

Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397
Regd. Off.: Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025
Board: +91 22 7193 4200 / 4263
Fax: +91 22 5036 2365

June 17, 2022

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001
Security Code: 532892

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051
Symbol: MOTILALOFS

Sub: Annual Report of the Company for the Financial Year (“FY”) 2021-22 along with Notice of the Seventeenth Annual General Meeting

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed herewith the copy of the Annual Report for the FY 2021-22 along with Notice of Seventeenth Annual General Meeting (“AGM”) scheduled on **Monday, July 11, 2022 at 4.00 p.m.** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

Further, the aforesaid Annual Report along with Notice of AGM has also been uploaded on the website of the Company at www.motilaloswalgroup.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Motilal Oswal Financial Services Limited

Kailash Purohit
Company Secretary & Compliance Officer
Encl: As above

35
YEARS

MOTILAL OSWAL

ANNUAL REPORT 2021-22

THE WEALTH CREATION DEMOCRACY





THE WEALTH CREATION DEMOCRACY

At Motilal Oswal we believe that in the world's largest democracy, everyone deserves the right to create wealth, the reason why we provide high quality research, advice and a range of products to different kinds of customers in markets large and small. We do this by using the reach of our wide physical network and the scalability of our digital platforms. This helps make wealth creation accessible for all, creating a Wealth Creation Democracy.

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Motilal Oswal

Managing Director & Chief Executive Officer
Motilal Oswal Financial Services Limited

MD's MESSAGE

Dear Shareholders,

India entered into FY2022 with the threat of 2nd Covid wave looming over. Despite the pandemic situation, markets continued to have a bullish run as both indices touched all-time high in the month of October 2021. There was an increasing retail participation in capital markets witnessed during the year as the industry added all-time high demat accounts along with record fund mobilization through IPO route. With tensions arising due to Russia Ukraine conflict, market witnessed a free fall. Subsequently, markets bounced back and erased some of its losses by March 2022.

FY2022 added another feather in our cap as we continued to reach new highs on several parameters. We reported highest ever consolidated revenues of ₹ 4,320 crore and PAT of ₹ 1,311 crore. Our operating PAT touched an all-time high of ₹ 905 crore, registering a growth of 69% YoY. Our ROE, excluding other comprehensive income, stood at 30% in FY2022. Our focus on knowledge, talent, processes, technology, brand & culture and inter-segment synergies have helped us in achieving key milestones across all business verticals. We continue to remain optimistic on the growth potential of our all business verticals given the robust fundamental structure.

On the capital markets front, Indian equity markets continued their bullish run for most part of the financial year. The industry witnessed a record of 3.5 crore new demat accounts being opened. While FIIs were on a selling spree in FY2022, DIIs offset the pressure and recorded highest ever inflows. The success of "Phygital Business model" of our broking business has continued to yield positive results as we recorded highest ever Broking revenues, profit and ADTO in FY2022. We successfully added 8.8 lakh clients in FY2022, taking the total retail client base to ~28.5 lakh. We have one of the highest ARPUs in the industry. Our cash market share was at multi period high in FY2022. Our distribution AUM at ₹ 16,764 crore has huge head-room for growth. We have made significant investments in this business in talent and digital marketing. In Institution business, our rankings and clientele continued to remain robust. We were awarded #1 Domestic Brokerage and Overall Sales in Asia Money Brokers Poll 2021. Our Investment Banking business made a turnaround in performance this year as we closed 13 deals. We continue to engage on a wide cross-section of mandated transactions across capital markets and advisory.

Our AMC AUM which includes MF, PMS and AIF stood at ₹ 49,020 crore in FY2022. SIP inflows crossed ₹ 200 crore monthly milestone in FY2022 with highest ever monthly inflows recorded in March 2022. Our gross sales at AMC level increased by 49% YoY led by 125% growth in Alternate sales. Further, improvement in performance coupled with decline in redemptions has resulted in strong positive net sales in FY2022 as compared to net outflows in FY2021. We have witnessed strong traction in our Passive offerings, our AUM crossed ₹ 10,000 crore mark. Fee earning PE and RE AUM crossed ₹ 10,000 crore. We exited from all investments of IBEF I and the fund had delivered a XIRR of ~27%. During the year, we launched IBEF IV, the biggest PE fund, with a target size of ₹ 4,500 crore. We have witnessed overwhelming response to this fund as it has achieved its 2nd close at ₹ 4,000 crore.

