8,35,432	–	8,35,432	–	–	–
Other financial liabilities	6,54,67,844	–	6,54,67,844	6,57,44,632	–	6,57,44,632
Non Financial Liabilities						
Current tax liabilities (net)						–
Provisions	3,65,683		3,65,683	3,65,683	–	3,65,683
Other non financial liabilities	13,562		13,562	13,562	–	13,562
Total Liabilities	**255,45,35,703**	**–**	**255,45,35,703**	**255,46,02,019**	**–**	**255,46,02,019**

NOTE 47 : FAIR VALUE MEASUREMENT

Financial instruments by category:

(Amount in rupees)

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents		54,95,352		56,45,638
Bank balance other than cash and cash equivalents above		5,69,046		5,75,266
Trade receivables		2,54,02,48,794		2,54,02,65,175
Loans		4,16,501		4,16,501
Other financial assets		1,88,71,364		2,09,35,627
Total Financial Assets	**–**	**2,565,601,056**	**–**	**2,567,838,206**
Financial Liabilities				
Trade payables		2,487,853,182		2,488,478,143
Borrowings (Other than Debt securities)		835,432		–
Other financial liabilities		65,467,844		65,744,632
	–	**2,554,156,458**	**–**	**2,554,222,774**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note: During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 48

Previous year figures have been regrouped/rearranged where necessary to confirm to year's classification.

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No: 40117
UDIN: 21040117AAAAFL8461

Place : Mumbai
Date : 22nd April, 2021

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Harsh Joshi
Director
DIN: 2951058

Kishore Narne
Director
DIN: 07974034

Place : Mumbai
Date : 22nd April ,2021

Glide Tech Investment Advisory Private Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors' Report

To,

The Members Glide Tech Investment Advisory Private limited,

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Glide Tech Investment Advisory Private limited** which comprises the Balance Sheet as at March 31, 2021, 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, 2021, and profit/loss, and its cash flows for the period ended on March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special purpose financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
-----NIL----	

Responsibility of Management for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid Remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet & Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 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.

Since this is the 1st year of the company, hence comparative figures are not given.

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
Partner
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 22 April 2021

ANNEXURE A

Annexure "A" referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. Fixed Assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security are not given by the company, therefore Section 185 and 186 of the Companies Act, 2013 are not applicable.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) and; therefore this clause is not applicable.

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

The company has paid remuneration to its directors during the audit period in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
Partner
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 22 April 2021

ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Glide Tech Investment Advisory Private limited ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
Partner
Membership. No : 040117
UDIN: 20040117AAAACE3788

Place : Mumbai
Date : 22 April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	As at 31-Mar-2021	As at 31-Mar-2020
I. ASSETS			
A. Non-current assets			
a) Property, plant and equipment	4(a)	11,872	6,891
b) Other intangible assets	4(b)	78,831	–
c) Deferred tax assets (net)	5	57,502	13,910
Total non - current assets (A)		**148,205**	**20,801**
B. Current assets			
a) Financial assets			
(i) Cash and cash equivalents	6	10,733	23,020
b) Other current assets	7	14,593	17,333
Total Current assets (B)		**25,326**	**40,353**
TOTAL ASSETS (A+B)		**173,531**	**61,154**
II. EQUITY AND LIABILITIES			
A. Equity:			
Equity share capital	8	400,000	100,000
Other equity	9	(269,535)	(60,908)
Total equity (A)		**130,465**	**39,092**
B. Liabilities			
1. Current liabilities			
a) Financial liabilities			
i) Other payables	10	13,159	10,540
ii) Provisions	11	29,115	10,921
b) Other current liabilities	12	793	601
Total current liabilities (B)		**43,066**	**22,062**
TOTAL EQUITY AND LIABILITIES (A+B)		**173,531**	**61,154**

The accompanying notes 1 to 28 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
UDIN: 20040117AAAACE3788

Place : Mumbai
Dated : 22 April 2021

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Raamdeo Agarawal
Director
DIN : 00024533

Place : Mumbai
Dated : 22 April 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Note No.	Year ended 31-Mar-2021	Period ended 31-Mar-2020
INCOME			
Revenue from operations		–	–
Others			
1) Total Income		**–**	**–**
EXPENSES			
(i) Employee benefit expense	13	170,459	53,156
(ii) Finance cost	14	2,133	
(iii) Other expenses	15	51,668	22,933
(iv) Depreciation	4	24,463	813
2) Total expenses		**248,723**	**76,902**
3) Profit/(loss) before tax (1 - 2)		**(248,723)**	**(76,902)**
Tax expense/(credit):	16		
(i) Current tax		–	–
(ii) Deferred tax expense/(credit)		(42,793)	(14,420)
4) Total tax expense		**(42,793)**	**(14,420)**
5) Profit/(Loss) after tax (3-4)		**(205,930)**	**(62,482)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(3,497)	2,084
(b) Deferred tax impact on the above		800	(510)
6) Other comprehensive income		**(2,697)**	**1,574**
Total comprehensive income for the period (5-6)		**(208,627)**	**(60,908)**
Earnings/(Loss) per equity share	23		
Basic and diluted		(6.74)	(6.25)

The accompanying notes 1 to 28 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 20040117AAAACE3788

Place : Mumbai
Dated : 22 April 2021

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Raamdeo Agarawal
Director
DIN : 00024533

Place : Mumbai
Dated : 22 April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in INR Hundred, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	–	–
Issued during the year	1,000,000	100,000
As at 31 March 2020	**1,000,000**	**100,000**
Issued during the year	3,000,000	300,000
As at 31 March 2021	**4,000,000**	**400,000**

(B) OTHER EQUITY

Particulars	Reserves and Surplus	Reserves and Surplus
	31 March 2021	31 March 2020
Balance at the beginning of the reporting period	**(60,908)**	–
profit during the year	(208,627)	(60,908)
Balance at the end of the reporting period	**(269,535)**	**(60,908)**

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 20040117AAAACE3788

Place : Mumbai
Dated : 22 April 2021

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Raamdeo Agarawal
Director
DIN : 00024533

Place : Mumbai
Dated : 22 April 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Glide Tech Investment Advisory Private Limited ("GTIAPL" or the "Company") was incorporated on 29 November 2019. The registered and corporate office of the Company is situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

The Company's principle activity is to act as an Investment Advisor and provide, investment advisory and administrative services to the various scheme of mutual funds.

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 22 April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accounting policies have been applied consistently over all the periods presented in these financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial instruments are measured at fair values;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division II of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed in note 3.

2.2. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.3. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 31.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised only when :

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.5. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.6. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Computers	3 years

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.7. Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.8. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid/payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the reporting date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.9. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.10. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.11. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.12. Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

(All amounts are in INR Hundred, unless otherwise stated)

that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTE 4(A) : PROPERTY, PLANT AND EQUIPMENT

Current year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer	7,704	9,737	–	17,441	813	4,756	–	5,569	11,872	6,891
Total	**7,704**	**9,737**	**–**	**17,441**	**813**	**4,756**	**–**	**5,569**	**11,872**	**6,891**

NOTE 4(B) : INTANGIBLE ASSETS

Current year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	–	98,539	–	98,539	–	19,708	–	19,708	78,831	–
Total	**–**	**98,539**	**–**	**98,539**	**–**	**19,708**	**–**	**19,708**	**78,831**	**–**

NOTE 4(A) : PROPERTY, PLANT AND EQUIPMENT

Previous year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer	–	7,704	–	7,704	–	813	–	813	6,891	–
Total	**–**	**7,704**	**–**	**7,704**	**–**	**813**	**–**	**813**	**6,891**	**–**

NOTE 4(B) : INTANGIBLE ASSETS

Previous year	Gross Block				Accumulated Depreciation				Net Block	
Particulars	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer software	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 5 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Deferred tax asset arising on account of:		
Preliminary expenses	3,267	14,076
Business loss	55,120	–
Gratuity provision	800	–
Total deferred tax assets (A)	**59,187**	**14,076**
Deferred tax liability arising on account of:		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1,685	166
Total deferred tax liability (B)	**1,685**	**166**
DEFERRED TAX ASSETS/ (LIABILITY) (NET)) (A-B)	**57,502**	**13,910**

NOTE 6 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance with banks		
In current accounts	10,733	23,020
TOTAL	**10,733**	**23,020**

NOTE 7 : OTHER CURRENT ASSETS

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance with govt. authority	13,356	17,333
Prepaid expenses	1,237	–
TOTAL	**14,593**	**17,333**

NOTE 8 : SHARE CAPITAL

Particulars	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	10,000,000	1,000,000	1,000,000	100,000
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	4,000,000	400,000	1,000,000	100,000
	4,000,000	**400,000**	**1,000,000**	**100,000**

(All amounts are in INR Hundred, unless otherwise stated)

8.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	**1,000,000**	**100,000**	–	–
Issued during the year	3,000,000	300,000	1,000,000	100,000
At the end of the year	**4,000,000**	**400,000**	**1,000,000**	**100,000**

8.2 Shareholder having more than 5% equity holding in the company

Name of shareholder	31 March 2021		31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial Services Ltd.	3,999,994	99.99%	990,000	99,000

8.3 Shares held by holding company

Name of shareholder	31 March 2021		31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Motilal Oswal Financial services Limited	3,999,994	99.99%	990,000	99%

NOTE 9 : OTHER EQUITY

Particulars	As at 31–Mar-2021	As at 31-Mar-2020
a) Statement of Profit and Loss		
Balance at the beginning of the year	(60,908)	–
Add: Transfer from Statement of Profit and Loss	(208,627)	(60,908)
BALANCE AT THE END OF YEAR	**(269,535)**	**(60,908)**

Nature and Purpose of Reserves

Retained earnings

Retained earnings pertains to the accumulated earnings/losses made by the company over the years.

NOTE 10 : OTHER PAYABLES

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Creditors for expenses	10,925	10,375
Salaries and others	2,234	165
TOTAL	**13,159**	**10,540**

NOTE 11 : PROVISIONS

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for employee benefits		
ExGratia payable	20,020	10,000
Gratuity	4,825	921
Compensated absences	4,270	–
TOTAL	**29,115**	**10,921**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 12 : OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Withholding and other taxes payable	793	601
TOTAL	**793**	**601**

NOTE 13 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Salary, bonus and allowances	163,345	47,928
Staff welfare expenses	5,544	1,809
Contribution to provident & other funds	1,163	414
Gratuity (Refer note 23)	407	921
Actuarial gain/(loss)	–	2,084
TOTAL	**170,459**	**53,156**

NOTE 14 : FINANCE COST

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Interest on borrowing measured at amortised cost	2,133	–
TOTAL	**2,133**	**–**

NOTE 15 : OTHER EXPENSES

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Insurance	1,127	–
Computer repairs and maintenance	2,694	63
Legal and professional charges	11,143	4,319
Business support Charges	8,400	2,800
Membership and subscription	5,000	–
Remuneration to auditors (Refer Note 21)	600	600
Registration and filing charges	–	100
Miscellaneous expenses	9,132	5,352
Rent	8,400	2,800
Communication expenses	28	15
Printing and stationery Charges	26	1,601
Power and fuel	420	138
Marketing & brand promotion expenses	3,866	4,411
Travelling & Conveyance Expenses	(65)	734
Data processing charges	897	–
TOTAL	**51,668**	**22,933**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 16.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Current tax expense		
Current tax for the year	–	–
Total current tax expense	**–**	**–**
Deferred taxes		
Change in deferred tax liabilities	(42,793)	(14,420)
Net deferred tax expense	**(42,793)**	**(14,420)**
TOTAL	**(42,793)**	**(14,420)**

NOTE 16.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the Year ended 31–Mar-2021	For the Period ended 31-Mar-2020
Profit/(loss) before income tax expense	**(248,723)**	**(76,902)**
Tax at the rate of Nil (for 31 March 2020 - Nil)	–	–
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purposes	(74,743)	(14,076)
Temporary tax difference	38,539	166
Tax on actuarial gain/loss	800	(510)
Income tax expense	**(35,404)**	**(14,420)**

NOTE : 16.3

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Deferred tax assets on account of:		
Preliminary Expenses	3,267	14,076
Unrealised gain	55,120	–
Gratuity provision	800	–
Total deferred tax assets (A)	**59,187**	**14,076**

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Deferred tax liability on account of :		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1,685	166
Total deferred tax liabilities (B)	**1,685**	**166**
Net deferred tax (liablity)/ Assets (A-B)	**57,502**	**13,910**

NOTE 16.4 : DEFERRED TAX RELATED TO THE FOLLOWING:

Particulars	As at 31-Mar-2021	Recognised through profit and loss	As at 31-Mar-2020	Recognised through profit and loss	As at 31-Mar-2019
Deferred tax assets on account of:					
Preliminary Expenses	3,267	(10,809)	14,076	14,076	–
Unrealised gain	55,120	55,120	–	–	–
Gratuity provision	800	800	–	–	–
Total deferred tax assets	**59,187**	**45,110**	**14,076**	**14,076**	**–**
Deferred tax liabilities on account of:					
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	1,685	1,518	166	166	–
Total deferred tax liabilities	**1,685**	**1,518**	**166**	**166**	**–**
TOTAL DEFERRED TAX ASSETS/LIABILITY (NET)	**57,502**	**43,592**	**13,910**	**13,910**	**–**

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.

Assets	As at 31-Mar-2021			As at 31-Mar-2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	10,733	–	10,733	23,020	–	23,020
Other financial assets	14,593	–	14,593	17,333	–	17,333
Non-financial assets						
Property, plant and equipment	–	11,872	11,872	–	6,891	6,891
Other intangible assets	–	78,831	78,831	–	–	–
Deferred tax assets	–	57,502	57,502	–	13,910	13,910
Total Assets	**25,326**	**148,205**	**173,531**	**40,353**	**20,801**	**61,154**
Liabilities						
Financial liabilities						
Other payables	13,159	–	13,159	10,540	–	10,540
Provisions	24,299	4,816	29,115	10,003	918	10,921
Other current liabilities	793	–	793	601	–	601
Total Liabilities	**38,251**	**4,816**	**43,067**	**21,144**	**918**	**22,062**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 18 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	10,733	–	23,020
Other financial assets	–	14,593	–	17,333
Total Financial Assets	**–**	**25,326**	**–**	**40,353**
Financial Liabilities				
Other payables	–	13,159	–	10,540
Provisions	–	29,115	–	10,921
Other financial liabilities	–	793	–	601
TOTAL	**–**	**43,067**	**–**	**22,062**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair valus of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 2 of fair value hierarchy. Loans have been categorised into level 2 of the fair value hierarchy.

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 19 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31 March 2021	As at 31 March 20220
Upto 3 months	–	–
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**–**	**–**
Provision for expected credit loss	–	–

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables and other financial liabilities.

Liquidity risk management

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturities of non-derivative financial liabilities

As at 31 March 2021

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other current financial liabilities	43,067	–	–	43,067
Total	**43,067**	–	–	**43,067**

(All amounts are in INR Hundred, unless otherwise stated)

As at 31 March 2020

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Other current financial liabilities	22,062	–	–	22,062
Total	**22,062**	–	–	**22,062**

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 2021	31 March 2020
Impact on profit before tax for 10% increase in NAV/price	–	–
Impact on profit before tax for 10% decrease in NAV/Price	–	–

NOTE 20 : 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 2021	31 March 2020
The principal amount remaining unpaid at the end of the year	–	–
The interest amount remaining unpaid at the end of the year	–	–
Balance of Micro and Small enterprise at the end of the year	**–**	**–**

NOTE 21 : AUDITORS' FEES

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Statutory audit fees	600	600
Out of pocket expenses	–	–
TOTAL	**600**	**600**

(All amounts are in INR Hundred, unless otherwise stated)

NOTE 22 : PROVISIONS MADE COMPRISES OF

Particulars	Opening balance as at 1 April 2020	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2021
Ex-gratia	10,000	20,020	10,000	20,020
Gratuity	921	3,904	–	4,825
Compensated absences	–	4,270	–	4,270
TOTAL	**10,921**	**28,194**	**10,000**	**29,115**

Particulars	Opening balance as at 1 April 2019	Provided during the financial year	Provision reversed/ paid during the financial year	Closing balance as at 31 March 2020
Ex-gratia	–	10,000	–	10,000
Gratuity	–	921	–	921
Compensated absences	–	–	–	–
TOTAL	**–**	**10,921**	**–**	**10,921**

NOTE 23 : EARNINGS PER EQUITY SHARE

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Profit attributable to equity shareholders (in Rupees)	(205,930)	(62,482)
Weighted average number of equity shares outstanding during the year	3,054,795	1,000,000
Nominal value per share (in Rupees)	10	10
Earnings per share (Basic and diluted) (in Rupees)	**(6.74)**	**(6.25)**

NOTE 24 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:

Defined contribution plan:

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	For the Year ended 31-Mar-2021	For the Period ended 31-Mar-2020
Employers' contribution to provident fund	179	414
	179	**414**

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Notes to Financial Statement *(Contd..)*

(All amounts are in INR Hundred, unless otherwise stated)

Particulars		Gratuity (unfunded) Period ended 31 March 2021	Gratuity (unfunded) Period ended 31 March 2020
I)	**Acturial assumptions**		
	Mortality	IALM (2012-14)Ultimate	IALM (2012-14) Ultimate
	Discount rate (per annum)	3.93%	4.80%
	Rate of escalation in salary (per annum)	8.14%	12.95%
	Expected rate of return on plan assets (per annum)		
	Employee attrition rate (past service)	PS: 0 to 40 : 17.28%	PS: 0 to 40 : 20.74%
	Expected average remaining service	4.67	3.75
I)	**Changes in present value of obligations (PVO)**		
	PVO at beginning of period	921	–
	Interest cost	44	12
	Current service cost	2,500	2,170
	Transfer in liabilities	–	823
	Transfer out liabilities	(2,137)	–
	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	3,497	(2,084)
	PVO at end of period	4,825	921
II)	**Interest expense**		
	Interest cost	44	12
III)	**Fair value of plan assets**		–
	Fair value of plan assets at the beginning	–	–
	Interest income	–	–
IV)	**Net liability**		
	PVO at beginning of period	–	–
	Fair value of the assets at beginning report	–	–
	Net Liability	–	–
V)	**Net Interest**		
	Interest expenses	44	12
	Interest income	–	–
	Net interest	44	12
VI)	**Actual return on plan assets**		
	Less Interest income included above	–	–
	Return on plan assets excluding interest income	–	–
VII)	**Actuarial (gain)/loss on obligation**		
	Due to demographic assumption	770	(0)
	Due to financial assumption	(1,773)	59
	Due to experience	4,500	(2,143)

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Gratuity (unfunded) Period ended 31 March 2021	Gratuity (unfunded) Period ended 31 March 2020
Total actuarial (gain)/loss	3,497	(2,084)
VIII) Fair value of plan assets	–	
Opening fair value of plan asset	–	–
Adjustment to opening fair value of plan asset	–	–
Return on plan assets excluding interest income	–	–
Interest income	–	–
Contributions by employer	–	–
Contributions by employee	–	–
Benefits paid	–	–
Fair value of plan assets at end	–	–
IX) Past service cost recognised		
Past service cost- (non vested benefits)	–	–
Past service cost- (vested benefits)	–	–
Average remaining future service till vesting of the benefit	–	–
Recognised past service cost- non vested benefits	–	–
Recognised past service cost- vested benefits	–	–
Unrecognised past service cost- non vested benefits	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	4,825	921
Fair value of plan assets at end of period	–	–
Funded Status	(4,825)	(921)
Net asset/(liability) recognized in the balance sheet	(4,825)	(921)
XI) Expense recognised in the statement of profit and loss		
Current service cost	2,500	2,169
Net interest	44	12
Past service cost - (non vested benefits)	–	–
Past service cost - (vested benefits)	–	–
Transfer in liabilities	–	823
Curtailment effect	–	–
Settlement effect	–	–
Unrecognised past service cost - non vested benefits	–	–
Actuarial (gain)/loss recognized for the period	–	–
Expense recognized in the statement of profit and loss	2,544	3,005
XII) Other comprehensive income (OCI)		
Actuarial (gain)/loss recognized for the period	3,497	(2,084)
Asset limit effect	–	–
Return on plan assets excluding net interest	–	–
Unrecognized actuarial (gain)/loss from previous period	–	–
Total actuarial (gain)/loss recognized in (OCI)	3,497	(2,084)
XIII) Movement in liability recognized in balance sheet		
Opening net liability	921	–
Adjustment to opening balance	–	–