IREF V, which was launched in FY2021, attained its close at ₹ 1,215 crore. Our wealth management business recorded 53% YoY growth in revenue led by 36% YoY growth in AUM at ₹ 34,389 crore and strong net sales of ₹ 5,400 crore. Strong operating leverage was visible in this business which was led by improvement in RM productivity. We continue to invest in this business by adding RMs. With improvement in the vintage of RMs, the profitability of our wealth management is poised for further traction.

On our housing finance business, our efforts to strengthen the organisation in terms of processes, systems, manpower, culture and structure has yielded results, as we recorded highest ever profitability in FY2022. During the year, CRISIL/ICRA upgraded/assigned AA rating to long term borrowings of MOHFL. Our full year disbursements grew by 136% YoY to ₹ 643 crore. We have joined hands with U.S. International Development Finance Corporation (DFC), world's largest development finance institution during the course of FY2022. DFC has committed USD 50 million as a long term loan under ECB route. Apart from that, we continued to have strong Liability Mobilizations from various Banks & Institutions at competitive rates. Our cost of borrowings for FY2022 stood at 8.2%, down by 105 bps YoY. Further, we have expanded our sales force with 600+ sales employees currently in place and expanded our presence in Northern India. In our fund based businesses (comprising of sponsor commitments to quoted equity and private equity funds), we recorded gains on investments at ₹ 407 crore. As per IND-AS, these gains are a part of our reported earnings. Our QGLP philosophy, niche expertise in equities, proven track record and belief in 'skin in the game', augurs well for our fund based business.

Some of the key highlights of FY2022 include group's asset under advice crossing ₹ 3 lakh crore mark, 68% growth in PAT of Capital Markets business, 116% growth in PAT of Wealth Management business, successful launch of IBEF IV fund and highest ever NIM and lowest ever COF for Home Finance business.

Our strategy to diversify our business model towards linear sources of earnings continue to show positive results. Capital Market business, which is our oldest and cash cow business, has achieved new high on various parameters and continues to benefit from industry consolidation led by knowledge driven Phygital offerings. Our Asset Management business is likely to gain from strong product performance and its niche offerings. Going forward, with ample room for scalability of our Housing Finance and other businesses, we remain excited for the future prospects of the Company.

IMF has estimated a growth rate of 8.2% in FY2023 with India retaining its tag as the fastest growing major global economy. India is gradually becoming a preferred investment hub for many global MNCs. The growing demand for affordable housing industry stands positive for our business. Sustenance of macros at reasonable levels augurs well for our business and industry as a whole. As these macro trends open up opportunities, our experience and emphasis on 'Knowledge First' give us the ability to capture these growth prospects.

I sincerely thank all the employees for their unwavering commitment towards the Company in the thick and thin of the journey. I also thank all the stakeholders who have shown support and rendered well-wishes for the Company. I have no doubts that the new financial year will bring its own challenges and opportunities and that this fine team will be up and running to face them.

With best wishes,

Sincerely,

Motilal Oswal

Managing Director & Chief Executive Officer
Motilal Oswal Financial Services Limited.

BOARD OF DIRECTORS



RAAMDEO AGARAWAL
Non-Executive Chairman



MOTILAL OSWAL
Managing Director (MD) &
Chief Executive Officer (CEO)



NAVIN AGARWAL
Non-Executive Director, MOFSL
(MD & CEO, MOAMC)



C. N. Murthy
Independent Director



Chandrashekhar Karnik
Independent Director



Pankaj Bhansali
Independent Director



Divya Momaya
Independent Director



Swanubhuti Jain
Independent Director

Kailash Purohit
Company Secretary and Compliance Officer

Statutory Auditors
M/s Singhi & Co., Chartered Accountants

Internal Auditors
M/s. Aneja Associates

Registrar and Share Transfer Agent
Link Intime India Private Limited.
C - 101, 247 Park, L.B.S. Marg, Vikroli (West), Mumbai - 400083
E-mail: rnt.helpdesk@linkintime.co.in

Registered Office
Motilal Oswal Financial Services Limited
Regd. Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025.
CIN: L67190MH2005PLC153397
Website: www.motilaloswalgroup.com
Board: +91 22 7193 4200/7193 4263
Fax: +91 22 5036 2365
Email: shareholders@motilaloswal.com