(All amounts are in INR Hundred, unless otherwise stated)

Particulars	Gratuity (unfunded) Period ended 31 March 2021	Gratuity (unfunded) Period ended 31 March 2020
Transfer out liabilities	(2,137)	
Expenses as above	2,544	3,005
Contribution paid	–	–
Other comprehensive income (OCI)	3,497	(2,084)
Closing net liability	4,825	921
XIV) Schedule III of The Companies Act 2013		
Current liability	10	2
Non - current liability	4,815	919
XV) Projected service cost 31 March 2020	4,670	2,500

XVI) Sensitivity analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	4,432	5,270	5,226	4,462

XVII) Expected payout

Year	Expected Outgo					
	First	Second	Third	Fourth	Fifth	Six to Ten
Payouts	10	9	9	618	730	2,634

XVIII) Asset liability comparisons

Year	31-12-2017	31-12-2018	31-12-2019	31-03-2020	31-03-2021
PVO at end of period	–	–	867	921	4,825
Plan assets	–	–	–	–	–
Surplus / (deficit)	–	–	(867)	(921)	(4,825)
Experience adjustments on plan assets	–	–	–	–	–

NOTE 25 : RELATED PARTY DISCLOSURE:

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of The Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a. List of related parties and their relationship

(i) Holding company:

– Motilal Oswal Financial Services Limited (Formerly known as Motilal Oswal Securities Limited)

(ii) Ultimate holding company:

– Passionate Investment Management Private Limited

(iii) Fellow subsidiaries:

– Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Private Limited)

– Motilal Oswal Asset Management Company Limited

– Motilal Oswal Alternet Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)

(All amounts are in INR Hundred, unless otherwise stated)

- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- India Business Excellence Management Company
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Capital Markets Singapore Pte Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Finsec IFSC Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Trustee Company Limited

(iv) Key Management Personnel (KMP)

(a) Managing director and Chief Executive Officer

- Mr. Pratik Oswal

(b) Executive directors

- Mr. Pratik Oswal

(c) Non - executive directors

- Mr. Navin Agarwal
- Mr. Raamdeo Agarawal

(v) Relative of KMP

- Suneeta Agrawal (wife of Raamdeo Agrawal)
- Vaibhav Agrawal (son of Raamdeo Agrawal)
- Shital Somaiyaa (wife of Navin Agarwal)
- Natasha Oswal (wife of Pratik Oswal)

(vi) Enterprises in which key managerial personnel have control

- Motilal Oswal Foundation

(vii) Enterprises in which KMP have control

- OSAG Enterprises LLP

(vii) Enterprises in which KMP have control

- OSAG Enterprises LLP

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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Managerial remuneration	Mr. Pratik Oswal	–	–	28,479	28,000
Loan taken	Motilal Oswal Finvest Limited	127,300	–	–	–
Loan repaid	Motilal Oswal Finvest Limited	127,300	–	–	–

(All amounts are in INR Hundred, unless otherwise stated)

Nature of transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary		Key Managerial Personnel / Relative of KMP	
		Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense	Motilal Oswal Finvest Limited	2,133	–	–	–
Rent	Motilal Oswal Financial Services Limited	8,400	2,800	–	–
Business support charges	Motilal Oswal Financial Services Limited	8,400	2,800	–	–

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 2021	As at 31 March 2020
Rent payable	Motilal Oswal Financial Services Limited	9,673	6,415

NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at the balance sheet date.

NOTE 27 : UNHEDGED FOREIGN CURRENCY

The Company is not having any unhedged foreign currency exposure as on 31 March 2021

NOTE 28:

Amount below ₹ 50 have been rounded off or shown as “0”.

For Aneel Lasod And Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117
UDIN: 20040117AAAACE3788

Place : Mumbai
Dated : 22 April 2021

For and on behalf of the Board of Directors
Glide Tech Investment Advisory Private Limited

Pratik Motilal Oswal
Director
DIN : 06704419

Raamdeo Agarawal
Director
DIN : 00024533

Place : Mumbai
Dated : 22 April 2021

Motilal Oswal Finsec IFSC Limited

FINANCIAL STATEMENT 2020-21

Independent Auditors’ Report

Report on audit of the Standalone Financial Statements

Dear Sir,

Re: Audit of Standalone Financial Statements for the year ended March 31, 2021

This representation letter is provided in connection with your audit of the Standalone Financial Statements of **Motilal Oswal Finsec IFSC Limited** (“the Company”) as at March 31, 2021 and for the year then ended. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Financial Statements give a true and fair view of the financial position of **Motilal Oswal Finsec IFSC Limited** as of balance sheet date and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in India.

We acknowledge our responsibility for the fair presentation of the Financial Statements in accordance with accounting standards and other recognized accounting practices and policies generally accepted in India.

A Complete Set of Financial Statements comprises of:

a) Balance Sheet as at March 31, 2021 and March 31, 2020 ,

b) Statement of Profit and Loss for the periods 2020-21 and 2019-20,

c) Statement of changes in equity for the periods 2020-21 and 2019-20,

d) Statement of Cash Flow for the periods 2020-21 and 2019-20,

e) Explanatory notes, comprising a summary of significant accounting policies and other explanatory information; and

f) Comparative information in respect of the preceding period as specified in paragraphs 38 and 38A of Ind AS 1;

All the above items from a to f (hereinafter referred to as the Ind AS Financial Statements) are in accordance with the Companies (Indian Accounting Standards(Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting except for certain financial instruments, which have been accounted on fair value basis. The Management accepts responsibility and objectivity of the accounts as well as the estimates and the judgment relating to matters not concluded by the period-end. The Management is of the opinion that the accounts reflect fairly the form and substance of the transactions and reasonably present the Company’s Financial conditions and the results of operations and to ensure this the Company has an internal control procedure which is reviewed, evaluated and updated on an ongoing basis, commensurate with its size of operations and the natures of its business.

We confirm, to the best of our knowledge and belief, the following representations are true and correct:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letters for the preparation of the Financial Statements Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 with respect to the Financial Statements.

2. We acknowledge, as members of management of the Company, our responsibility for the preparation of the Financial Statements. We believe the Financial Statements referred to above give a true and fair view of the financial position and cash flows of the Company in accordance with Ind AS, and are free of material misstatements, including omissions. We have prepared the Financial Statements and the Board of Directors has approved the same.

3. We pursued all the applicable standards and acknowledge that we have appropriately applied the Ind AS to each of the

transactions considering the substance over form and the underlying reasons for the transactions. We confirm having dealt with the issues during our joint preliminary discussions on the various provisions of the Ind AS and as to its applicability to the Company.

4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate Financial Statements in accordance with Ind AS that are free from material misstatement, whether due to fraud or error. The internal financial control over financial reporting is also evaluated and is adequate to enable the preparation of the financial statements. We have corrected certain weaknesses in ensuring timely accounting, which were identified by us before the year-end, and the necessary systems are in place as at the end of the year.
5. There is no material unadjusted audit differences identified during the current review and pertaining to the latest period presented based on the discussions and the queries raised during the substantive audit carried out by you.
6. None of our directors, have been disqualified as being appointed as a director under section 164(2) of the Act as on the balance sheet date and the Company has received all the certificates in this regards from the Directors.

B. Fraud

1. We acknowledge our responsibility for the implementation and operations of accounting and internal financial control systems that are designed to prevent and detect fraud and error.
2. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the Financial Statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistle-blowers") which could result in a misstatement of the Financial Statements or otherwise affect the financial reporting of the Company.

C. Compliance with Laws and Regulations

1. We have no knowledge of the occurrence of any non-compliance with laws and regulations which may have material effect on the Financial Statement, or which warrants disclosure in the Financial Statements.
2. Effects of all known actual or possible noncompliance with laws and regulations have been considered when preparing Financial Statements.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

D. Information Provided and Completeness of Information and Transactions

We have provided you with

- Access to all information of which we are aware that is relevant to the preparation of the Financial Statements such as records, documentation and other matters.
- Additional information that you have requested from us for the purpose of the audit and unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

E. Accounting Policies:

1. The accounting policies are in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
2. The Financial Statements are prepared on accrual basis.
3. The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.
4. We confirm that classification of current and non-current is as per requirements of Schedule III. All current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and

liability within a period of twelve months from the operating date as required by Schedule III to the Act.

5. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities except what has been represented to you.

F. Financial risk management objectives and policies

a) 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.

b) 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.

c) Liquidity risk – 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.

d) 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.

e) 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.

G. Internal Financial Control Structure:

1. There have been no irregularities, such as thefts, frauds, or defalcations, involving management or employees who have significant roles in the internal control structure.

2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial results.

3. There is an adequate internal financial control system commensurate with the size of the Company and the nature of its business, for fixed assets and for the rendering of services. There is no failure to correct any major weakness in internal control system.

H. Registers, Minutes And Contracts:

1. The Minutes of the meetings of the Shareholders, Directors, the Audit Committee, Remuneration Committee and Investor Grievances Committee required to be maintained under the Act are complete and authentic.

2. We have made available to you all significant registers, contracts and agreements and all minutes of the meetings of shareholders, directors, and committees of directors or summaries of action of recent meetings for which minutes have not yet been prepared.

3. All matters required to be recorded in the registers and minute books of the company have been, and are, recorded correctly.

4. We have disclosed to you, and the Company has complied with all aspects of contractual agreements that would have a material effect on the financial results in the event of non-compliance.

5. All contracts or arrangements that need to be entered into a register in pursuance of Section 189 of the Act have been so entered. All the transactions made in pursuance of such contracts or arrangements have been made at prices which

are reasonable having regard to the prevailing market prices at the relevant time.

I. Ownership And Pledging Of Assets:

1. The Company has satisfactory title to all assets appearing in the balance sheet.
2. No security agreements have been executed and there are no liens or encumbrances on assets nor has any asset been pledged, mortgaged or hypothecated, except as disclosed in the Financial Statements.

J. Related Party Transactions:

1. We confirm the completeness of information provided regarding the identification of related parties as stated in notes of the Financial Statements. The disclosure of related party transactions is complete and complies with the requirement of Ind AS-24 – "Related Party Disclosures".
2. We have disclosed to you the identity of the Company's related parties and all related parties and related party transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, transfer of research and development, transfer if license arrangements, transfer of financial arrangements (including loans and equity contributions in cash or in kind), provision for guarantees or collateral, Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised), Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party, and Management contracts including for deputation of employees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the March 31, 2021 end. These transactions have been appropriately accounted for and disclosed in the Financial Statements in accordance with Ind AS 24- 'Related Party Disclosures'. The said transactions are not prejudicial to the interests of the company and are entered into at normal commercial terms.
3. All the transactions have been entered into with the related party are at arms' length and in the ordinary course of business. The Audit committee of the Company has examined these transactions and taken a view that the same are at arms length and in the ordinary course of business as required under Section 177 of the Companies Act 2013.
4. The Company has disclosed key management personnel compensation in total for each of following categories:
   a. Short-term employee benefits,
   b. Post-employment benefits,
   c. Other long-term benefits,
   d. Termination benefits, and
   e. Share based payment
5. The Company has not received any fresh unsecured loan / deposits during the year from the company covered in the register maintained under section 73 of the Companies Act, 2013.
6. The company has not taken any loans from parties listed under register-maintained u/s 189.

K. Conflicts Of Interests:

There are no instances where any officer or employee of the company has an interest in a company with which the company does business that would be a "conflict of interest." Even where the interest exists, the transactions have been made at prices, which are reasonable having regard to the prevailing market prices and are not prejudicial to the interest of the company.

L. Property Plant And Equipment(Ppe):

1. The Property, Plant and Equipment (PPE) and other fixed assets stated in the schedule of Fixed Assets annexed to the Balance Sheet are in existence and they are not encumbered except as indicated in the Balance Sheet. The Company is maintaining complete record of all PPE showing therein the particulars of purchase, name of the supplier, amount paid, date of each purchase, type of asset, number of assets and where it is situated and the depreciation provided on the assets.
2. The additions during the period are recorded at cost and include;
   a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,

   b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and

3. The Company has chosen the cost model as its accounting policy and applied the same to entire class of PPE.
4. The Company has carried out physical verification of fixed assets during the year. No material discrepancies were noticed on such verification.
5. Depreciation for the accounting period is provided on:
   a. Depreciation on all assets of the Company is charged on Straight Line basis over the useful life of assets mentioned in Schedule II to the Companies Act, 2013.
6. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
7. No events or changes in circumstances have occurred that indicate the carrying amounts of PPE and intangibles may not be recoverable. PPE and intangibles have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense in the Statement of profit and loss. However, no case of impairment was noticed during the period.
8. The PPE have not been re-valued during the period.
9. There were no outstanding commitments for capital expenditure excepting those disclosed in Notes to the Financial Statements.
10. The Company has not disposed of any substantial part of PPE.
11. The management at reasonable intervals has physically verified PPE. No material discrepancies were noticed on such verification.
12. The Management and the technical team have reviewed the cost of all the assets, including the major components of each asset in light of Application Guide on the provisions of Schedule II of the Companies Act 2013 issued by the Institute of Chartered Accountants of India. The detailed review indicated that there is no significant component costing more than 10% of the value of the original asset, with a life that is different from the main asset, which needs to be componentized. Consequently, none of the assets have been broken down and shown as components.

M. Investments:

1. The Company has no non-current investments as on 31st March 2021.

N. Trade Receivables, Other Assets, Loans and Advances:

1. Trade Receivables represent valid claims for services rendered upto and including March 31, 2021 but do not include charges for services to be rendered or other type of arrangement not constituting turnover.
2. The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from debtors and there are no experience of losses on receivable in the past. Where the company has expected credit loss, company has written off amount in the profit and loss account after taking approval from respective business head.
3. The Current Assets, Loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the books/records.
4. There are no debts due by the Directors/Other Officers of the Company or any of them either severally or jointly with any other person/persons or by firms/private companies respectively in which any Director is a partner/director/member or from other Companies under the same management as at 31st March 2021, except as indicated in the Balance Sheet as at that date.
5. In the opinion of the Board All assets other than non-current investments and PPE have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Financial Statements.

O. Share Capital:

1. The Company has not granted any options, warrants or conversion rights in respect of the Company's Capital except as disclosed in the financial statements.
2. The Company has not made any preferential allotment of shares to any party or company.

P. Unsecured Loans:

1. The Loan is accounted under amortised cost method and the interest and other upfront fees are amortised on effective interest rate of the respective loans.

Q. Trade Payables and Other Liabilities:

1. All known liabilities have been put through the books of account and all disputed and un-provided liabilities have been recorded as contingent liabilities.
2. The Company is generally regular in depositing undisputed statutory dues including , Income-tax, Goods and Service tax, with appropriate authorities.
3. No undisputed amounts payable in respect of, investor education, income-tax, Goods and service tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

R. Provisions:

1. The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.
2. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.
3. The Company has provided for Income-tax in accordance with the Indian Income Tax Act, 1961 issued by the Central Board of Direct taxes.
4. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
5. All claims where outflow of economic resources is probable or possible have been properly accrued or disclosed respectively in the Financial Statements. No other claims in connection with litigation have been or are expected to be received.

S. Contingent Liability and Commitments:

1. In our opinion and to the best of knowledge, there are no other current, estimated, outstanding, accrued or contingent claims, charges, expenses debts or liabilities secured or unsecured, hypothecated or pledged except those included and shown in the Accounts or in the notes to the Balance Sheet. All contingent liabilities have been appropriately recorded in the accounts and we are not aware of any other liabilities.
2. The Company has provided all the information regarding litigation and claims made by or on the company and the same are adequate, in our opinion, for estimating financial implication, including legal cost.
3. Contingent liabilities disclosed in the notes to the financial statements do not include any contingencies which are likely to result in a loss and which, therefore, require adjustment of assets or liabilities
4. There are no non-cancellable commitments, which are either material to the Financial Statements or are relevant in understanding the Financial Statements or may impact the decision making of the users of the Financial Statements, other than those disclosed in notes of the Financial Statements.
5. There are no enquiries pending against the Company from any regulatory authority including Securities and Exchange Board of India and the Stock Exchanges.

T. Statement of Profit & Loss:

1. All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount, which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet.

2. All expenses debited and charged in the accounts were paid or incurred in the ordinary course of business of the Company and no personal expenses were charged in the accounts.
3. Full provision has been made in the Financial Statements/results for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet, including losses resulting from forward purchase and/or sale contracts.
4. Except as recorded in the Financial Statements, the results for the period were not materially affected by:
    a. Transactions of a nature not usually undertaken by the Company;
    b. Circumstances of an exceptional or non-recurring nature; and
    c. Changes in accounting policies.
5. The Company has dealt with items, which are covered by the object clause of the Memorandum of Association and has not commenced any business listed in the other objects of the Memorandum without obtaining the approval of the members by a special resolution.
6. The Company has not given any donations exceeding the limits specified in section 182 of the Act and has not given any donations to a Political Party or to any person for a political purpose in contravention of section 182 of the Act.

U. Other Matters

1. The Company has an internal audit system commensurate with the size of the Company and nature of its business
2. We believe that the significant assumptions we used in making accounting estimates are reasonable
3. We agree with the findings of the experts engaged to evaluate the relevant Financial Statement assertions and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the Financial Statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
4. The Company has not appointed without the approval of the shareholders by a special resolution and the sanction of the Central Government wherever necessary, any director, partner or relative of such director, a firm in which such director or relative is a Partner, a private Company of which such a director is a director or a member to any office or place of profit.
5. In our opinion and to the best of knowledge and to the best of knowledge, no transactions of the Company represented merely by book entries are prejudicial to the interest of the Company.
6. The company has not accepted any deposits from the public & therefore the provisions of Companies Acceptance of Deposit Rules/NBFC (RB) Directors, 1998 are not applicable to the company.
7. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil, sales commitments, etc.)
8. The Company has also maintained registers required under section 189 of the Act recording the particulars of all contracts to which sections 182 or 184 of the Act apply. The transactions made with parties covered under the provisions of sections 182 or 184 have all been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
9. The Company has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the Financial Statements in the event of non-compliance.
10. There are no long term contracts including derivative contracts in which there are any material foreseeable losses which needs to be provided for.
11. The following have been properly recorded and where appropriate, adequately disclosed in the Financial Statements/ results:
    a. Losses arising from sale and purchase commitments.

   b. Agreement and options to buy back assets previously sold.

   c. Assets pledged as collateral.

12. The Financial Statements/results are free of material misstatements, including omissions.
13. Regarding disclosure in accordance with Section 22 of Micro, Medium and Small Enterprises Development Act, 2006, As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
14. The Company has a whole time Company Secretary appointed in accordance with provisions of Section 203 of the Companies Act, 2013.

V. Subsequent Events

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the Financial Statements/results at that date or for the period then ended, other than those reflected or fully disclosed in the books of account.
2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the Financial Statement/results in order to make them not misleading regarding the results of operations of the Company.

Thank you.

Yours faithfully,

(CFO/Director)

PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

301, Laxmi Krupa,
3rd Lokmanya Tilak Colony Road,
Near Yogi Sabhagruh, Dadar (East),
Mumbai: 400014

Place: Mumbai
Date: 22nd April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

		Note No.	As At 31-Mar-2021 in ₹	As At 31-Mar-2020 in ₹
I	**ASSETS**			
1.	**Financial assets**			
(a)	Cash and Cash Equivalents	1	3,02,33,379	2,48,18,239
(b)	Receivables	2	9,60,00,000	9,60,00,000
(c)	Other financial assets	3	56,15,801	10,657
	Sub - total Financial assets		**13,18,49,181**	**12,08,28,896**
2.	**Non-Financial assets**			
(a)	Other Non-Financials Assets	4	8,25,230	15,199
(b)	Property, Plant & Equipment	5	2,79,562	–
	Sub - total Non- Financial assets		**11,04,792**	**15,199**
	TOTAL ASSETS		**13,29,53,973**	**12,08,44,095**
II	**EQUITY & LIABILITIES**			
1.	**Financial liabilities**			
(a)	Other financials Liabilities	6	21,50,638	40,243
(b)	Provisions	7	93,038	
(c)	Borrowings (Other than debt securities)	8	2,00,000	
	Sub - total Financial liabilities		**24,43,676**	**40,243**
2.	**Equity:**			
(a)	Equity share capital	9	12,00,00,000	12,00,00,000
(b)	Other Equity	10	1,05,10,296	8,03,852
	Sub - total Equity		**13,05,10,296**	**12,08,03,852**
	TOTAL LIABILITIES AND EQUITY		**13,29,53,973**	**12,08,44,095**

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
M.No.: 111592

Place : Mumbai
Dated :

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Rajat Rajgarhia
Director
(DIN - 07682114)

Ajay Menon
Director
(DIN - 00024589)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021

	Note No.	For the Year Ended 31-Mar-2021 in ₹	For the Period Ended 31-Mar-2020 in ₹
INCOME			
Revenue from Operations	11	1,66,39,767	–
Other Income	12	2,950	10,76,810
Total Revenue		**1,66,42,717**	**10,76,810**
EXPENSES:			
Employee Benefits	13	11,56,999	–
Finance Cost	14	1,254	–
Depreciation	15	77,485	–
Other Expense	16	53,74,188	2,72,957
Total Expenses		**66,09,926**	**2,72,958**
Profit/(Loss) Before Tax		**1,00,32,790**	**8,03,852**
Tax Expense:			
Current Tax		–	
Deferred Tax		–	
For previous year(s) (Income tax)		2,41,680	
Profit/(Loss) for the year		**97,91,110**	**8,03,852**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Acturail Gain/(losses) on post retirement benefit plans		(84,666)	–
Income Tax there on		–	–
Total		**(84,666)**	**–**
Balance Carried to Balance Sheet		**97,06,444**	**8,03,852**
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		4	0

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Premal Gandhi
Partner
M. No.: 111592

Rajat Rajgarhia
Director
(DIN - 07682114)

Ajay Menon
Director
(DIN - 00024589)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

Place : Mumbai
Dated :

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	As At 31-Mar-2021 in ₹	As At 31-Mar-2020 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	**1,00,32,790**	**8,03,852**
Adjustment For:		
Depreciation	77,485	
OPERATING PROFIT / (LOSS)	**1,01,10,275**	**8,03,852**
Adjustment For:		
(Increase) / Decrease In Other financial assets	(56,05,144)	(10,657)
(Increase) / Decrease In Other Non-Financials Assets	(8,10,031)	(15,199)
Increase / (decrease) in borrowings	2,00,000	
Increase / (decrease) in Provisions	8,372	
Increase / (Decrease) In Other financials Liabilities	21,10,395	40,243
	(40,96,408)	**14,387**
Cash Generated from Operations	**60,13,867**	**8,18,239**
Taxes Paid	(2,41,680)	–
NET CASH FROM OPERATING ACTIVITIES	**57,72,187**	**8,18,239**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Computer	(3,57,047)	–
NET CASH FLOW FROM INVESTING ACTIVITIES	**(3,57,047)**	**–**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share	–	2,40,00,000
NET CASH FROM FINANCING ACTIVITIES	**–**	**2,40,00,000**
NET CASH FLOW FOR THE YEAR	**54,15,140**	**2,48,18,239**
Cash & Cash Equivalents As At 01.04.2020	**2,48,18,239**	**–**
Balances With bank	2,48,18,239	–
Effect Of Exchange Rate Changes		
Cash & Cash Equivalents As At 31.03.2021	**3,02,33,379**	**2,48,18,239**
Cheques In hand		
Balances With bank	3,02,33,379	2,48,18,239
Effect Of Exchange Rate Changes		

The above statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 'of the companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended)

This is the statement of Cash Flow referred to in our report of even date.

As per our report of even date
For PGS & Associates
Chartered Accountants
Firm Number : 122384W

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Premal Gandhi
Partner
M. No.: 111592

Rajat Rajgarhia
Director
(DIN - 07682114)

Ajay Menon
Director
(DIN - 00024589)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

Place : Mumbai
Dated :

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1 : CORPORATE INFORMATION

1. Motilal Oswal Finsec IFSC Limited carry on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to act as intermediary as per such guidelines in IFSC, Investment Consultants, stock brokers, Trading cum clearing member, underwriters, and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert, or otherwise deal in any shares, stocks, debentures, debentures stock, bonds, depository receipts, hedge instruments, warrants, certificates, options futures, money market securities, marketable or non-marketable securities, derivatives and other instruments or securities issued or guaranteed given by any Government, semi-government, or any other authority or to deal in other permissible securities as prescribed in such guidelines or as may be amended from time to time.
2. Motilal Oswal Finsec IFSC Limited carry on business as investment advisor or Portfolio management consultant in IFSC for providing services to clients as permitted under such guidelines or as amended from time to time.
3. Motilal Oswal Finsec IFSC Limited carry on financial services activities, as permitted under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India.

2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.

2.2. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.4. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.5. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognized only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.6. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.9. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.10. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.12. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss 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.

NOTE 1: CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Balance with bank		
Scheduled banks- In current accounts	3,02,33,379	2,48,18,239
Total	**3,02,33,379**	**2,48,18,239**

NOTE 2: RECEIVABLES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Other receivables		
Due from members	9,60,00,000	9,60,00,000
TOTAL	**9,60,00,000**	**9,60,00,000**

NOTE 3: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Loan to employees	–	
Trade Receivables	36,12,254	–
Deposits with exchange	20,03,547	10,657
TOTAL	**56,15,801**	**10,657**

NOTE 4: OTHER NON-FINANCIALS ASSETS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Taxes Receivable	–	
Prepaid Expense	55,701	
Advance Against Expenses	7,69,529	15,199
TOTAL	**8,25,230**	**15,199**

NOTE 5: PROPERTY PLANTS AND EQUIPMENTS

Particulars	As at 31–Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Property plants and equipments	2,79,562	–
TOTAL	**2,79,562**	**–**

NOTE 6: OTHER FINANCIALS LIABILITIES

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Payable for Expenses	21,15,122	22,500
Taxes payable	35,517	17,743
TOTAL	**21,50,638**	40,243

NOTE 7: PROVISIONS

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Provision for Gratuity	93,038	–
TOTAL	**93,038**	**–**

NOTE 8: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
From related parties (unsecured)	2,00,000	–
TOTAL	**2,00,000**	**–**

NOTE 9: EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Authorised:		
1,20,00,000 Equity Shares of ₹ 10/- each	12,00,00,000	12,00,00,000
	12,00,00,000	**12,00,00,000**
Issued, Subscribed and Paid Up:		
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)	12,00,00,000	12,00,00,000
TOTAL	**12,00,00,000**	**12,00,00,000**

1.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Number of shares at beginning of the year	1,20,00,000	1,20,00,000
Add: Shares issued during this year	–	–
Number of shares at the end of the year	**12,000,000**	**2,400,000**

1.2 Share holder having more than 5% equity holding in the Company

Motilal Oswal Financial Services Ltd. (Holding Company)

NOTE 10 : OTHER EQUITY

Particulars	As at 31-Mar-2021 in ₹	As at 31-Mar-2020 in ₹
Profit & Loss Account		
Opening balance	8,03,852	–
Add: Additions during the year	97,91,110	8,03,852
Add: Ind AS Impact	(84,666)	–
TOTAL	**1,05,10,296**	**8,03,852**

NOTE 11 : REVENUE FROM OPERATIONS

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Revenue	1,66,39,767	–
TOTAL	**1,66,39,767**	**–**

NOTE 12 : OTHER INCOME

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Other Income	2,950	–
Foreign Exchange Fluctuation	–	10,76,810
TOTAL	**2,950**	**10,76,810**

NOTE 13 : EMPLOYEE BENEFITS

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Salaries and Incentives	10,48,059	–
Contribution to provident and other funds	56,176	–
Gratuity	51,930	–
Staff welfare expenses	834	–
TOTAL	**11,56,999**	–

NOTE 14 : FINANCE COST

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Interest	1,254	–
TOTAL	**1,254**	**–**

NOTE 15: DEPRECIATION

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Depreciation	77,485	–
TOTAL	**77,485**	**–**

NOTE 16: OTHER EXPENSES

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Remuneration to Auditors	25,000	25,000
Legal & Professional Fees	1,03,394	7,500
House keeping Charges	2,13,566	–
Electricity Charges	42,105	1,276
Insurance	8,938	
Rent Expenses	9,43,140	1,57,888
Membership and Subscription Fees	1,56,957	50,000
Marketing and Brand Promotion	57,385	
Communication and data charges	–	
Rent Rates & Taxes	–	24,000
Bank Charges	–	1,830
Business Support Charges	21,50,000	
Computer Running Expense	60,800	–
Foreign Exchange Fluctuation	5,22,063	
Repairs and maintenance - others	8,84,750	
Miscellaneous Expenses	2,06,091	5,463
TOTAL	**53,74,188**	**2,72,957**

NOTE 17 : AUDITORS' REMUNERATION

Auditor's Remuneration (inclusive of Service Tax):

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
As Auditors:		
Audit fees	25,000	25,000
In any other capacity, in respect of:		
Other Certification	–	–
TOTAL	**25,000**	**25,000**

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	97,06,444	8,03,852
Weighted Average Number of equity shares issued [B]	1,20,00,000	1,20,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**0.81**	**0.07**

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-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Provision for gratuity	93,038	–
WDV of assets	–	–
Deferred Tax (Liability)/Assets	–	–

NOTE 20 : GRATUITY PLAN

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Assumptions as at	31-Mar-21	–
Interest / Discount Rate	3.93%	–
Expected Return On Plan Assets		–
Mortality	IALM (2012-14) Ult.	–
Rate of increase in compensation	9.70%	–
Disability	Nil	–
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 0%	–
Expected average remaining service	26.85	–

NOTE 21 : CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Present value of obligation at beginning of the period	–	–
Interest cost	374	–
Current service cost	32,519	–
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Transfer in Liability	19,011	–
Benefits paid	(4,35,58.00)	–
Actuarial (gain) loss on obligation	84,666	–
Present value of obligation at end of the period	**93,012**	**–**

NOTE 22 : CHANGES IN FAIR VALUE OF THE PLAN ASSETS

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Fair value of plan assets at beginning of the period	–	–
Expected return on plan assets	–	–
Contributions	–	–
Benefits paid	–	–
Actuarial gain (Loss) plan assets	–	–
Fair value of plan assets at end of the period	**–**	**–**

NOTE 23 : FAIR VALUE OF PLAN ASSETS

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Fair value of plan assets at beginning of the period	–	–
Actual return on plan assets	–	–
Contributions	–	–
Benefit paid	–	–
Fair value of plan assets at end of the period	**–**	**–**

NOTE 24 : EXPERIENCE HISTORY

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
(Gain)/Loss on obligation due to change in Assumption	–	–
Experience (Gain)/Loss on obligation	84,666	–
Actuarial (Gain)/Loss on plan asset	**84,666**	**–**

NOTE 25 : ACTURIAL GAIN/(LOSS) RECOGNIZED

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Actuarial Gain/(Loss) for the period (obligation)	84,666	–
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	**84,666**	**–**
Actuarial Gain/(Loss) recognized for the period	84,666	–
Unrecognized Actuarial Gain/(Loss) at the end of the period	**–**	**–**

NOTE 26 : PAST SERVICE COST RECOGNIZED

Particulars	For the Year ended 31–Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
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	–	–

NOTE 27 : AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Present value of obligation at end of period	93,038	–
Fair value of plan assets at end of period	–	–
Funded status	(93,038)	–
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
Net Liability/ (Asset) recognised in the Balance Sheet	**(93,038)**	**–**

NOTE 28 : PROFIT AND LOSS ACCOUNT – EXPENSE

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Current service cost	32,519	–
Interest cost	374	–
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Unrecognised past service cost - non vested benefits	–	–
Expected return on plan assets	–	–
Net actuarial (gain)/ loss recognised for the period	–	–
Expenses Recognised in the statement of Profit & Loss Account	**32,893**	**–**

NOTE 29 : MOVEMENT IN NET LIABILITY RECOGNIZED IN THE BALANCE SHEET

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Opening net liability	–	–
Transfer in Liability	19,011	–
Expenses as above	32,919	–
Contribution paid	(43,558)	–
Other Comprehensive Income (OCI)	84,666	–
Closing net Liability	**93,038**	**–**

NOTE 30 : OTHER COMPREHENSIVE INCOME (OCI)

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Actuarial (Gain)/Loss recognized for the period	84,666	–
Asset limit effect	–	–
Return on Plan Assets excluding net interest	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	**84,666**	**–**

NOTE 31 : SCHEDULE III OF THE COMPANIES ACT 2013

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Current Liability	21	–
Non-Current Liability	92,991	–
Heritage Club Benefits		
Current Liability	–	–
Non-Current Liability	26	–

NOTE 32 : FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will incurr a loss because its customers or counterparties fail to discharge their contractual obligation. The Company does not have credit risk.

B Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

C Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not have any market risk.

NOTE 33 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

(Amount in rupees)

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	3,02,33,379	–	2,48,18,239
Trade receivables	–	9,60,00,000	–	–
Other financial assets	–	56,15,801	–	10,657
Total Financial Assets	–	**13,18,49,181**	–	**2,48,28,896**
Other Non-Financials Assets				
Prepaid Expense	–	55,701	–	
Advance Against Expenses	–	7,69,529	–	15,199
		8,25,230		**15,199**
Financial Liabilities				
Other financial liabilities		21,50,638	–	40,243
Provisions		93,038	–	–
Borrowings (Other than debt securities)		2,00,000	–	–
Total	**–**	**24,43,676**	**–**	**40,243**

NOTE 34 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	As at 31-March 2021			As at 31-March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	3,02,33,379	–	3,02,33,379	2,48,18,239	–	2,48,18,239
Receivables	9,60,00,000	–	9,60,00,000	9,60,00,000	–	9,60,00,000
Other financial assets	56,15,801	–	56,15,801	10,657	–	10,657
Other Non-Financials Assets	–	–	–			
Current tax assets	–	–	–	–	–	–
Non-Financial assets						
Property, plant and equipment	–	2,79,562	2,79,562	–	–	–
Other non-financial assets	8,25,230	–	8,25,230	15,199	–	15,199

(Amount in rupees)

Particulars	As at 31-March 2021			As at 31-March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Deferred Tax Assets (net)	–	–	–	–	–	–
Total Assets	**13,26,74,411**	**2,79,562**	**13,29,53,973**	**12,08,44,095**	**–**	**12,08,44,095**
Liabilities						
Financial Liabilities						
Other financial liabilities	21,50,638	–	21,50,638	40,243	–	40,243
Non Financial Liabilities						
Provisions	93,038	–	93,038	–	–	–
Borrowings (Other than debt securities)	2,00,000	–	2,00,000			
Other non - financial liabilities	–	–	–	–	–	
Accrued salary and benefits	–	–	–	–	–	–
Total Liabilities	**24,43,676**	**–**	**24,43,676**	**40,243**	**–**	**40,243**

NOTE 35 : RELATED PARTY DISCLOSURE:

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited – Holding Company
- Passionate Investment Management Private Limited – Ultimate Holding Company

Transactions with related parties: 31-03-2021

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Loan	2,00,000	–

Note: 'Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Motilal Oswal Securities International Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company

- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- TM Investment Technologies Pvt. Ltd.
- Glide Tech Investment Advisory Private Limited

NOTE 36 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 37 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 38 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	For the Year ended 31-Mar-2021 in ₹	For the Period ended 31-Mar-2020 in ₹
Membership & Subscription Fees	1,11,945	–
	1,11,945	**–**

NOTE 39 :

In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

For and on behalf of the Board of Directors of
Motilal Oswal Finsec IFSC Limited

Premal Gandhi
Partner
Membership No. : 111592

Rajat Rajgarhia
Director
(DIN - 07682114)

Ajay Menon
Director
(DIN - 00024589)

Gaurav Kedia
Chief Executive Officer

Ambreen Khan
Company Secretary

Place : Mumbai
Dated :

TM Investment Technologies Pvt. Ltd.

FINANCIAL STATEMENT 2020-21

Report on audit of the Standalone Financial Statements

Dear Sir,

Re: Audit of Standalone Financial Statements for the year ended March 31, 2021

This representation letter is provided in connection with your audit of the Standalone Financial Statements of **TM Investment Technologies Pvt. Ltd.** ("the Company") as at March 31, 2021 and for the year then ended. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Financial Statements give a true and fair view of the financial position of **TM Investment Technologies Pvt. Ltd.** as of balance sheet date and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in India.

We acknowledge our responsibility for the fair presentation of the Financial Statements in accordance with accounting standards and other recognized accounting practices and policies generally accepted in India.

A Complete Set of Financial Statements comprises of:

a) Balance Sheet as at March 31, 2021,

b) Statement of Profit and Loss for the periods 2020-21,

c) Statement of changes in equity for the periods 2020-21,

d) Statement of Cash Flow for the periods 2020-21

e) Explanatory notes, comprising a summary of significant accounting policies and other explanatory information; and

f) Comparative information in respect of the preceding period as specified in paragraphs 38 and 38A of Ind AS 1;

All the above items from a to f (hereinafter referred to as the Ind AS Financial Statements) are in accordance with the Companies (Indian Accounting Standards(Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting except for certain financial instruments, which have been accounted on fair value basis. The Management accepts responsibility and objectivity of the accounts as well as the estimates and the judgment relating to matters not concluded by the period-end. The Management is of the opinion that the accounts reflect fairly the form and substance of the transactions and reasonably present the Company's Financial conditions and the results of operations and to ensure this the Company has an internal control procedure which is reviewed, evaluated and updated on an ongoing basis, commensurate with its size of operations and the natures of its business.

We confirm, to the best of our knowledge and belief, the following representations are true and correct:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letters for the preparation of the Financial Statements Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 with respect to the Financial Statements.
2. We acknowledge, as members of management of the Company, our responsibility for the preparation of the Financial Statements. We believe the Financial Statements referred to above give a true and fair view of the financial position and cash flows of the Company in accordance with Ind AS, and are free of material misstatements, including omissions. We have prepared the Financial Statements and the Board of Directors has approved the same.
3. We pursued all the applicable standards and acknowledge that we have appropriately applied the Ind AS to each of the transactions considering the substance over form and the underlying reasons for the transactions. We confirm having dealt

with the issues during our joint preliminary discussions on the various provisions of the Ind AS and as to its applicability to the Company.