KEY PEOPLE



Ajay Kumar Menon
CEO, Broking & Distribution Business,
Whole-time Director, MOFSL



Rajat Rajgarhia
CEO, Institutional Equities Business
& Whole-Time Director, MOFSL



Vishal Tulsyan
MD & CEO,
Private Equity Business



Abhijit Tare
CEO, Investment Banking
Business



Ashish Shanker
MD & CEO,
Private Wealth Business



Shalibhadra Shah
Chief Financial Officer



Sudhir Dhar
Group Head, Human Resource
& Administration

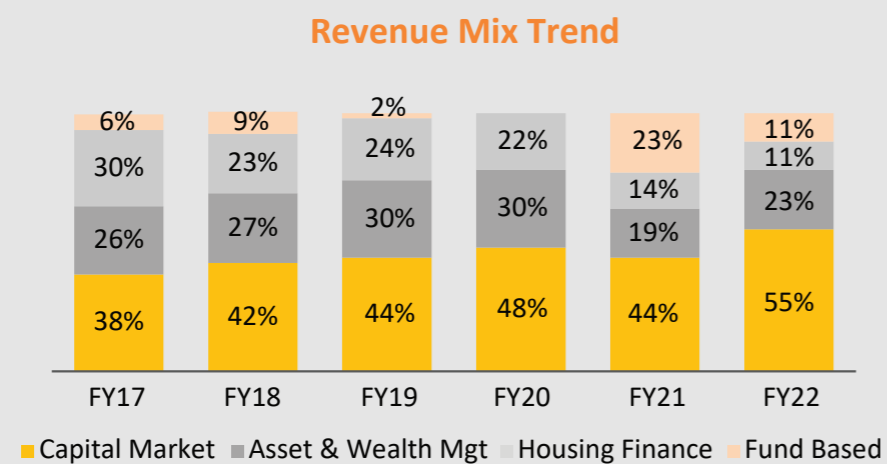
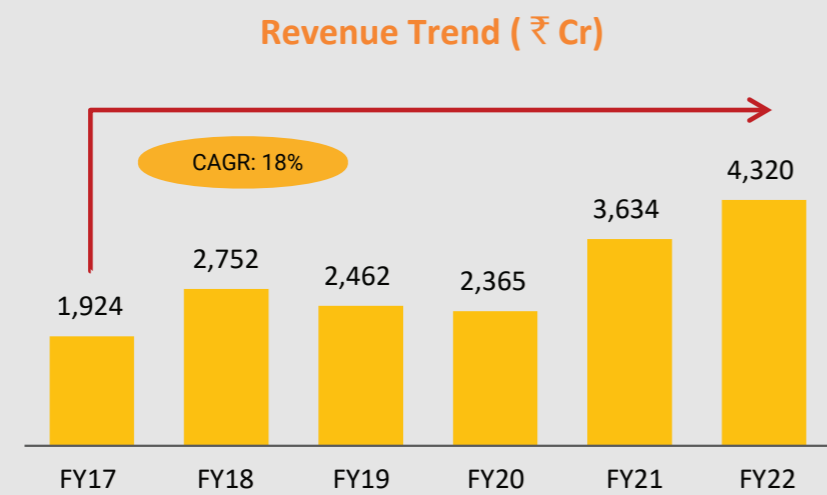
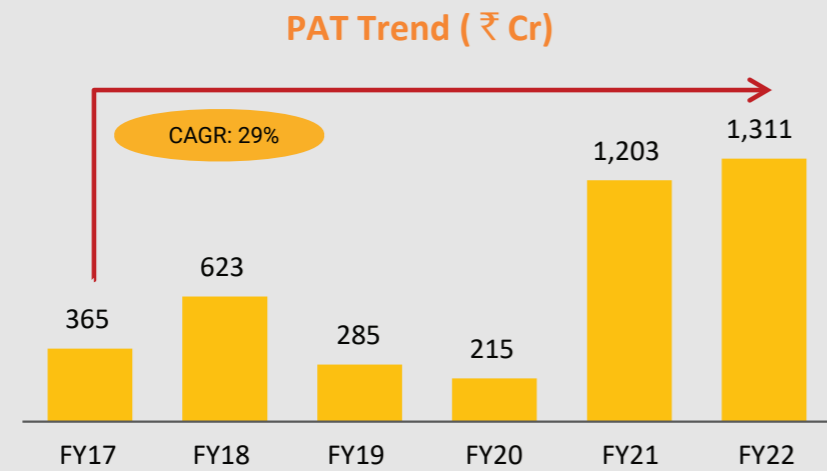


Pankaj Purohit
Group Head,
Information Technology

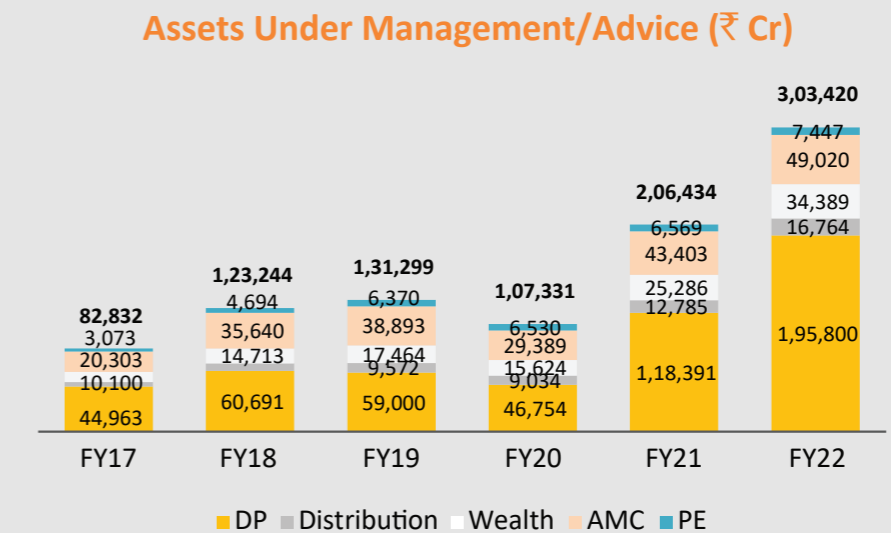
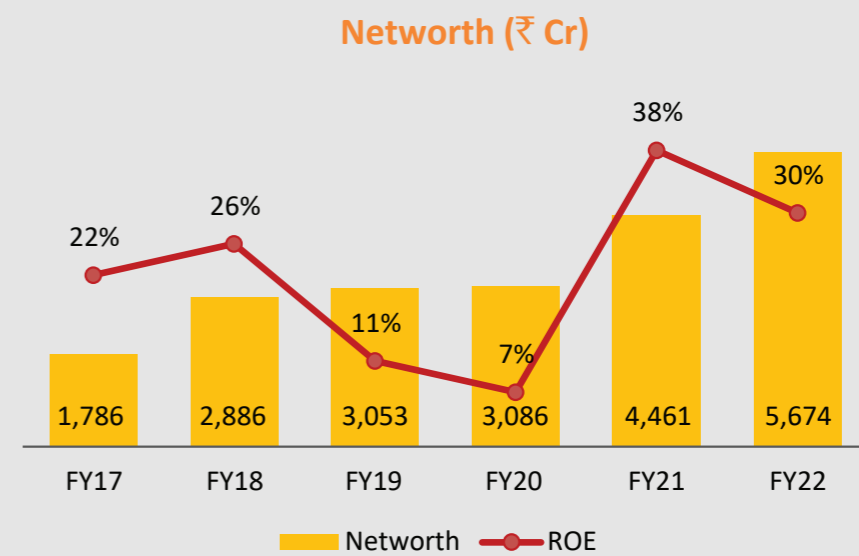
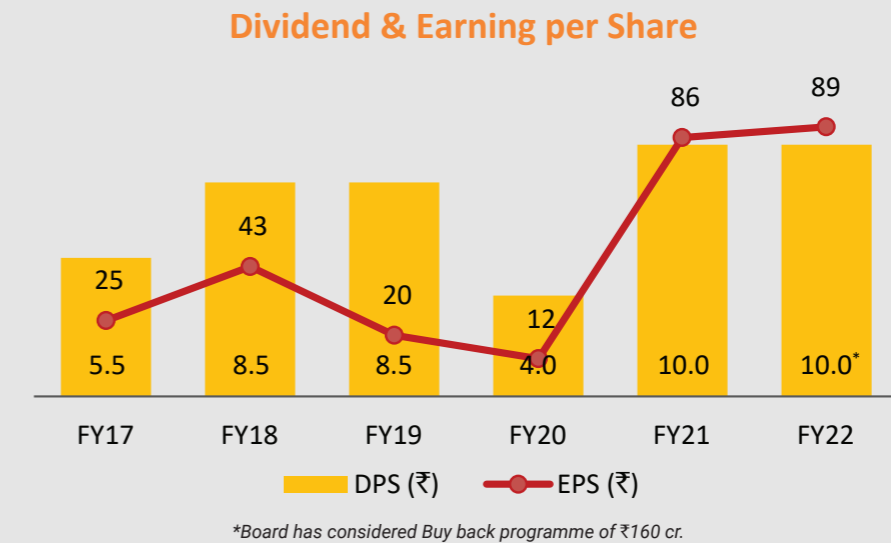