4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate Financial Statements in accordance with Ind AS that are free from material misstatement, whether due to fraud or error. The internal financial control over financial reporting is also evaluated and is adequate to enable the preparation of the financial statements. We have corrected certain weaknesses in ensuring timely accounting, which were identified by us before the year-end, and the necessary systems are in place as at the end of the year.
5. There is no material unadjusted audit differences identified during the current review and pertaining to the latest period presented based on the discussions and the queries raised during the substantive audit carried out by you.
6. None of our directors, have been disqualified as being appointed as a director under section 164(2) of the Act as on the balance sheet date and the Company has received all the certificates in this regards from the Directors.

B. Fraud

1. We acknowledge our responsibility for the implementation and operations of accounting and internal financial control systems that are designed to prevent and detect fraud and error.
2. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the Financial Statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistle-blowers") which could result in a misstatement of the Financial Statements or otherwise affect the financial reporting of the Company.

C. Compliance with Laws and Regulations

1. We have no knowledge of the occurrence of any non-compliance with laws and regulations which may have material effect on the Financial Statement, or which warrants disclosure in the Financial Statements.
2. Effects of all known actual or possible noncompliance with laws and regulations have been considered when preparing Financial Statements.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

D. Information Provided and Completeness of Information and Transactions

We have provided you with

- Access to all information of which we are aware that is relevant to the preparation of the Financial Statements such as records, documentation and other matters.
- Additional information that you have requested from us for the purpose of the audit and unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

E. Accounting Policies:

1. The accounting policies are in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
2. The Financial Statements are prepared on accrual basis.
3. The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.
4. We confirm that classification of current and non-current is as per requirements of Schedule III. All current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the operating date as required by Schedule III to the Act.

5. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities except what has been represented to you.

F. Financial risk management objectives and policies

a) 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.

b) 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.

c) Liquidity risk – 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.

d) 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.

e) 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.

G. Internal Financial Control Structure:

1. There have been no irregularities, such as thefts, frauds, or defalcations, involving management or employees who have significant roles in the internal control structure.
2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial results.
3. There is an adequate internal financial control system commensurate with the size of the Company and the nature of its business, for fixed assets and for the rendering of services. There is no failure to correct any major weakness in internal control system.

H. Registers, Minutes And Contracts:

1. The Minutes of the meetings of the Shareholders, Directors, the Audit Committee, Remuneration Committee and Investor Grievances Committee required to be maintained under the Act are complete and authentic.
2. We have made available to you all significant registers, contracts and agreements and all minutes of the meetings of shareholders, directors, and committees of directors or summaries of action of recent meetings for which minutes have not yet been prepared.
3. All matters required to be recorded in the registers and minute books of the company have been, and are, recorded correctly.
4. We have disclosed to you, and the Company has complied with all aspects of contractual agreements that would have a material effect on the financial results in the event of non-compliance.
5. All contracts or arrangements that need to be entered into a register in pursuance of Section 189 of the Act have been so entered. All the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

I. Ownership and Pledging of Assets:

1. The Company has satisfactory title to all assets appearing in the balance sheet.
2. No security agreements have been executed and there are no liens or encumbrances on assets nor has any asset been pledged, mortgaged or hypothecated, except as disclosed in the Financial Statements.

J. Related Party Transactions:

1. We confirm the completeness of information provided regarding the identification of related parties as stated in notes of the Financial Statements. The disclosure of related party transactions is complete and complies with the requirement of Ind AS-24 – "Related Party Disclosures".
2. We have disclosed to you the identity of the Company's related parties and all related parties and related party transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, transfer of research and development, transfer if license arrangements, transfer of financial arrangements (including loans and equity contributions in cash or in kind), provision for guarantees or collateral, Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised), Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party, and Management contracts including for deputation of employees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the March 31, 2021 end. These transactions have been appropriately accounted for and disclosed in the Financial Statements in accordance with Ind AS 24- 'Related Party Disclosures'. The said transactions are not prejudicial to the interests of the company and are entered into at normal commercial terms.
3. All the transactions have been entered into with the related party are at arms' length and in the ordinary course of business. The Audit committee of the Company has examined these transactions and taken a view that the same are at arms length and in the ordinary course of business as required under Section 177 of the Companies Act 2013.
4. The Company has disclosed key management personnel compensation in total for each of following categories:
    a. Short-term employee benefits,
    b. Post-employment benefits,
    c. Other long-term benefits,
    d. Termination benefits, and
    e. Share based payment
5. The Company has not received any fresh unsecured loan / deposits during the year from the company covered in the register maintained under section 73 of the Companies Act, 2013.
6. The company has not taken any loans from parties listed under register-maintained u/s 189.

K. Conflicts of Interests:

There are no instances where any officer or employee of the company has an interest in a company with which the company does business that would be a "conflict of interest." Even where the interest exists, the transactions have been made at prices, which are reasonable having regard to the prevailing market prices and are not prejudicial to the interest of the company.

L. Property Plant and Equipment (Ppe):

1. The Property, Plant and Equipment (PPE) and other fixed assets stated in the schedule of Fixed Assets annexed to the Balance Sheet are in existence and they are not encumbered except as indicated in the Balance Sheet. The Company is maintaining complete record of all PPE showing therein the particulars of purchase, name of the supplier, amount paid, date of each purchase, type of asset, number of assets and where it is situated, and the depreciation provided on the assets.
2. During the year under consideration, the company has capitalized Intangible Asset being Computer software worth ₹ 665.43 Lac. The title of the assets is in name of the Company. The assets have been depreciated over the useful life of 5 years on straight line basis. Further, The Company has evaluated the effectiveness of the Intangible Assets as per IND AS 38 issued under the Companies (Indian Accounting Standards(Rules),2015 and guidance note issued by Institute of Chartered Accountant of India.
3. The additions during the period are recorded at cost and include;

   a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
   b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and

4. The Company has chosen the cost model as its accounting policy and applied the same to entire class of PPE.
5. The Company has carried out physical verification of fixed assets during the year. No material discrepancies were noticed on such verification.
6. Depreciation for the accounting period is provided on:
   a. Depreciation on all assets of the Company is charged on Straight Line basis over the useful life of assets mentioned in Schedule II to the Companies Act, 2013.
7. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
8. No events or changes in circumstances have occurred that indicate the carrying amounts of PPE and intangibles may not be recoverable. PPE and intangibles have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense in the Statement of profit and loss. However, no case of impairment was noticed during the period.
9. The PPE have not been re-valued during the period.
10. There were no outstanding commitments for capital expenditure excepting those disclosed in Notes to the Financial Statements.
11. The Company has not disposed of any substantial part of PPE.
12. The management at reasonable intervals has physically verified PPE. No material discrepancies were noticed on such verification.
13. The Management and the technical team have reviewed the cost of all the assets, including the major components of each asset in light of Application Guide on the provisions of Schedule II of the Companies Act 2013 issued by the Institute of Chartered Accountants of India. The detailed review indicated that there is no significant component costing more than 10% of the value of the original asset, with a life that is different from the main asset, which needs to be componentized. Consequently, none of the assets have been broken down and shown as components.

M. Investments:

1. The Company has no non-current investments as on 31st March 2021

N. Trade Receivables, Other Assets, Loans and Advances:

1. The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from debtors and there are no experience of losses on receivable in the past. Where the company has expected credit loss, company has written off amount in the profit and loss account after taking approval from respective business head.
2. The Current Assets, Loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the books/records.
3. There are no debts due by the Directors/Other Officers of the Company or any of them either severally or jointly with any other person/persons or by firms/private companies respectively in which any Director is a partner/director/member or from other Companies under the same management as at 31st March 2021, except as indicated in the Balance Sheet as at that date.
4. In the opinion of the Board All assets other than non-current investments and PPE have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Financial Statements.

O. Share Capital:

1. The Company has not granted any options, warrants or conversion rights in respect of the Company's Capital except as disclosed in the financial statements.
2. The Company has not made any preferential allotment of shares to any party or company.

P. Trade Payables and Other Liabilities:

1. All known liabilities have been put through the books of account and all disputed and un-provided liabilities have been recorded as contingent liabilities.
2. The Company is generally regular in depositing undisputed statutory dues including, Income-tax, Goods and Service tax, with appropriate authorities.
3. No undisputed amounts payable in respect of investor education, income-tax, Goods and service tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Q. Provisions:

1. The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.
2. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.
3. The Company has provided for Income-tax in accordance with the Indian Income Tax Act, 1961 issued by the Central Board of Direct taxes.
4. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
5. All claims where outflow of economic resources is probable or possible have been properly accrued or disclosed respectively in the Financial Statements. No other claims in connection with litigation have been or are expected to be received.

R. Contingent Liability and Commitments:

1. In our opinion and to the best of knowledge, there are no other current, estimated, outstanding, accrued or contingent claims, charges, expenses debts or liabilities secured or unsecured, hypothecated or pledged except those included and shown in the Accounts or in the notes to the Balance Sheet. All contingent liabilities have been appropriately recorded in the accounts and we are not aware of any other liabilities.
2. The Company has provided all the information regarding litigation and claims made by or on the company and the same are adequate, in our opinion, for estimating financial implication, including legal cost.
3. Contingent liabilities disclosed in the notes to the financial statements do not include any contingencies which are likely to result in a loss and which, therefore, require adjustment of assets or liabilities
4. There are no non-cancellable commitments, which are either material to the Financial Statements or are relevant in understanding the Financial Statements or may impact the decision making of the users of the Financial Statements, other than those disclosed in notes of the Financial Statements.
5. There are no enquiries pending against the Company from any regulatory authority including Securities and Exchange Board of India and the Stock Exchanges.

S. Statement of Profit & Loss:

1. All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount, which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet.
2. All expenses debited and charged in the accounts were paid or incurred in the ordinary course of business of the Company and no personal expenses were charged in the accounts.
3. Full provision has been made in the Financial Statements/results for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or

before the date of balance sheet, including losses resulting from forward purchase and/or sale contracts.

4. Except as recorded in the Financial Statements, the results for the period were not materially affected by:
    a. Transactions of a nature not usually undertaken by the Company;
    b. Circumstances of an exceptional or non-recurring nature; and
    c. Changes in accounting policies.
5. The Company has dealt with items, which are covered by the object clause of the Memorandum of Association and has not commenced any business listed in the other objects of the Memorandum without obtaining the approval of the members by a special resolution.
6. The Company has not given any donations exceeding the limits specified in section 182 of the Act and has not given any donations to a Political Party or to any person for a political purpose in contravention of section 182 of the Act.

T. Other Matters

1. The Company has an internal audit system commensurate with the size of the Company and nature of its business
2. We believe that the significant assumptions we used in making accounting estimates are reasonable
3. We agree with the findings of the experts engaged to evaluate the relevant Financial Statement assertions and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the Financial Statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
4. The Company has not appointed without the approval of the shareholders by a special resolution and the sanction of the Central Government wherever necessary, any director, partner or relative of such director, a firm in which such director or relative is a Partner, a private Company of which such a director is a director or a member to any office or place of profit.
5. In our opinion and to the best of knowledge and to the best of knowledge, no transactions of the Company represented merely by book entries are prejudicial to the interest of the Company.
6. The company has not accepted any deposits from the public & therefore the provisions of Companies Acceptance of Deposit Rules/NBFC (RB) Directors, 1998 are not applicable to the company.
7. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil , sales commitments, etc.)
8. The Company has also maintained registers required under section 189 of the Act recording the particulars of all contracts to which sections 182 or 184 of the Act apply. The transactions made with parties covered under the provisions of sections 182 or 184 have all been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
9. The Company has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the Financial Statements in the event of non-compliance.
10. There are no long term contracts including derivative contracts in which there are any material foreseeable losses which needs to be provided for.
11. The following have been properly recorded and where appropriate, adequately disclosed in the Financial Statements/results:
    a. Losses arising from sale and purchase commitments.
    b. Agreement and options to buy back assets previously sold.
    c. Assets pledged as collateral.
12. The Financial Statements/results are free of material misstatements, including omissions.

13. Regarding disclosure in accordance with Section 22 of Micro, Medium and Small Enterprises Development Act, 2006, As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
14. The Company has a whole time Company Secretary appointed in accordance with provisions of Section 203 of the Companies Act, 2013.

U. Subsequent Events

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the Financial Statements/results at that date or for the period then ended, other than those reflected or fully disclosed in the books of account.
2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the Financial Statement/results in order to make them not misleading regarding the results of operations of the Company.

Thank you.

Yours faithfully,

(CFO/Director)

PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

301, Laxmi Krupa,
3rd Lokmanya Tilak Colony Road,
Near Yogi Sabhagruh, Dadar (East),
Mumbai: 400014

Place: Mumbai
Date: 22nd April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As At 31-Mar-2021 in ₹
I ASSETS		
1. Financial assets		
(a) Cash and Cash Equivalents	1	45,85,353
(b) Other financial assets	2	–
(c) Other Non-Financials Assets	3	1,12,60,536
Sub - total Financial assets		**1,58,45,889**
2. Non-Financial assets		
(a) Capital work-in-progress	4	–
(b) Property, plant and equipment	5	6,10,82,314
(c) Other non - financial assets	6	2,53,320
Sub - total Non- Financial assets		**6,13,35,634**
TOTAL ASSETS		**7,71,81,524**
II EQUITY & LIABILITIES		
1. Financial liabilities		
(a) Other financials Liabilities	7	35,83,060
(b) Provisions	8	3,47,068
2. Non - financial liabilities		
(a) Other non - financial liabilities	9	7,00,290
Sub - total Financial liabilities		**46,30,418**
2. Equity:		
(a) Equity share capital	10	9,00,00,000
(b) Other Equity	11	(1,74,48,894)
Sub - total Equity		**7,25,51,106**
TOTAL LIABILITIES AND EQUITY		**7,71,81,524**

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Dated :

For and on behalf of the Board of Directors of
TM Investment Technologies Pvt. Ltd.

Vaibhav Agarwal
Managing Director
DIN: 06663890

Upahar Sood
Whole-time Director
DIN: 07206900

Place : Mumbai
Dated :

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note No.	For the Year Ended 31-Mar-2021 in ₹
INCOME		
Revenue from Operations	12	3,80,817
Other Income	13	
Total Revenue		**3,80,817**
EXPENSES		
Fees and commission expense	14	41,554
Employee Benefits	15	65,80,036
Depreciation	16	55,39,551
Other Expense	17	54,30,171
Total Expenses		**1,75,91,313**
Profit/(Loss) Before Tax		**(1,72,10,495)**
Tax Expense:		
Current Tax		–
Deferred Tax		–
Profit/(Loss) for the year		**(1,72,10,495)**
Other comprehensive income		
A (i) Items that will not be reclassified to profit or loss		
Acturail Gain/(losses) on post retirement benefit plans		(2,38,399)
Income Tax there on		–
Total		**(2,38,399)**
Balance Carried to Balance Sheet		**(17,448,894)**
Earnings Per Share (₹)		
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		(1.91)

Notes referred above form part is an integral part of financial statements.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Dated :

For and on behalf of the Board of Directors of
TM Investment Technologies Pvt. Ltd.

Vaibhav Agarwal
Managing Director
DIN: 06663890

Upahar Sood
Whole-time Director
DIN: 07206900

Place : Mumbai
Dated :

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As At 31-Mar-2021 in ₹	
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX		**(1,72,10,495)**
Adjustment For:		
Depreciation	55,39,551	
Acturial Gain	(2,38,399)	
		53,01,152
OPERATING PROFIT/(LOSS)		**(1,19,09,343)**
Adjustment For:		
(Increase)/Decrease In Other financial assets	(1,12,60,536)	
(Increase)/ Decrease In Other Non-Financials Assets	(2,53,320)	
Increase/ (Decrease) In Other financials Liabilities	46,30,418	
		(68,83,438)
CASH GENERATED FROM OPERATIONS		**(1,87,92,781)**
Taxes Paid		
NET CASH FROM OPERATING ACTIVITIES		**(1,87,92,781)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchased software/Computer	(6,66,21,865)	
		(6,66,21,865)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(6,66,21,865)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share	9,00,00,000	
		9,00,00,000
NET CASH FROM FINANCING ACTIVITIES		**9,00,00,000**
NET CASH FLOW FOR THE YEAR		**45,85,354**

Cash Flow Statement *(Contd..)*

Particulars	As At 31-Mar-2021 in ₹	
Cash & Cash Equivalents As At 01.04.2019		**–**
Balances With bank	–	
Effect of Exchange Rate Changes	–	
Cash & Cash Equivalents As At 31.03.2020		**45,85,353**
Cheques In hand		
Balances With bank	45,85,353	–
Effect of Exchange Rate Changes		
		1

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Dated :

For and on behalf of the Board of Directors of
TM Investment Technologies Pvt. Ltd.

Vaibhav Agarwal
Managing Director
DIN: 06663890

Upahar Sood
Whole-time Director
DIN: 07206900

Place : Mumbai
Dated :

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1 : 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 ,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.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.

2.2. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.4. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.5. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognized only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.6. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.8. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

2.9. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.10. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.12. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements

3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTE 1: CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-21 in ₹
Balance with bank	
Scheduled banks- In current accounts	45,85,353
Total	**45,85,353**

NOTE 2: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-21 in ₹
Rent Deposit	–
TOTAL	–

NOTE 3: OTHER NON-FINANCIALS ASSETS

Particulars	As at 31-Mar-21 in ₹
Taxes Receivable	1,12,60,536
Advance Against Salary	–
Advance Against Expenses	–
	1,12,60,536

NOTE 4:

Particulars	As at 31-Mar-21 in ₹
TOTAL	

NOTE 5: PROPERTY PLANTS AND EQUIPMENTS

Particulars	As at 31-Mar-21 in ₹
Property plants and equipments	6,10,82,314
TOTAL	**6,10,82,314**

NOTE 6: OTHER NON - FINANCIAL ASSETS

Particulars	As at 31-Mar-21 in ₹
Prepaid expenses	1,09,241
For supply of services	1,44,079
TOTAL	**2,53,320**

NOTE 7: OTHER FINANCIALS LIABILITIES

Particulars	As at 31-Mar-21 in ₹
Payable for Expenses	35,23,091
Accrued salaries and benefits	59,969
TOTAL	**35,83,060**

NOTE 8: PROVISIONS

Particulars	As at 31-Mar-21 in ₹
Provision for Gratuity	3,47,068
TOTAL	**3,47,068**

NOTE 9: NON - FINANCIAL LIABILITIES

Particulars	As at 31-Mar-21 in ₹
Advance Received From Customers	7,00,290
TOTAL	**7,00,290**

NOTE 10: EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-21 in ₹
Authorised:	
90,00,000 Equity Shares of ₹ 10/- each	9,00,00,000
	9,00,00,000
Issued, Subscribed and Paid Up:	
90,00,000 Equity Shares of ₹ 10/- each.	9,00,00,000
TOTAL	**9,00,00,000**

1.1 Reconciliation of number of Equity shares outstanding

Particulars	As at 31-Mar-21 in ₹
Number of shares at beginning of the year	0
Add: Shares issued during this year	90,00,000
Number of shares at the end of the year	**90,00,000**

1.2 Share holder having more than 5% equity holding in the Company

Motilal Oswal Financial Services Ltd. (Holding Company)

NOTE 11 : OTHER EQUITY

Particulars	As at 31-Mar-21 in ₹
Profit & Loss Account	
Opening balance	0
Add: Additions during the year	(1,72,10,495)
Add: Ind AS Impact	(2,38,399)
TOTAL	**(1,74,48,894)**

NOTE 12 : REVENUE FROM OPERATIONS

Particulars	For the Period ended 31-Mar-21 in ₹
Revenue	3,80,817
TOTAL	**3,80,817**

NOTE 13 : OTHER INCOME

Particulars	For the Period ended 31-Mar-21 in ₹
Interest on Bank	–
Other Income	–
TOTAL	**–**

NOTE 14 : FEES AND COMMISSION EXPENSE

Particulars	For the Period ended 31-Mar-21 in ₹
Advisory and other fees	41,554
TOTAL	**41,554**

NOTE 15 : EMPLOYEE BENEFITS

Particulars	For the Period ended 31-Mar-21 in ₹
Salaries and Incentives	63,69,120
Gratuity	1,08,669
Contribution to provident and other funds	95,737
Staff welfare expenses	6,510
TOTAL	**65,80,036**

NOTE 17 : OTHER EXPENSES

Particulars	For the Year ended 31-Mar-2021 in ₹
Remuneration to Auditors	16,667
Legal & Professional Fees	67,277
Marketing and Brand Promotion	34,57,961
Electricity Charges	–
Rent Expenses	1,12,500
Membership and Subscription Fees	5,00,000
Computer maintenance and software charges	11,16,265
Communication and data charges	
Rent Rates & Taxes	–
Travelling Expenses	1,849
Bank Charges	7,841
Business Support Charges	1,12,500
Miscellaneous Expenses	35,720
TOTAL	**54,30,171**

NOTE 16 : DEPRECIATION

Current Period

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
Computer Software	0.00	6,65,43,060		6,65,43,060	–	55,27,074		55,27,074	–	6,10,15,986
Computer-1	0.00	78,805		78,805	–	12,477		12,477	–	66,328
TOTAL	**0.00**	**6,66,21,865**	**–**	**6,66,21,865**	**–**	**55,39,551**	**–**	**55,39,551**	**–**	**6,10,82,314**

NOTE 17 : AUDITORS' REMUNERATION:

Auditor's Remuneration (inclusive of Service Tax):

Particulars	For the Year ended 31-Mar-2021 in ₹
As Auditors:	
Audit fees	16,667
In any other capacity, in respect of:	
Other Certification	–
TOTAL	**16,667**

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year ended 31-Mar-2021 in ₹
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	(1,74,48,894)
Weighted Average Number of equity shares issued [B]	90,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	**(1.91)**

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-Mar-2021 in ₹
Provision for gratuity	3,47,068
WDV of assets	–
Deferred Tax (Liability)/Assets	–

NOTE 20 : GRATUITY PLAN

The following table set out the gratuity plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Period Covered	For the Year ended 31-Mar-2021 in ₹
Assumptions as at	31-Mar-21
Interest / Discount Rate	3.93%
Expected Return On Plan Assets	
Mortality	IALM (2012-14) Ult.
Rate of increase in compensation	5.00%
Disability	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 0%
Expected average remaining service	26.85

NOTE 21 : CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

Particulars	For the Year ended 31-Mar-2021 in ₹
Present value of obligation at beginning of the period	–
Interest cost	380
Current service cost	88,960
Past service cost - (non vested benefit)	–
Past service cost - (vested benefit)	–
Transfer in Liability	19,329

Particulars	For the Year ended 31-Mar-2021 in ₹
Benefits paid	–
Actuarial (gain) loss on obligation	2,38,399
Present value of obligation at end of the period	**3,47,068**

NOTE 22 : CHANGES IN FAIR VALUE OF THE PLAN ASSETS

Particulars	For the Year ended 31-Mar-2021 in ₹
Fair value of plan assets at beginning of the period	–
Expected return on plan assets	–
Contributions	–
Benefits paid	–
Actuarial gain (Loss) plan assets	–
Fair value of plan assets at end of the period	**–**

NOTE 23 : FAIR VALUE OF PLAN ASSETS

Particulars	For the Year ended 31-Mar-2021 in ₹
Fair value of plan assets at beginning of the period	–
Actual return on plan assets	–
Contributions	–
Benefit paid	–
Fair value of plan assets at end of the period	**–**

NOTE 24 : EXPERIENCE HISTORY

Particulars	For the Year ended 31-Mar-2021 in ₹
(Gain)/Loss on obligation due to change in Assumption	–
Experience (Gain)/Loss on obligation	2,38,399
Actuarial (Gain)/Loss on plan asset	**2,38,399**

NOTE 25 : ACTURIAL GAIN/(LOSS) RECOGNIZED

Particulars	For the Year ended 31-Mar-2021 in ₹
Actuarial Gain/(Loss) for the period (obligation)	(2,38,399)
Actuarial Gain/(Loss) for the period (plan assets)	–
Total Gain/(Loss) for the period	**(2,38,399)**
Actuarial Gain/(Loss) recognized for the period	(2,38,399)
Unrecognized Actuarial Gain/(Loss) at the end of the period	**–**

NOTE 26 : PAST SERVICE COST RECOGNIZED

Particulars	For the Year ended 31–Mar-2021 in ₹
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	–

NOTE 27 : AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Particulars	For the Year ended 31-Mar-2021 in ₹
Present value of obligation at end of period	3,47,068
Fair value of plan assets at end of period	–
Funded status	(3,47,068)
Unrecognised Actuarial Gain/(Loss)	–
Unrecognised past service cost - non vested benefits	–
Net Liability/ (Asset) recognised in the Balance Sheet	**(3,47,068)**

NOTE 28 : PROFIT AND LOSS ACCOUNT – EXPENSE

Particulars	For the Year ended 31-Mar-2021 in ₹
Current service cost	88,960
Interest cost	380
Past service cost - (non vested benefit)	–
Past service cost - (vested benefit)	–
Unrecognised past service cost - non vested benefits	–

Particulars	For the Year ended 31-Mar-2021 in ₹
Expected return on plan assets	–
Net actuarial (gain)/ loss recognised for the period	–
Expenses Recognised in the statement of Profit & Loss Account	**89,340**

NOTE 29 : MOVEMENT IN NET LIABILITY RECOGNIZED IN THE BALANCE SHEET

Particulars	For the Year ended 31-Mar-2021 in ₹
Opening net liability	–
Transfer in Liability	19,329
Expenses as above	89,340
Other Comprehensive Income (OCI)	2,38,399
Closing net Liability	**3,47,068**

NOTE 30 : OTHER COMPREHENSIVE INCOME (OCI)

Particulars	For the Year ended 31-Mar-2021 in ₹
Actuarial (Gain)/Loss recognized for the period	2,38,399
Asset limit effect	–
Return on Plan Assets excluding net interest	–
Unrecognized Actuarial (Gain)/Loss from previous period	–
Total Actuarial (Gain)/Loss recognized in (OCI)	**2,38,399**

NOTE 31 : SCHEDULE III OF THE COMPANIES ACT 2013

Particulars	For the Year ended 31-Mar-2021 in ₹
Current Liability	321
Non-Current Liability	3,46,747
Heritage Club Benefits	
Current Liability	–
Non-Current Liability	–

NOTE 32 : FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company’s activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company’s continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

A Credit risk

Credit risk is the risk that the Company will 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 33 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

The following table shows the carrying amount and fair values of financial assets and financial liabilities.

(Amount in rupees)

Particulars	As at 31 March 2021	
	FVTPL	Amortised cost
Financial assets		
Cash and cash equivalents	–	45,85,353
Trade receivables		–
Current tax assets		–
Other Non-Financials Assets		1,12,60,536
Total Financial Assets	**–**	**1,58,45,889**
Financial Liabilities		
Other financial liabilities		35,83,060
Provisions		3,47,068
Other non - financial liabilities		7,00,290
Total Financial Liabilities	**–**	**46,30,418**

NOTE 34 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in rupees)

Particulars	As at 31-March 2021		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	45,85,353	–	45,85,353
Trade receivables	–	–	–
Other Non-Financials Assets	–	1,12,60,536	1,12,60,536
Current tax assets	–	–	–

(Amount in rupees)

Particulars	As at 31-March 2021		
	Within 12 months	After 12 months	Total
Non-Financial assets			
Property, plant and equipment	–	6,10,82,314	6,10,82,314
Other non-financial assets	2,53,320	–	2,53,320
Deferred Tax Assets (net)	–	–	–
Total Assets	**48,38,673**	**7,23,42,850**	**7,71,81,523**
Liabilities			
Financial Liabilities			
Other financial liabilities	35,23,091	–	35,23,091
Non Financial Liabilities			
Provisions	3,47,068	–	3,47,068
Other non - financial liabilities	7,00,290		7,00,290
Accrued salary and benefits	59,969	–	59,969
Total Liabilities	**46,30,418**	**–**	**46,30,418**

NOTE 35 : M

NOTE 346: M

NOTE 37 : RELATED PARTY DISCLOSURE:

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Financial Services Limited – Holding Company
- Passionate Investment Management Private Limited – Ultimate Holding Company

Transactions with related parties: 31-03-2021

Particulars	Name of the related Party	For the Year ended 31-Mar-2021 in ₹
Rent	Motilal Oswal Financial Services Limited	1,12,500
Business Support Service	Motilal Oswal Financial Services Limited	1,12,500
Trade Payable	Motilal Oswal Financial Services Limited	60,400
Managerial Remuneration	Vaibhav Agrawal	10,50,000
Managerial Remuneration	Upahar Sood	10,50,000

Note: 'Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)

- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Motilal Oswal Securities International Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited

NOTE 38 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company does not have any due from Micro,small and medium enterprises

NOTE 39 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in IND AS - 108, hence there are no other reportable segments.

NOTE 40 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	For the Year ended 31-Mar-2021 in ₹
Software Charges	80,237
Total	**80,237**

NOTE 41 :

In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number : 122384W

Premal Gandhi
Partner
Membership No. : 111592

Place : Mumbai
Dated :

For and on behalf of the Board of Directors of
TM Investment Technologies Pvt. Ltd.

Vaibhav Agarwal
Managing Director
DIN: 06663890

Upahar Sood
Whole-time Director
DIN: 07206900

Place : Mumbai
Dated :

Motilal Oswal Asset Management (Mauritius) Private Limited

FINANCIAL STATEMENT 2020-21

Accountants Certificate

To,

The Board of Directors,

Motilal Oswal Asset Management (Mauritius) Private Limited

We have verified the conversion and GAAP adjustments from IFRS to IndAS of the accompanying balance sheet of Motilal **Oswal Asset Management (Mauritius) Private Limited** as on March 31, 2021 and the related Statement of Profit and Loss for the year ended 31st March 2021 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in U S Dollars, to Indian Rupees at prevailing exchange rate and as certified by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their audit of the consolidated financial statements and should not be used for any other purpose.

For PGS & ASSOCIATES
Chartered Accountants
Firm Registration No.: 122384W
UDIN: 21111592AAAACL6347

Premal Gandhi
Partner
Membership No.: 111592

Place : Mumbai
Date: 23rd April 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

	Note No.	As at 31-Mar-21 (in ₹)	As at 31-Mar-20 (in ₹)
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	2,09,35,869	1,53,26,241
(b) Receivables			
(I) Trade receivables	4	92,37,720	33,90,390
(c) Investments	5	7,330	7,481
Sub - total financial assets		**3,01,80,919**	**1,87,24,112**
2. Non - financial assets			
(a) Other non - financial assets	6	1,97,56,960	1,61,42,632
Sub - total non - financial assets		**1,97,56,960**	**1,61,42,632**
TOTAL ASSETS		**4,99,37,879**	**3,48,66,744**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise		–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	7	1,01,69,987	18,66,308
(b) Other financial liabilities	8	8,08,322	40,06,721
Sub - total financial liabilities		**1,09,78,309**	**58,73,029**
2. Equity:			
(a) Equity share capital		4,79,41,476	4,79,41,476
(b) Other equity	9	(89,81,906)	(1,89,47,761)
Sub - total equity	10	**3,89,59,570**	**2,89,93,715**
TOTAL LIABILITIES AND EQUITY		**4,99,37,879**	**3,48,66,744**

Notes referred to above form an integral part of these financial statements

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Premal H. Gandhi
Partner
M. No. : 111592

Director *Director*

Place : Mumbai
Date : 26 April, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note No.	Year Ended 31-Mar-21 (in ₹)	Year Ended 31-Mar-20 (in ₹)
1) Income			
a) Revenue from operations			
Fees and commission income	11	4,21,62,778	2,51,12,758
Total Income		**4,21,62,778**	**2,51,12,758**
2) Expenses :			
Other Expenses	12	3,08,91,417	2,60,28,158
Total expenses		**3,08,91,417**	**2,60,28,158**
Profit/(Loss) before taxation		**1,12,71,361**	**(9,15,401)**
Tax expenses			
Current Tax		6,02,479	–
Profit/(Loss) after taxation		**1,06,68,882**	**(9,15,401)**

Notes referred to above form an integral part of these financial statements

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mumbai
Date : 26 April, 2021

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Year Ended 31-Mar-21 (in ₹)	Year Ended 31-Mar-20 (in ₹)
A. Cash flow from operating activities		
Profit / (Loss) before taxation	**1,12,71,361**	(9,15,401)
Adjustment for FCTR	(7,03,026)	15,23,869
Operating profit	**1,05,68,334**	**6,08,468**
Adjustment for working capital changes		
1) Increase/(decrease) in financial liabilities	(33,69,475)	33,99,069
2) Increase/(decrease) in trade payables	83,03,679	16,09,977
3) (Increase)/decrease in trade receivables	(58,47,330)	(26,87,987)
4) (Increase)/decrease in other non - financial assets	(36,14,329)	(1,55,72,373)
Cash generated from operations	**60,40,880**	**(1,26,42,845)**
Taxes Paid (Net of Refunds)	(4,31,403)	–
Net cash generated from operating activities	**56,09,477**	**(1,26,42,845)**
B. Cash flow from investing activities		
Investment in mutual fund	151	(537)
Net cash used in investing activities	**151**	**(537)**
C. Cash flow from financing activities		
Increase in share capital	–	2,10,60,321
Net cash used in financing activities	**–**	**2,10,60,321**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**56,09,628**	**84,16,939**
Cash & cash equivalents as at beginning of the year	**1,53,26,241**	**69,09,302**
Cash & cash equivalents as at end of the year	**2,09,35,869**	**1,53,26,241**
Components of cash & cash equivalents (also refer note 4)		
Balances with banks		
in current accounts	2,09,35,869	1,53,26,241
	2,09,35,869	**1,53,26,241**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mumbai
Date : 26 April, 2021

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Share Capital

(Amount in ₹)

Particulars	Equity Share Capital		Total
	Number of shares	Amount	
As at 1 April 2019	**2,55,000**	**1,65,32,655**	**1,65,32,655**
Issue of Equity shares	77,599	3,14,08,821	3,14,08,821
As at 31 March 2020	**3,32,599**	**4,79,41,476**	**4,79,41,476**
Issue of Equity shares	–	–	–
As at 31 March 2021	**3,32,599**	**4,79,41,476**	**4,79,41,476**

Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2021		31 March 2020		31 March 2021	31 March 2020
	Foreign currency translation reserve	Profit and loss	Foreign currency translation reserve	Profit and loss		
Balance at the beginning of the reporting period	26,57,980	(2,16,05,741)	11,34,110	(2,06,90,340)	**(1,89,47,761)**	**(1,95,56,230)**
Profit/(loss) during the year	(7,03,026)	1,06,68,882	15,23,869	(9,15,401)	**99,65,856**	**6,08,469**
Balance at the end of the reporting period	**19,54,953**	**(1,09,36,859)**	**26,57,980**	**(2,16,05,741)**	**(89,81,906)**	**(1,89,47,761)**

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mumbai
Date : 26 April, 2021

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (the "Company") was incorporated on 8 January 2015 under the Mauritius Companies Act 2001 as a public company limited by shares and holds a Category 1 Global Business License issued by the Financial Services Commission ("FSC") under the Financial Services Act 2007.

The Company is also licensed as a CIS Manager under the Securities Act 2005 and its principal activity is to act as Investment Manager.

The Company is engaged towards holding standards of corporate governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The transactions of the Company are denominated in US Dollars which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 16.

2.2. Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company's functional and presentation currency as the USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards ("IFRS"). These Indian Rupee ("INR") statements and amounts are in accordance with Ind AS in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Management fees

The Company has entered into an Investment Management Agreement, on 1st March 2016, with Motilal Oswal India Fund ('the Fund") which has retained the Company to act as Investment Manager and to provide services with respect to the assets of the Fund. In consideration of and as compensation for services to be rendered, the Company is entitled to a Management Fee not exceeding 1.25% per annum of the Net Asset Value attributable to Class A shares of the Fund.

(ii) Incentive fees

The Company is entitled to a performance profit allocation from Motilal Oswal India Fund ("the Fund") based on the performance of the Fund equal to upto 20% of any appreciation in the value of the Fund during the performance period.

(iii) Dividend Income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognised only when:

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortized cost using the effective interest rate method.

2.11. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14. Earnings per share

a) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) **Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.15. Expenses

Advisory fees

An Investment Advisory agreement was made on 11th February 2016 between the Company and Motilal Oswal Asset Management Company Limited which terminated on the 6th November 2017 due to professional reasons.

As from 7th November 2017, Motilal Oswal Capital Limited has been appointed as investment advisor and in connection with the performance of its services, the Company will pay the Investment Advisor advisory fees on an arm's length basis and which shall be determined between the parties.

NOTE 3 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Balance with bank	2,09,35,869	1,53,26,241
TOTAL	**2,09,35,869**	**1,53,26,241**

NOTE 4 : RECEIVABLES

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
(I) Trade receivables		
Considered good - unsecured	92,37,720	33,90,390
	92,37,720	**33,90,390**

NOTE 5 : INVESTMENTS

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Motilal Oswal India Fund	7,330	7,481
TOTAL	**7,330**	**7,481**

NOTE 6: OTHER NON - FINANCIAL ASSETS

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Prepaid Expenses	1,97,56,960	1,61,42,632
TOTAL	**1,97,56,960**	**1,61,42,632**

NOTE 7 : TRADE PAYABLE

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Others	1,01,69,987	18,66,308
TOTAL	**1,01,69,987**	**18,66,308**

NOTE 8 : OTHER FINANCIAL LIABILITY

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Tax payable	1,71,076	–
Creditors for Expenses	6,37,247	40,06,721
TOTAL	**8,08,322**	**40,06,721**

NOTE 9 : SHARE CAPITAL

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of Shares	in ₹	Number of Shares	in ₹
Authorised :				
Equity Shares of USD 1 each	3,32,599	4,79,41,476	3,32,599	4,79,41,476
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	3,32,599	4,79,41,476	3,32,599	4,79,41,476
TOTAL	**3,32,599**	**4,79,41,476**	**3,32,599**	**4,79,41,476**

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

NOTE 10 : OTHER EQUITY

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
a) Foreign Currency Translation Reserves		
Balance at beginning of the year	26,57,980	11,34,110
Add:- Gain/(loss) on translation during the period	(7,03,026)	15,23,869
Balance at the end of year	**19,54,953**	**26,57,980**
b) Profit/(Deficit) in the statement of profit and loss		
Balance at beginning of the year	(2,16,05,741)	(2,06,90,340)
Add: Transfer from Statement of Profit and Loss	1,06,68,882	(9,15,401)
Balance at the end of year	**(1,09,36,859)**	**(2,16,05,741)**
	(89,81,906)	**(1,89,47,761)**

Nature and Purpose of Reserves

Profit and loss

Profit and loss pertain to the accumulated earnings / losses made by the company over the years.

REVENUE FROM OPERATIONS

NOTE 11 : FEES AND COMMISSION INCOME

Particulars	Year ended 31-Mar-2021 (in ₹)	Year ended 31-Mar-2020 (in ₹)
Incentive Fee Income	2,23,96,815	98,84,909
Management fee	1,97,65,963	1,52,27,849
TOTAL	**4,21,62,778**	**2,51,12,758**

NOTE 12 : OTHER EXPENSES

Particulars	Year ended 31-Mar-2021 (in ₹)	Year ended 31-Mar-2020 (in ₹)
Advisory Fee Expense	25,25,749	47,33,243
Accounting fees	1,29,685	1,87,779
Admin Fees	74,106	3,15,327
Bank charges	3,87,377	3,50,536
Corporate secretary fees	1,03,748	99,204
Directors fees	2,03,790	1,81,579
FSC fees - GBL and CIS	3,29,770	3,15,327
MLRO fees	1,16,716	88,575
Professional fees	22,46,141	16,29,782
Registered office fees	37,053	35,430
ROC Fees	25,012	23,917
Insurance Charges	2,54,128	2,42,519
Taxation fees	37,053	35,430
TRC fees	51,874	49,602
Audit fees	7,49,134	6,72,795
Other Expenses	8,17,094	3,67,224
MOIF Expenses	54,13,304	50,81,410
Disbursements/Distribution Fee	1,73,89,685	1,16,18,478
TOTAL	**3,08,91,417**	**2,60,28,158**

NOTE 13 : CAPITAL MANAGEMENT

Risk management

The company’s objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTE 14 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(in ₹)

Particulars	31 March 21			31 March 20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,09,35,869	–	2,09,35,869	1,53,26,241	–	1,53,26,241
Trade receivables	92,37,720	–	92,37,720	33,90,390	–	33,90,390
Investments	–	7,330	7,330	–	7,481	7,481
Non-Financial assets						
Other non-financial assets	1,97,56,960	–	1,97,56,960	1,61,42,632	–	1,61,42,632
Total Assets	**4,99,30,550**	**7,330**	**4,99,37,880**	**3,48,59,263**	**7,481**	**3,48,66,744**
Liabilities						
Financial Liabilities						
Trade payables	1,01,69,987	–	1,01,69,987	18,66,308	–	18,66,308
Other financial liabilities	8,08,322	–	8,08,322	40,06,721	–	40,06,721
Total Liabilities	**1,09,78,309**	**–**	**1,09,78,309**	**58,73,029**	**–**	**58,73,029**

NOTE 15 : FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Assets				
Financial assets				
Cash and cash equivalents	–	2,09,35,869	–	1,53,26,241
Trade receivables	–	92,37,720	–	33,90,390
Investments	7,330	–	7,481	–
Total Financial Assets	**7,330**	**3,01,73,589**	**7,481**	**1,87,16,631**
Liabilities				
Financial Liabilities				
Trade payables	–	1,01,69,987	–	18,66,308
Other financial liabilities	–	8,08,322	–	40,06,721
	–	**1,09,78,309**	**–**	**58,73,029**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair valus of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value heirarchy

III. Fair value of financial instrument measured at amortised cost

Fair value of Financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTE 16 : FINANCIAL RISK MANAGEMENT

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

Particulars	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Upto 3 months	92,37,720	33,90,390
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
TOTAL	**92,37,720**	**33,90,390**
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 2021

(in ₹)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	1,01,69,987	–	–	1,01,69,987
Other current financial liabilities	8,08,322	–	–	8,08,322
Total	**1,09,78,309**			**1,09,78,309**

As at 31 March 2020

(in ₹)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial Liabilities				
Trade payables	18,66,308	–	–	18,66,308
Other current financial liabilities	40,06,721	–	–	40,06,721
Total	**58,73,029**	**–**	**–**	**58,73,029**

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.

NOTE 17 : TAXATION

No provision for the current tax has been made in view of taxable loss for the period.

NOTE 18 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Profit/(Loss) attributable to equity shareholders (Rupees)	1,06,68,882	(9,15,400)
Weighted average number of equity shares outstanding during the year	3,32,599	2,94,717
Nominal value per share (Rupees)	73.30	74.81
Earnings/(Loss) per share (Basic and diluted) (Rupees)	32.08	(3.11)

NOTE 19 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 20 : RELATED PARTIES TRANSACTIONS

(i) Relationships during the period

A) Enterprises where control exists

Holding Company

– Motilal Oswal Asset Management Company Limited

Holding Company of Motilal Oswal Asset Management Company Limited

– Motilal Oswal Financial Services Limited (formerly known as Motilal Oswal Securities limited)

Ultimate Holding Company

– Passionate Investment Management Private Limited

B) Fellow subsidiaries

– Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
– Motilal Oswal Trustee Company Limited
– Motilal Oswal Alternet Investments Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
– Motilal Oswal Commodities Broker Private Limited
– Motilal Oswal Investment Advisors Limited
– MOPE Investment Advisors Private Limited
– Motilal Oswal Wealth Management Limited
– Motilal Oswal Securities International Private Limited
– Motilal Oswal Asset Management Company
– Motilal Oswal Capital Market (Singapore) Pte Ltd.
– Motilal Oswal Real Estate Investment Advisors Private Limited
– Motilal Oswal Real Estate Investment Advisors II Private Limited

- Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
- India Business Excellence Management Company
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited

C) Enterprises in which key management personnel exercise significant Influence

Nil

ii) Transactions with related parties for the period ended March 31, 2020

Transactions	Name of the related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Advisory Expense	Motilal Oswal Capital Limited	25,25,749	47,33,243
Payable/ Receivable	Motilal Oswal Capital Limited	9,48,437	18,66,308
Share Capital Subscribed	Motilal Oswal Asset Management Company Limited	–	2,10,60,321
Total		**34,74,185**	**2,76,59,872**

Note: Income/receipts figures are shown in brackets.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M.No. : 111592

Place : Mumbai
Date : 26 April, 2021

For and on behalf of the Board of Directors of
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director *Director*

India Business Excellence Management Co.

FINANCIAL STATEMENT 2020-21

Accountants Certificate

To,

The Board of Directors,

India Business Excellence Management Company

We have verified the conversion and GAAP adjustments from IFRS to IndAS of the accompanying balance sheet of **India Business Excellence Management Company** as on March 31, 2021 and the related Statement of Profit and Loss for the year ended 31st March 2021 which has been audited and signed vide report dated 26th April 2021 by Ernst & Young and prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in US Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their audit of the consolidated financial statements and should not be used for any other purpose.

For PGS & ASSOCIATES
Chartered Accountants
Firm Registration No.: 122384W

Premal Gandhi
Partner
Membership No.: 111592

Place : Mumbai

Date : 26th April 2021

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at 31-March-2021 (In ₹)	As at 31-March-2020 (In ₹)
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	10,57,312	1,10,47,700
(b) Receivables			
(I) Trade receivables	4	11,52,12,570	65,22,557
(c) Investments	5	89,569	91,399
Sub - total financial assets		**11,63,59,451**	**1,76,61,656**
2. Non - financial assets			
(a) Other non - financial assets	6	4,51,19,411	8,03,38,752
Sub - total non financial assets		**4,51,19,411**	**8,03,38,752**
Total Assets		**16,14,78,862**	**9,80,00,408**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Other financial liabilities	7	4,62,505	3,53,642
Sub - total financial liabilities		**4,62,505**	**3,53,642**
2. Non - Financial liabilities			
(a) Current tax liabilities (net)	8	3,84,957	3,19,817
Sub - total financial liabilities		**3,84,957**	**3,19,817**
3. Equity:			
(a) Equity share capital	9	18,32,005	18,32,005
(b) Other equity	10	15,87,99,395	9,54,94,945
Sub - total equity		**16,06,31,400**	**9,73,26,950**
Total Liabilities and equity		**16,14,78,862**	**9,80,00,408**

Notes referred to above form an integral part of these financial statements

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For and on behalf of the Board of Directors of
For India Business Excellence Management Co.

Premal H. Gandhi
Partner
M. No. : 111592

Director *Director*

Place : Mumbai
Date : 26 April 2021

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Particulars		Note No.	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
REVENUE FROM OPERATIONS:				
(i) Fees & commission income		11	17,11,93,709	15,45,31,394
Total	**(A)**		**17,11,93,709**	**15,45,31,394**
EXPENSES :				
(i) Other Expenses		12	8,20,63,245	9,26,88,354
Total	**(B)**		**8,20,63,245**	**9,26,88,354**
Profit before tax	**(C) = (A) - (B)**		**8,91,30,464**	**6,18,43,040**
Tax Expenses :				
Provision for Tax	**(D)**		22,11,382	18,02,468
Profit for the Year/Period	**(E) = (C) - (D)**		**8,69,19,082**	**6,00,40,572**
Earnings Per Share (₹)				
Equity share of par value USD 1/- each				
Basic and Diluted			2,172.98	1,501.01

Notes referred to above form an integral part of these Financial Statements

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mumbai
Date : 26 April 2021

For and on behalf of the Board of Directors of
For India Business Excellence Management Co.

Director *Director*

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

SHARE CAPITAL

(Amount in rupees)

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2019	**40,000**	**18,32,005**
Changes during the year	–	–
As at 31 March 2020	**40,000**	**18,32,005**
Changes during the year	–	–
As at 31 March 2021	**40,000**	**18,32,005**

OTHER EQUITY

(Amount in rupees)

Particulars	Reserves and Surplus		Reserves and Surplus		Total	
	31 March 2021		31 March 2020		31 March 2021	31 March 2020
	Foreign exchange translation reserve	Surplus/(deficit) in the statement of profit and loss	Foreign exchange translation reserve	Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the reporting period	3,15,93,328	6,39,01,617	1,34,72,622	17,59,26,115	9,54,94,945	18,93,98,737
Profit during the year		8,69,19,082	–	6,00,40,572	8,69,19,082	6,00,40,572
Addition during the year	(2,917,335)	–	1,81,20,706	–	(2,917,335)	1,81,20,706
Less: Dividend paid	–	(20,697,297)	–	(172,065,070)	(20,697,297)	(172,065,070)
Balance at the end of the reporting period	**2,86,75,993**	**13,01,23,402**	**3,15,93,328**	**6,39,01,617**	**15,87,99,395**	**9,54,94,945**

This is the statement of changes in equity referred to in our report of even date.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mumbai
Date : 26 April 2021

For and on behalf of the Board of Directors of
For India Business Excellence Management Co.

Director

Director

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Particulars	For the Year ended 31-Mar-2021 (In ₹)	For the Year ended 31-Mar-2020 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	**8,91,30,464**	**6,18,43,040**
Adjustment for FCTR	(29,17,335)	1,81,20,706
Operating profit	**8,62,13,129**	**7,99,63,746**
Adjustment for working capital changes		
1) Increase/(decrease) in trade payables	–	(3,71,32,846)
2) Increase/(decrease) in other financial liabilities	1,08,864	(4,78,530)
3) Increase/(decrease) in other non financial liabilities	–	(5,20,845)
5) (Increase)/decrease in trade receivables	(10,86,90,014)	3,07,46,334
6) Increase/(decrease) in Other non - financial assets	3,52,19,341	6,34,17,940
Cash generated from operations	**1,28,51,321**	**13,59,95,799**
Taxes Paid (Net of Refunds)	(21,46,242)	(20,90,443)
Net cash generated from operating activities	**1,07,05,079**	**13,39,05,356**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Current investments	1,830	(6,536)
Net cash used in investing activities	**1,830**	**(6,536)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,06,97,297)	(17,20,65,070)
Net cash used in financing activities	**(2,06,97,297)**	**(17,20,65,070)**
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	**(99,90,388)**	**(3,81,66,250)**
Cash & cash equivalents as at beginning of the year	**1,10,47,700**	**4,92,13,950**
Cash & cash equivalents as at end of the year	**10,57,312**	**1,10,47,700**
Components of Cash & cash equivalents (also refer note 3)		
Balance with bank		
in current account	10,57,312	1,10,47,700
	10,57,312	**1,10,47,700**

Notes:

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule "7" of the Companies (Account) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

This is the Statement of Cash Flows referred to in our report of even date.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

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 : 26 April 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : CORPORATE INFORMATION

The Company was incorporated in Mauritius under the Companies Act 2001 on 27 September 2006 as a private company limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission (the "FSC"). The address of the Company's registered office is IFS Court, Bank Street, Twenty Eight, Cyber city, Ebene 72201, Mauritius.

The Company has obtained authorisation from the FSC to act as a CIS Manager under Section 98 of the Securities Act 2005 to Fund I and to Fund IIIA on 7 January 2009 and

22 May 2017 respectively. On 29 April 2011, the Company has also received the FSC's authorisation to provide advisory services to Fund IIA incorporated on 4 July 2011.

These financial statements contain financial information of the company and were authorized for issue by the Board of Directors on 28th April 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2013, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 18.

2.2. Foreign currency translation

(i) Functional and presentation currency

The Company receives funds in USD and all expenses are routed out of the USD bank account. Accordingly, the directors have determined the Company's functional and presentation currency as the USD. The financial statements of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards ("IFRS"). These Indian Rupee ("INR") statements and amounts are in accordance with Ind AS in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statements of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non - monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

2.3. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Investment Management Agreement with Fund I

The Company had entered into an Investment Management Agreement with Fund I. Pursuant to this agreement; the Company assumes the investment management functions and has obtained the relevant authorisations to carry out the role of Investment Manager.

The Company is entitled to a management fee payable as follows:

(i) during the first year, 2% of the aggregate Capital Commitment of Fund I

(ii) from the second year onwards during the Commitment Period 2% per annum of the aggregate Capital Commitment of Fund I and

(iii) after the Commitment Period, 2% per annum of the aggregate direct investment.

As from December 2010, date of the end of commitment period, management fees have been calculated based on 2% per annum of the aggregate of the direct investments.

As per the Constitution of Fund I, its life had to terminate on 27 September 2016. Fund I has extended its life by 1.25 years upto 31 December 2018 based on approval of Class A Participating Shareholders to enable Fund I to maximise returns of its remaining portfolio companies. Following a decision of the Board of Directors, the Company stopped charging management fees to Fund I effectively January 2017.

(ii) Investment Management Agreement with Fund - IIIA

The Company had entered into an Investment Management Agreement with Fund-IIIA and assumes the investment management functions. The Company has obtained the relevant authorisations to carry out the role of Investment Manager.

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-IIIA at a rate of not more than 2% per annum based on the aggregate capital commitment of the relevant Class A Shareholders. As per the Constitution of Fund-IIIA, the fees payable to the Company would be upto 2% per annum, as reduced by the management fees being charged at India Business Excellence Fund - III, the Indian Fund in which Fund-IIIA invests.

The Board of directors of Fund IIIA had resolved, on 3 November 2017, that the management fees to be paid to the Company be calculated at 0.5% of the aggregate capital commitments of its Class A Shareholders.

(iii) Advisory Income:

Under the terms of Amended and Restated Investment Advisory Agreement dated 22 August 2013 the Company has been appointed by Fund-IIA as Investment Advisor to provide advisory and consultancy services on investment, divestment and all other related matters and to execute and deliver the documents on its behalf (excluding authority to acquire or dispose of investments except with the approval of the Board) subject to the overall supervision of the Board of the Fund IIA as specified in the Private Placement Memorandum of the latter.

(iv) Dividend Income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.6. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.7. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

(iii) Derecognition

A financial asset is derecognised only when :

The company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10. Other Financial liabilities

Financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

2.11. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.14. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss (excluding other comprehensive income) attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.15. Expenses

Advisory Expenses:

The Company has entered into an Investment Advisory Service Agreement with MOPE Investment Advisors Private Limited ("MOPE"). Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. Effective as from 1 April 2007, the Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment and divestment advice.

Sub advisory expenses:

The Company has entered in an Amended and Restated Sub-advisory Agreement with MOPE on 22 August 2013 . Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. The Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment advice. In addition to the minimum fees, MOPE is also entitled to a performance incentive fee payable on the half yearly basis as may be decided by the Board of the Company and paid within 30 days of such decision by the Board.

Placement agreement:

The Company has entered into placement agreement with several placement agents and the fees payable to the agents between the parties from time to time and the payment mode are defined in the agreement.

NOTE 3 : CASH AND BANK BALANCES

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Cash and cash equivalents		
Balances with bank	10,57,312	1,10,47,700
Total	**10,57,312**	**1,10,47,700**

NOTE 4 : TRADE RECEIVABLES

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Unsecured, considered good		
Trade Receivables(Outstanding for less than six months)	11,52,12,570	65,22,557
Total	**11,52,12,570**	**65,22,557**

NOTE 5 : CURRENT INVESTMENT

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
India Business Excellence Fund-I (200 Units of USD 0.01 each)	89,569	91,399
Total	**89,569**	**91,399**

NOTE 6 : OTHER NON FINANCIAL ASSET

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Prepaid Expenses	4,51,19,411	8,03,38,752
Total	**4,51,19,411**	**8,03,38,752**

NOTE 7 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Creditors for Expenses	4,62,505	3,53,642
Total	**4,62,505**	**3,53,642**

NOTE 8 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Provision for Taxation	3,84,957	3,19,817
Total	**3,84,957**	**3,19,817**

NOTE 9 : SHARE CAPITAL

	As at 31-Mar-2021		As at 31-Mar-2020	
	Number of Shares	in ₹	Number of Shares	in ₹
Authorised :				
Equity Shares of USD 1 each	40,000	18,32,005	40,000	18,32,005
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	40,000	18,32,005	40,000	18,32,005
Total	**40,000**	**18,32,005**	**40,000**	**18,32,005**

NOTE 10 : OTHER EQUITY

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
a) **Foreign exchange translation reserve**		
Balance at the beginning of the year	3,15,93,328	1,34,72,622
Add: Transferred during the year	(29,17,335)	1,81,20,706
Balance at the end of year	**2,86,75,993**	**3,15,93,328**
b) **Statement of Profit and Loss**		
Balance at the beginning of the year	6,39,01,617	17,59,26,115
Add: Transfer from Statement of Profit and Loss	8,69,19,082	6,00,40,572
Less : Dividend paid	(2,06,97,297)	(17,20,65,070)
Balance at the end of year	**13,01,23,402**	**6,39,01,617**
	15,87,99,395	**9,54,94,945**

NOTE 11 : FEES & COMMISSION INCOME

	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Management and advisory fees	15,57,50,123	15,26,33,718
Realised gain on investment	1,54,13,944	–
Other Income	29,642	18,97,676
Total	**17,11,93,709**	**15,45,31,394**

NOTE 12 : OTHER EXPENSES

	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Audit fees	8,40,727	6,71,045
Communication expenses	–	–
Insurance	4,33,739	4,90,795
Legal and professional fees	80,182	28,87,382
Forex loss	4,21,512	880,637
Rates and taxes	7,47,576	9,92,354
Advisory and sub-advisory fees	7,59,27,310	8,65,60,076
Miscellaneous Expenses	36,12,198	10,86,702
Total	**8,20,63,245**	**9,26,88,354**

NOTE : 13.1 TAX EXPENSE

	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Current tax expense		
Current tax for the year	22,11,382	18,02,468
Tax adjustment in respect of earlier years	–	–
Total current tax expense	**22,11,382**	**18,02,468**
Total	**22,11,382**	**18,02,468**

NOTE : 13.2 TAX RECONCILIATION (FOR PROFIT AND LOSS)

	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Profit/(loss) before income tax expense	**8,91,30,464**	**6,18,43,040**
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt income	(1,54,17,729)	17,687
Items outside scope of taxation	–	(18,79,989)
Non allowable expenses	–	1,10,498
Profit adjusted for tax purposes	**7,37,12,735**	**6,00,91,236**
Tax calculated at the rate of 15%	1,10,56,910	90,13,685
Deemed tax credit at 80%	(88,45,528)	(72,10,948)
Under provision for the previous year	–	(269)
Tax charge for the year	**22,11,382**	**18,02,468**
Income tax expense	**22,11,382**	**18,02,468**

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.

	31-Mar-2021 (in ₹)	31-Mar-2020 (in ₹)
Cash and cash equivalents	10,57,312	1,10,47,700
Total Cash and cash equivalents	**10,57,312**	**1,10,47,700**
Equity	18,32,005	18,32,005
Retained earnings	15,87,99,395	9,54,94,945
Total Capital	**16,06,31,400**	**9,73,26,950**

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	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	10,57,312	–	10,57,312	1,10,47,700	–	1,10,47,700
Trade receivables	11,52,12,570	–	11,52,12,570	65,22,557	–	65,22,557
Investments	–	89,569	89,569	–	91,399	91,399
Non-Financial assets						
Other non-financial assets	–	4,51,19,411	4,51,19,411	–	8,03,38,752	8,03,38,752
Total Assets	**11,62,69,882**	**4,52,08,980**	**16,14,78,862**	**1,75,70,256**	**8,04,30,152**	**9,80,00,408**
LIABILITIES						
Financial Liabilities						
Other financial liabilities	4,62,505	–	4,62,505	3,53,642	–	3,53,642
Non Financial Liabilities						
Current tax liabilities (net)	3,84,957	–	3,84,957	3,19,817	–	3,19,817
Total Liabilities	**8,47,462**	**–**	**8,47,462**	**6,73,458**	**–**	**6,73,458**

NOTE : 16 FAIR VALUE MEASUREMENTS

Financial instruments by category:

(Amount in rupees)

Particulars	31 MARCH 2021		March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	–	10,57,312	–	1,10,47,700
Trade receivables	–	11,52,12,570	–	65,22,557
Investments	89,569	–	91,399	–
Total Financial Assets	**89,569**	**11,62,69,882**	**91,399**	**1,75,70,256**
Financial Liabilities				
Other financial liabilities	–	4,62,505	–	3,53,642
	–	**4,62,505**	**–**	**3,53,642**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table."

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and Fair valus of security deposits are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of Cash and cash equivalent, trade receivables, current loans, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

The Investment would be categorised in Level 3 of the fair value heirarchy

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 unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, cash and cash equivalents that derive directly from its operations.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

To manage credit risk, the Company follows a policy of providing 0-30 days credit to the customers basis the nature of customers. For some of the customer company follows the policy of receiving advance payment towards services. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

Age of receivables that are past due:

	As at 31-Mar-2021 (in ₹)	As at 31-Mar-2020 (in ₹)
Upto 3 months	11,52,12,570	65,22,557
3 - 6 months	–	–
6 - 12 months	–	–
More than 12 months	–	–
Total	**11,52,12,570**	**65,22,557**
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 2021

Particulars	Upto 1 year (in ₹)	Between 1 and 5 years (in ₹)	Beyond 5 years (in ₹)	Total (in ₹)
Financial Liabilities				
Other financial liabilities	4,62,505			**4,62,505**
Total	**4,62,505**	**–**	**–**	**4,62,505**

As at 31 March 2020

Particulars	Upto 1 year (in ₹)	Between 1 and 5 years (in ₹)	Beyond 5 years (in ₹)	Total (in ₹)
Financial Liabilities				
Other financial liabilities	3,53,642			**3,53,642**
Total	**3,53,642**	**–**	**–**	**3,53,642**

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-Mar-2021 (in ₹)	31-Mar-2020 (in ₹)
Impact on profit before tax for 10% increase in NAV/price	8,957	9,140
Impact on profit before tax for 10% decrease in NAV/Price	(8,957)	(9,140)

NOTE 18 : TAXATION

Provision for the current tax has been made for ₹ 22,11,382/- Previous year ₹ 18,02,468/-

NOTE 19 : 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-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Net Profit attributable to equity shareholders [A] (Rupees)	8,69,19,082	6,00,40,572
Weighted Average of equity shares issued [B] (face value of ₹ 1 each)	40,000	40,000
Basic and Diluted Earnings per share [A/B] (Rupees)	**2,172.98**	**1,501.01**

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

- MOPE Investment Advisors Private Limited – Holding Company
- Motilal Oswal Financial Services Limited – Holding Company of MOPE Investment Advisors Private Limited
- Passionate Investment Management Private Limited - Ultimate Holding Company

B) Fellow subsidiaries

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Alternet Investment 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 Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Glide Tech Investment Advisors Private Limited
- Motilal Oswal Finsec IFSC Limited

ii) Transactions with related parties

Transaction	Name of the related Party	For the year ended 31-Mar-2021 (in ₹)	For the year ended 31-Mar-2020 (in ₹)
Dividend paid	MOPE Investment Advisors Private Limited	2,06,97,297	17,20,65,070
Advisory Fee	MOPE Investment Advisors Private Limited	6,66,13,212	8,00,58,308
Prepaid Advisory Fee	MOPE Investment Advisors Private Limited	11,49,94,145	2,69,67,684

Note: Income/receipts figures are shown in brackets.

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592

Place : Mauritius
Date : 26 April 2021

For and on behalf of the Board of Directors of
For India Business Excellence Management Co.

Director *Director*

Motilal Oswal Capital Markets (Hongkong) Private Limited

FINANCIAL STATEMENT 2020-21

Accountants Certificate

To,

The Board of Directors

Motilal Oswal Capital Markets (Hong Kong) Private Limited

We have verified the conversion and GAAP adjustments form IFRS to IndAS of the accompanying balance sheet of **Motilal Oswal Capital Markets (Hong Kong) Private Limited** as on March 31, 2021 and the related Statement of Profit and Loss for the period ended March 31, 2021 has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Hong Kong Dollars, to Indian Rupees at prevailing exchange rate and as certified by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statements and should not be used for any other purpose.

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

UDIN: 21111592AAAACJ1064

Premal Gandhi
Partner
Membership No.:111592

Place: Mumbai
Date: 22nd April, 2021

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	1	55,10,786	98,81,409
(b) Bank balance other than (a) above	2	–	–
(c) Receivables			
(I) Trade Receivables	3	(4)	–
(II) Other Receivables	3	–	–
(d) Loans	4	–	–
(e) Investments	5	–	–
(f) Other financial assets	6	5,30,399	57,20,097
Total financial assets (A)		**60,41,181**	**1,56,01,507**
2. Non-financial assets			
(a) Current tax assets (net)	7	–	–
(b) Deferred tax assets (net)	8	–	–
(c) Investment property	9	–	–
(d) Property, plant and equipment	10	–	–
(e) Intangible assets under development	10	–	–
(f) Other intangible assets	10	–	–
(g) Other non-financial assets	11	–	–
Total non-financial assets (B)		**–**	**–**
Total Assets (A+B)		**60,41,181**	**1,56,01,507**
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	12	(50,60,913)	–
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	12	–	–
(b) Debt Securities	13	–	–
(c) Borrowings (Other than Debt securities)	14	–	–
(d) Other financial liabilities	15	8,16,311	10,52,748
Total financial liabilities (A)		**(42,44,602)**	**10,52,748**

Balance Sheet *(Contd..)*

Particulars	Note No.	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
2. Non-financial liabilities			
(a) Current tax liabilities (net)	17	–	–
(b) Provisions	18	–	–
(c) Deferred tax liabilities (net)	8	–	–
(d) Other non-financial liabilities	19	–	–
Total non-financial liabilities (B)		**–**	**–**
3. Equity			
(a) Equity share capital	20	4,12,02,000	4,12,02,000
(b) Other equity	21	(3,09,16,217)	(2,66,53,241)
Total equity (C)		**1,02,85,783**	**1,45,48,759**
Total Liabilities and Equity (A+B+C)		**60,41,181**	**1,56,01,507**

Notes referred to above form an Integral part of these Financial Statements

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
M. No.: 111592

Place : Mumbai
Date : 22nd April, 2021

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 22nd April, 2021

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

	Particulars	Note No.	For the Year Ended 31-Mar-21 in ₹	For the Year Ended 31-Mar-20 in ₹
1)	**Income:**			
	(a) Revenue from operations			
	(a) Interest income	22	76	96
	(b) Fees and commission income	25	52,92,147	86,58,821
	Total revenue from operations		**52,92,222**	**86,58,917**
	(b) Other income	28	6,54,771	–
	Total income (a+b) (1)		**59,46,993**	**86,58,917**
2)	**Expenses:**			
	(a) Fees and commission expense	30	–	–
	(b) Employee benefit expense	32	56,49,889	52,76,457
	(c) Other expenses	34	42,80,694	45,18,241
	Total expenses (2)		**99,30,583**	**97,94,699**
3)	**Profit before tax (3) = (1) - (2)**		**(39,83,590)**	**(11,35,781)**
5)	**Profit after tax from continuing operations (5) = (3) - (4)**		**(39,83,590)**	**(11,35,781)**
7)	**Profit for the period (7) = (5) + (6)**		**(39,83,590)**	**(11,35,781)**
9)	**Profit after tax and share in profit of associates**		**(39,83,590)**	**(11,35,781)**
11)	**Total comprehensive income (11) = (9)+(10)**		**(39,83,590)**	**(11,35,781)**
	Profit after Minority Interest		**(39,83,590)**	**(11,35,781)**

Notes referred to above form an integral part of these financial statements

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 22nd April, 2021

Place : Mumbai
Date : 22nd April, 2021

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 in ₹	As at March 31, 2020 in ₹
A. Cash flow from Operating Activities :		
Profit before taxation	(39,83,590)	(11,35,781)
Adjustments for :		
Foreign Currency Translation Reserve	(2,79,386)	12,37,976
	(2,79,386)	**12,37,976**
Operating profit before Working Capital changes	**(42,62,976)**	**1,02,195**
Adjustments for Working Capital changes		
(Increase) / decrease in trade receivables	5	(0)
(Increase) / decrease in other financial assets	51,89,698	(4,99,202)
Increase / (Decrease) in Trade Payables	(50,60,913)	
Increase / (Decrease) in other financial liabilities	(2,36,437)	10,09,999
Net change in working capital	**(107,647)**	**5,10,797**
Cash generated from / (used in) Operations	**(43,70,623)**	**6,12,992**
Net cash generated from / (used in) operating activities (A)	**(43,70,623)**	**6,12,992**
B. Cash flow from Investing Activities :		
C. Cash flow from financing activities		
D. Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(43,70,623)**	**6,12,992**
E. Cash and cash equivalents at the beginning of the year		
Scheduled bank - In current account	98,81,409	92,68,417
Total (E)	**98,81,409**	**92,68,417**
F. Cash and cash equivalents at the end of the year (D+E)	**55,10,786**	**98,81,409**
Cash and cash equivalents at the end of the year :		
Scheduled bank - In current account	55,10,786	98,81,409
Total (G)	**55,10,786**	**98,81,409**

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 22nd April, 2021

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 22nd April, 2021

Notes to Financial Statement

NOTE 1 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
Balances with banks		
In current accounts	55,10,786	98,81,409
Total	**55,10,786**	**98,81,409**

NOTE 2 : RECEIVABLES

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
(i) Trade receivables		
Unsecured, considered good	(4)	–
Total	**(4)**	**–**

NOTE 3 : LOANS

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
(A) Loans - At amortised cost		
Less : Impairment loss allowance	–	–
Total	**–**	**–**

NOTE 4 : OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
Rent, electricity, and other deposits	5,30,399	57,20,097
Total	**5,30,399**	**57,20,097**

NOTE 5 : PAYABLES

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
(i) Trade payables		
total outstanding dues of creditors other than Micro small & medium enterprises	(50,60,913)	–
Total	**(50,60,913)**	**–**

NOTE 6 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
Other payables (includes payable to vendors)	9,919	10,150
Provision for expenses	8,06,392	10,42,598
Total	**8,16,311**	**10,52,748**

NOTE 7 : EQUITY SHARE CAPITAL

Particulars	March 2021 in ₹	April 2021 in ₹
Authorised shares		
Issued and subscribed		
Paid-up		
Equity shares of Re. 1 each	4,12,02,000	4,12,02,000
Total	**4,12,02,000**	**4,12,02,000**
Minority Interest on Share Capital - Computed	–	–
Minority Interest on Share Capital - Adjusted	–	–
Total Minority Interest on Share Capital	–	–
Share Capital transferred to Balance Sheet	**4,12,02,000**	**4,12,02,000**

NOTE 8 : OTHER EQUITY

Particulars	As at 31-Mar-21 in ₹	As at 31-Mar-20 in ₹
Foreign currency translation reserve		
Balance at the beginning of the year	83,83,794	71,45,818
Foreign Currency Translation Reserve for the period	(2,79,386)	12,37,976
Balance at the end of the year	**81,04,408**	**83,83,794**
Retained earnings		
Balance at the beginning of the year	(3,50,37,035)	(3,39,01,254)
Balance at the beginning of the year - after Minority Interest	(3,50,37,035)	(3,39,01,254)
Add: Net profit for the year	(39,83,590)	(11,35,781)
Balance as at end of the year	**(3,90,20,625)**	**(3,50,37,035)**
Total	**(3,09,16,217)**	**(2,66,53,241)**

NOTE 9 : INTEREST INCOME

Particulars	For the Period Ended 31-Mar-21 in ₹	For the Period Ended 31-Mar-20 in ₹
On financial assets measured at amortised cost		
Interest on deposits with banks	76	96
Total	**76**	**96**

NOTE 10 : FEES AND COMMISSION INCOME

Particulars	For the Period Ended 31-Mar-21 in ₹	For the Period Ended 31-Mar-20 in ₹
Research and advisory fees	52,92,147	86,58,821
Total	**52,92,147**	**86,58,821**

NOTE 11 : OTHER INCOME

Particulars	For the Period Ended 31-Mar-21 in ₹	For the Period Ended 31-Mar-20 in ₹
Other Non-Operating Income	6,54,771	–
Total	**6,54,771**	–

NOTE 12 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Period Ended 31-Mar-21 in ₹	For the Period Ended 31-Mar-20 in ₹
Salary, bonus and allowances	54,77,832	51,13,268
Contribution to provident fund and other benefits	1,72,057	1,63,189
Total	**56,49,889**	**52,76,457**

NOTE 13 : OTHER EXPENSES

Particulars	For the Period Ended 31-Mar-21 in ₹	For the Period Ended 31-Mar-20 in ₹
Rent	13,20,133	12,43,032
Legal and professional charges	24,81,107	26,43,929
Remuneration to auditors	3,53,672	5,12,234
Membership and subscription		
Printing and stationery	18,836	16,073
Communication expenses	22,941	10,256
Foreign exchange fluctuation	12,263	36,569
Miscellaneous expenses	71,743	56,147
Total	**42,80,694**	**45,18,241**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 35 : 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, 2021 is Motilal Oswal Financial Services Limited (MOFSL).

The Company's principal activity is to distribute research (produced by MOFSL) and render financial advice on Indian equities to institutional investors in Hongkong.

The Company is seeking to conduct regulated activities such as dealing in securities and advising on securities as it intends to provide a brokerage service in relation to stocks, unit trusts, mutual funds, debt securities and stock derivatives. The Company is also seeking to distribute institutional research to Hongkong and overseas institutional clients.

The transactions of the Company are in local currency, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

NOTE 36 : SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company are prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with accounting principles generally accepted in India.

(b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized prospectively in the current and future periods.

(c) Conversion to Indian Rupees

For the purpose of these financial statements, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed as Reserves and surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

(d) Operating Leases

Lease rentals in respect of operating lease are charged to the statement of profit and loss as per the terms of the lease arrangement on a straight-line basis over the lease period.

(e) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(f) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares.

(g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTE 37 : FINANCIAL INSTRUMENTS

The Company is exposed to credit risk, liquidity risk and market risk arising in the normal course of its because and financial instruments. The Company's risk management 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 2021 (in ₹)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accrued expenses and other payables	14,97,127	–	–	–	14,97,127
Total	14,97,127	–	–	–	14,97,127

At 31 March 2020 (in ₹)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accrued expenses and other payables	10,52,748	–	–	–	10,52,748
Amount due immediate holding company	–	–	–	–	–
Total	10,52,748	–	–	–	10,52,748

NOTE 38 : SFC LICENCE

Motilal Oswal Capital Markets (Hong Kong) Private Limited ("Motilal HK") was incorporated in Hong Kong on 30 September 2011 (CR No 1668413).

The Company received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301.

The license allows Motilal HK to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors .

Motilal HK is a 100% subsidiary of Motilal Oswal Financial Services Limited subsidiary of Passionate Investment Management Private Limited which is its ultimate holding company.

NOTE 39 : TAXATION

No provision for the current tax has been made in view of prior year's taxable loss.

NOTE 40 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year Rupees 13,20,133 (Previous year Rupees 12,43,032) being lease rentals for the current year are recognized in the statement of profit and loss under the head " rent ".

As at March 31, 2021 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Particulars	For the Year Ended 31-Mar-21 in ₹	For the Year Ended 31-Mar-20 in ₹
Payable within 1 year	13,20,133	12,43,032
Payable after 1 year but not later than 5 years		
Total	**13,20,133**	**12,43,032**

NOTE 41 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Year Ended 31-Mar-21 in ₹	For the Year Ended 31-Mar-20 in ₹
Profit / (Loss) attributable to equity shareholders (Rupees)	(39,83,590)	(11,35,781)
Weighted average number of equity shares outstanding during the year	60,00,000	60,00,000
Nominal value per share (Rupees)	6.87	6.87
Earnings per share (Basic and diluted) (Rupees)	(0.66)	(0.19)

NOTE 42 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 43 : RELATED PARTIES TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements the company had the following transactions with its related parties during the year.

Particulars	For the Year Ended 31-Mar-21 in ₹	For the Year Ended 31-Mar-20 in ₹
Services fee paid to immediate holding company	–	–

A) Enterprises where control exists

- Motilal Oswal Financial Services Limited – Holding Company
- Passionate Investment Management Private Limited - Ultimate Holding Company

B) Fellow subsidiaries

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)

- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limted

C) Key management personnel

- Abhijeet Tare - Director
- Martin Brendon Marnick - Director

ii) Transactions with related parties for the period ended March 31, 2021:

Transactions	Name of the related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Director's Remuneration	Martin Brendon Marnick	53,91,106	51,13,268
Advisory Fees	Motilal Oswal Financial Services Limited	–	–
Total		**53,91,106**	**51,13,268**

Note: 'Income / receipts figures are shown in brackets.

NOTE 44

Previous period's figures have regrouped / rearranged where necessary to confirm the current year's classifications.

For PGS & Associates

Chartered Accountants

Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Martin Brendon Marnick
Director

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 22nd April, 2021

Place : Mumbai
Date : 22nd April, 2021

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

FINANCIAL STATEMENT 2020-21

Accountants Certificate

To,

The Board of Directors,

Motilal Oswal Capital Markets (Singapore) Pte. Ltd

We have verified the conversion and GAAP adjustments form IFRS to IndAS of the accompanying balance sheet of **Motilal Oswal Capital Markets (Singapore) Pte. Ltd** as on March 31, 2021 and the related Statement of Profit and Loss for the period ended March 31, 2021 has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Hong Kong Dollars, to Indian Rupees at prevailing exchange rate and as certified by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith and there is no GAAP adjustments.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statements and should not be used for any other purpose.

For PGS & ASSOCIATES
Chartered Accountants
Firm Registration No.: 122384W
UDIN: 21111592AAAACK3883

Premal Gandhi
Partner
Membership No.: 111592

Place : Mumbai

Date : 22nd April 2021

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
I. ASSETS					
1. Financial Assets					
(a) Cash and cash equivalents	1	2,198,773.46	119,784,470.52	2,310,748.14	121,406,148.08
(c) Receivables					
(a) Trade Receivables	2	549,460.87	29,933,451.80	317,440.34	16,678,238.64
(d) Other financial assets	3	113,305.01	6,172,614.36	145,236.33	7,630,681.63
Total financial assets (A)		**2,861,539.34**	**155,890,536.68**	**2,773,424.81**	**145,715,068.35**
2. Non-financial assets					
(a) Property, plant and equipment	4	58.62	3,193.49	58.62	3,079.88
Total non-financial assets (B)		**58.62**	**3,193.49**	**58.62**	**3,079.88**
Total Assets (A+B)		**2,861,597.96**	**155,893,730.17**	**2,773,483.43**	**145,718,148.23**
II. LIABILITIES AND EQUITY					
Liabilities					
1. Financial liabilities					
(a) Payables					
(b) Other financial liabilities	5	268,280.99	14,615,373.81	241,018.40	12,663,048.41
Total financial liabilities (A)		**268,280.99**	**14,615,373.81**	**241,018.40**	**12,663,048.41**
2. Equity					
(a) Equity share capital	6	2,250,000.00	104,087,500.00	2,250,000.00	104,087,500.00
(b) Other equity	7	343,316.97	37,190,856.36	282,465.03	28,967,599.82
Total equity (C)		**2,593,316.97**	**141,278,356.36**	**2,532,465.03**	**133,055,099.82**
TOTAL LIABILITIES AND EQUITY (A+B+C)		**2,861,597.96**	**155,893,730.17**	**2,773,483.43**	**145,718,148.23**

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M. No. : 111592
DIN No. 07682095

Place : Mumbai

For and on behalf of the Board of Directors of
For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Abhijit Tare
Director

Kadambari Balachandran
Director

Statement of Profit And Loss

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Note	For the Period Ended March 31, 2021		For the Period Ended March 31, 2020	
		SGD	(₹)	SGD	(₹)
1) Income:					
(a) Revenue from operations					
Fees and commission income	8	485,424.04	26,333,170.22	590,674.34	30,515,131.87
Total revenue from operations		**485,424.04**	**26,333,170.22**	**590,674.34**	**30,515,131.87**
(b) Other income	9	14.83	804.49	11,046.57	570,682.55
Total income (a+b) (1)		**485,438.87**	**26,333,974.71**	**601,720.91**	**31,085,814.42**
2) Expenses:					
(d) Employee benefit expense	10	318,473.45	17,276,473.50	407,978.89	21,076,807.95
(e) Depreciation and amortisation expense	11	25,029.73	1,357,806.96	16,224.75	838,195.18
(g) Other expenses	12	78,604.68	4,264,128.35	89,949.90	4,646,948.20
Total expenses (2)		**422,107.86**	**22,898,408.81**	**514,153.54**	**26,561,951.33**
3) Profit before tax (3) = (1) - (2)		**63,331.01**	**3,435,565.90**	**87,567.37**	**4,523,863.09**
4) Tax expenses / (credit)					
(a) Current tax		2,479.07	134,483.90	3,513.38	181,506.54
Total tax expenses (4)		**2,479.07**	**134,483.90**	**3,513.38**	**181,506.54**
5) Profit after tax from continuing operations (5) = (3) - (4)		**60,851.94**	**3,301,082.00**	**84,053.99**	**4,342,356.55**
7) Profit for the period (7) = (5) + (6)		60,851.94	3,301,082.00	84,053.99	4,342,356.55
9) Profit after tax and share in profit of associates		**60,851.94**	**3,301,082.00**	**84,053.99**	**4,342,356.55**
11) Total comprehensive income (11) = (9)+(10)		**60,851.94**	**3,301,082.00**	**84,053.99**	**4,342,356.55**
Profit after Minority Interest		**60,851.94**	**3,301,082.00**	**84,053.99**	**4,342,356.55**

As per our Attached Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For and on behalf of the Board of Directors of
For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H. Gandhi
Partner
M. No. : 111592
DIN No. 07682095

Abhijit Tare
Director

Kadambari Balachandran
Director

Place : Mumbai

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 in ₹	As at March 31, 2020 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	**3,435,566**	**4,523,864**
Add :		
Change in Translation Differences on Foreign Currency Taken to Reserves	4,937,167	3,287,639
Interest Expense		109,567
Depreciation	1,357,723	838,195
Adjustment for working capital changes :		
Increase/ (Decrease) in Current Liabilities	5,246,261	4,753,346
Increase/ (Decrease) in Short Term Provisions	(1,994,299)	1,010,939
(Increase) / Decrease in Short Term Loans and Advances	158,800	483,223
(Increase) / Decrease in Trade Receivables	(13,255,213)	(4,706,576)
(Increase) / Decrease in Other Financials Assets	1,299,268	(1,743,053)
CASH GENERATED FROM OPERATIONS	**1,185,273**	**8,557,143**
Change in Tax Balance	(134,484)	(181,506)
NET CASH FROM OPERATING ACTIVITIES	**1,050,789**	**8,375,637**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	–	–
Interest Received	–	–
Dividend Received	–	–
CASH FLOW FROM INVESTING ACTIVITIES	**–**	**–**
Purchase of Fixed Assets	–	–
NET CASH FLOW FROM INVESTING ACTIVITIES	**–**	**–**
CASH FROM FINANCING ACTIVITIES		
Cash Payment of lease liabilty and interest	(2,672,467)	(921,012)
Issue of Shares	–	–
Proceed/ (Repayment) of Unsecured Loans	–	–
Interest Paid	–	–
NET CASH FROM FINANCING ACTIVITIES	**(2,672,467)**	**(921,011.63)**
NET CASH FLOW FOR THE YEAR	**(1,621,677)**	**7,454,626**
Balance with Bank in Current Account as at the Opening of the Year	121,206,370	113,662,605
Cash On Hand	199,778	288,917
	121,406,148	**113,951,522**
Balance with Bank In Current Account as at the End of the Year	119,195,978	121,206,370
Cash on Hand	588,493	199,778
	119,784,471	**121,406,149**

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For and on behalf of the Board of Directors of
For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H. Gandhi
Partner
M. No. : 111592
DIN No. 07682095

Abhijit Tare
Director

Kadambari Balachandran
Director

Place : Mumbai

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

The following notes form an integral part of the financial statements.

1 GENERAL INFORMATION

Motilal Oswal Capital Markets (Singapore) Pte. Ltd. (the "Company") is a private limited liability company incorporated and domiciled in Singapore. The registered office of the Company is located at 80 Raffles Place, #32-01 UOB Plaza, Singapore 048624 and the principal place of business is Level 21 (Suite 31), 16 Collyer Quay, Singapore 049318.

Its immediate and ultimate holding company are Motilal Oswal Financial Services Limited and Passionate Investment Management Private Limited, respectively. These companies are incorporated in India.

The principal activity of the Company is the provision of financial advisory services.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements, expressed in Singapore Dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Conversion to Indian Rupees:

For the purpose of these financial statements, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed as Reserves and Surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

(b) Standards Issued but not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2021 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised standards and FRS interpretations will have no material impact on the financial statements of the Company in the period of their initial application.

(c) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account

(d) Financial Assets

(i) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- at fair value through other comprehensive income ("FVOCI"),
- at fair value through profit or loss ("FVPL"), and
- at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company's financial assets measured at amortised cost include other receivables, amount due from immediate holding company and cash and cash equivalents.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

I) Debt instruments

There are three subsequent measurement categories, depending on the company's business model for managing the asset and the cash flow characteristics of the asset:

a) Amortised Cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

b) FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/ (losses)".

c) FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income" or "other expenses".

(II) Equity instruments

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/ (losses)", except where the Company has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in Other Comprehensive Income.

(ii) Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its assets carried at amortised cost and debt instruments measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on financial assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instruments, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(f) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss recognised in accordance with Note 2(h) to the financial statements. Depreciation is calculated on the straight-line basis so as to write off the cost of the assets over their estimated useful lives, as follows:

Office equipment 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted as appropriate, at the end of each financial year.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash on hand which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amounts at which they are readily convertible into cash.

(h) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation, in which case, it will be charged to equity. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(i) Financial Liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements governing the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss

(j) Other Financial Liabilities

The financial liabilities measured at amortised cost comprise other payables and amount due to immediate holding company, which are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

(k) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from financial advisory services is based on a cost plus mark-up basis on the expenses incurred and recognised at point in time when the services are rendered. Performance obligation is satisfied when the services transferred to the customers.

l) Employee Benefits

(i) Defined contribution plans

As required by law, the Company makes contributions to the state pension schemes in the countries that operate in accordance with local regulatory requirements. The state pension scheme for Singapore is Central Provident Fund ("CPF"). The defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employees' annual leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

The fair value of options granted by immediate holding company to the employees of the Company is recognised as an employee expenses with a corresponding increase in amount due to immediate holding company.

The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

(m) Leases

Accounting policy for leases from 1 April 2019

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on their remaining balance of the liability for each period.

Asset and liabilities arising from a lease are initially measure on a present value basis. Lease liabilities include the net present value of fixed lease payments. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liabilities.

The right-of-use asset is subject to testing for impairment if there is an indicator of impairment. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The useful life of the leasehold property is over the lease term of 24 months.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases where the total lease term is less than 12 months and lease contracts for which the underlying asset has a low value. The payments for such leases are recognised in the profit or loss on a straight-line basis over the lease term.

Accounting policy for leases prior to 1 April 2019

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(n) Taxation

Current income tax assets and liabilities for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised.

(o) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting period are translated at exchange rates ruling at that date. Foreign currency exchange differences arising from translation are recognised in the statement of comprehensive income.

(p) Related Party

A related party is defined as follows:

(a) A person, or a close member of that person's family, is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary corporation and fellow subsidiary corporation is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

NOTE 1 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
Cash on hand	10,802.42	588,492.71	3,802.42	199,778.23
Balances with banks				
In current accounts	2,187,971.04	119,195,977.81	2,306,945.72	121,206,369.85
Total	**2,198,773.46**	**119,784,470.52**	**2,310,748.14**	**121,406,148.08**

NOTE 2 : RECEIVABLES

Particulars	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
(i) Trade receivables				
Unsecured, considered good	549,460.87	29,933,451.80	317,440.34	16,678,238.64
	549,460.87	**29,933,451.80**	**317,440.34**	**16,678,238.64**
Total	**549,460.87**	**29,933,451.80**	**317,440.34**	**16,678,238.64**

NOTE 3 : OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
Rent, electricity, and other deposits	113,305.01	6,172,614.36	145,236.33	7,630,681.63
Total	**113,305.01**	**6,172,614.36**	**145,236.33**	**7,630,681.63**

NOTE 5 : OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
Other payables (includes payable to vendors)	234,308.56	12,764,628.56	157,496.02	8,274,802.78
Provision for expenses	20,663.83	1,125,721.22	15,164.47	796,737.58
Accrued salaries and benefits	4,614.95	251,412.59	34,321.38	1,803,237.00
Lease Liability - OFL	8,693.65	473,611.44	34,036.53	1,788,271.05
Total	**268,280.99**	**14,615,373.81**	**241,018.40**	**12,663,048.41**

NOTE 6 : EQUITY SHARE CAPITAL YTD MARCH 21

Particulars	Number	Amount (₹)
Authorised shares		
Issued and subscribed		
Paid-up		
Equity shares of ₹ 1 each	–	2,250,000.00
Total	**–**	**2,250,000.00**
Minority Interest on Share Capital - Computed		**–**
Minority Interest on Share Capital - Adjusted		**–**
Total Minority Interest on Share Capital		**–**
Share Capital transferred to Balance Sheet		**2,250,000.00**

EQUITY SHARE CAPITAL YTD MAR FY20 INR

Particulars	Number	Amount (₹)
Authorised shares		
Issued and subscribed		
Paid-up		
Equity shares of ₹ 1 each	–	104,087,500.00
Total	**–**	**104,087,500.00**
Minority Interest on Share Capital - Computed		**–**
Minority Interest on Share Capital - Adjusted		**–**
Total Minority Interest on Share Capital		**–**
Share Capital transferred to Balance Sheet		**104,087,500.00**

EQUITY SHARE CAPITAL YTD MAR FY20

Particulars	Number	Amount (₹)
Authorised shares		
Issued and subscribed		
Paid-up		
Equity shares of ₹ 1 each	–	2,250,000.00
Total	**–**	**2,250,000.00**
Minority Interest on Share Capital - Computed		**–**
Minority Interest on Share Capital - Adjusted		**–**
Total Minority Interest on Share Capital		**–**
Share Capital transferred to Balance Sheet		**2,250,000.00**

EQUITY SHARE CAPITAL YTD MARCH 21 INR

Particulars	Number	Amount (₹)
Authorised shares		
Issued and subscribed		
Paid-up		
Equity shares of ₹ 1 each	–	104,087,500.00
Total	**–**	**104,087,500.00**
Minority Interest on Share Capital - Computed		–
Minority Interest on Share Capital - Adjusted		–
Total Minority Interest on Share Capital		–
Share Capital transferred to Balance Sheet		**104,087,500.00**

NOTE 7 : OTHER EQUITY

Particulars	As at March 31, 2021 SGD	As at March 31, 2021 (₹)	As at March 31, 2020 SGD	As at April 1, 2020 (₹)
Foreign currency translation reserve				
Balance at the beginning of the year	–	14,453,884.64	–	11,167,357.86
Foreign Currency Translation Reserve for the period	–	4,922,229.02	–	3,286,579.32
FCTR manually added	(1.00)	(54.48)	(1.00)	(52.54)
Balance at the end of the year	**(1.00)**	**19,376,059.18**	**(1.00)**	**14,453,884.64**
Retained earnings				
Balance at the beginning of the year	282,466.03	14,513,715.18	198,412.04	10,171,358.63
Balance at the beginning of the year - after Minority Interest	282,466.03	14,513,715.18	198,412.04	10,171,358.63
Add: Net profit for the year	60,851.94	3,301,082.00	84,053.99	4,342,356.55
Balance as at end of the year	**343,317.97**	**17,814,797.18**	**282,466.03**	**14,513,715.18**
Total	**343,316.97**	**37,190,856.36**	**282,465.03**	**28,967,599.82**

NOTE 8 : FEES AND COMMISSION INCOME

Particulars	For the Period ended March 31, 2021 SGD	For the Period ended March 31, 2021 (₹)	For the Period ended March 31, 2020 SGD	For the Period ended April 1, 2020 (₹)
Research and advisory fees	485,424.04	26,333,170.22	590,674.34	30,515,131.87
Total	**485,424.04**	**26,333,170.22**	**590,674.34**	**30,515,131.87**

NOTE 9 : OTHER INCOME

Particulars	For the Period ended March 31, 2021 SGD	For the Period ended March 31, 2021 (₹)	For the Period ended March 31, 2020 SGD	For the Period ended April 1, 2020 (₹)
Other Non-Operating Income	14.83	804.49	11,046.57	570,682.55
Total	**14.83**	**804.49**	**11,046.57**	**570,682.55**

NOTE 10 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the Period ended March 31, 2021 SGD	For the Period ended March 31, 2021 (₹)	For the Period ended March 31, 2020 SGD	For the Period ended April 1, 2020 (₹)
Salary, bonus and allowances	275,681.00	14,955,078.65	335,296.40	17,321,920.33
Contribution to provident fund and other benefits	8,167.00	443,041.51	19,020.00	982,602.03
Expenses on employee stock option scheme	34,625.45	1,878,353.34	50,622.90	2,615,255.76
Staff welfare expenses	–	–	3,039.59	157,029.83
Total	**318,473.45**	**17,276,473.50**	**407,978.89**	**21,076,807.95**

NOTE 11 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Period ended March 31, 2021 SGD	For the Period ended March 31, 2021 (₹)	For the Period ended March 31, 2020 SGD	For the Period ended April 1, 2020 (₹)
Depreciation / amortization of property, plant and equipment and intangible assets	25,029.73	1,357,806.96	16,224.75	838,195.18
Total	**25,029.73**	**1,357,806.96**	**16,224.75**	**838,195.18**

NOTE 12 : OTHER EXPENSES

Particulars	For the Period ended March 31, 2021 SGD	For the Period ended March 31, 2021 (₹)	For the Period ended March 31, 2020 SGD	For the Period ended April 1, 2020 (₹)
Rent	24,911.77	1,351,407.89	37,945.94	1,960,344.79
Insurance	2,873.32	155,871.19	347.72	17,963.74
Legal and professional charges	33,593.04	1,822,347.41	19,842.69	1,025,103.44
Remuneration to auditors	11,000.00	596,725.44	10,999.96	568,274.61
Membership and subscription	392.37	21,285.20	428.00	22,111.13
Printing and stationery	577.79	31,343.82	1,197.45	61,862.08
Communication expenses	1,390.40	75,426.09	3,961.22	204,642.63
Travelling and conveyance expenses	200.00	10,849.55	606.36	31,325.48
Entertainment expenses	–	–	2,753.45	142,247.40
Miscellaneous expenses	3,665.99	198,871.76	11,867.11	613,072.90
Total	**78,604.68**	**4,264,128.35**	**89,949.90**	**4,646,948.20**

NOTE 13 : TAXATION

Provision for the current tax has been made for ₹134,484 , Previous year ₹ 181,506

NOTE 14 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year ₹135,1408/- (Previous year ₹196,0345/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head “ Rent “.

As at March 31, 2021 he total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Operating Lease Commitments

Particulars	For the Period ended March 31, 2021 (₹)	For the Period ended April 1, 2020 (₹)
Payable within 1 year	1,351,408	1,960,345
Payable after 1 year but not later than 5 years		
Total	**1,351,408**	**1,960,345**

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the relevant authorities.

NOTE 15 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Period ended March 31, 2021 (₹)	For the Period ended April 1, 2020 (₹)
Profit attributable to equity shareholders (Rupees)	3,301,082	4,342,358
Weighted average number of equity shares outstanding during the year	1,361,111	1,361,111
Nominal value per share (Rupees)	76.47	76.47
Earnings per share (Basic and diluted) (Rupees)	2.43	3.19

NOTE 16 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 17 : RELATED PARTY TRANSACTIONS

(i) Relationships during the year

A) Enterprises where control exists

- Motilal Oswal Financial Services Limited – Holding company
- Passionate Investment Management Private Limited - Ultimate Holding company

B) Fellow subsidiaries

- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Private Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Honkong) Pvt Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited

– Aspire Home Finance Corporation Limited
– India Business Excellence Management Company
– Motilal Oswal Asset Management (Mauritius) Private Limited
– Nagori Agro & Cattle Feeds Private Limited
– Motilal Oswal Capital Limited
– Motilal Oswal Finsec IFSC Limited
– Glide Tech Investment Advisory Private Limited

C) Key management personnel

– Abhijit Tare - Director
– Kadambari Balachandaran - Director

ii) Transactions with related parties for the year ended March 31, 2021

Transactions	Name of the related Party	For the Period ended March 31, 2021 (₹)	For the Period ended April 1, 2020 (₹)
Advisory Fees (charged) / paid	Motilal Oswal Financial Services Limited	(26,333,170)	(30,515,132)
Director's remuneration	Kadambari Balachandaran	2,948,800	3,179,043
Advisory Fees Receivable at the year end	Motilal Oswal Financial Services Limited	29,933,452	16,678,239

Note: Income/receipts figures are shown in brackets.

NOTE 18 : AUDITOR'S REMUNERATION

Particulars	For the Period ended March 31, 2021 (₹)	For the Period ended April 1, 2020 (₹)
As Auditors:		
Audit fees	596,725	568,275
In any other capacity, in respect of:		
Other Certification	–	–
TOTAL	**596,725**	**568,275**

NOTE 19 :

Previous year figures have regrouped/ rearranged where necessary to confirm to current year's classifications.

Signatures to Notes forming part of the financial statements

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

For and on behalf of the Board of Directors of
For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H. Gandhi
Partner
M. No. : 111592
DIN No. 07682095

Abhijit Tare
Director

Kadambari Balachandran
Director

Place : Mumbai