Ramnik Chhabra
Group Head, Marketing

PERFORMANCE AT A GLANCE



PERFORMANCE AT A GLANCE



BUSINESS SNAPSHOT

Broking & Distribution

- Broking recorded highest ever ADTO, annual revenue and profit in FY2022.
- One of the highest ARPU's in the industry.
- Total retail client base stood at ~28.5 lakh with a growth of 44% YoY.
- Around 8.8 lakh new client acquisitions in FY2022, registering a YoY growth of 43%.
- DP AUM was at an all-time high in FY2022 at ₹ 1,95,800 crore, registering a YoY growth of 65%.
- Our financial product distribution AUM witnessed a growth of 31% YoY to ₹ 16,764 crore as of March 2022.
- Significant investment has been made in talent (+900 in FY2022), taking total headcount to ~5,800.
- Research and advisory continues to be the strong base of broking services.
- Ramped up digital acquisition by expanding dedicated digital acquisition team.
- Enhancing our client journey by building Super Fina app, Research Portal, e-KYC journey and redesigning options flow strategy.

Institutional Equities

- Ranked #1 in Domestic Brokerage, Overall Sales, Corporate Access, Execution and Sales Person awards category at Asia Money Brokers Poll 2021.
- Focus driven differentiated research products with 250+ companies covering 20+ sectors.
- Continued to acquire new empanelment and maintained it with ~800 institutions.
- The 17th edition of our annual flagship conference- AGIC was attended by 150+ corporates across 20+ sectors and over 80% CXO level participation.
- Organized Fintech Conferences and Ideation Conferences.

Investment Banking

- Total 13 deals were executed in FY2022.
- Completed IPOs of Aditya Birla Sun Life AMC, Devyani International, GR Infraprojects and Metro Brands.
- Completed QIPs of Restaurant Brands Asia, Union Bank of India, Mold-Tek Packaging and Gulshan Polyols.
- Continue to have rich pipeline, and are constantly engaging on a wide cross-section of mandated transactions across capital markets and advisory.

Wealth Management

- Wealth AUM was at an all-time high in FY2022 at ₹ 34,389 crore, up 36% YoY.
- Net Sales in FY2022 nearly doubled YoY to ~₹ 5,400 crore.
- Trail revenues covered 89% of fixed costs in FY2022.
- Yield stood at 63 bps in FY2022.
- RM Vintage (3+ years) have improved to 49% in FY2022 from 46% in FY2021.

BUSINESS SNAPSHOT

Asset Management

- AMC AUM was at an all-time high in FY2022 at ₹ 49,020 crore.
- MF AUM stood at ₹ 30,600 crore, while Alternate AUM stood at ₹ 18,177 crore.
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at 37%.
- Focus on CAT III long only close ended AIF with AUM of ~₹ 5,800 crore (including pending commitment amount to be received).
- Received strong traction in Passive offerings, AUM crossed ₹ 10,000 crore mark. Most of the investments by large family offices are preferring our unique passive and international offerings.
- Added 4.8 lakh SIPs in FY2022, up 54% YoY. New SIP count market share stood at 1.8%.
- SIP inflows touched an all-time high of ₹ 219 crore in March 2022.
- Motilal Oswal NTDOP ranked #1 in Best PMS in 10 years performance across all categories (on Risk-Adjusted Returns) at India's Smart Money Manager Awards – 2021.

Private Equity

- PE and RE Fee Earning AUM crossed ₹ 10,000 crore across three growth capital funds and four real estate funds.
- Growth capital funds have been successful in gaining investors' confidence with stellar returns over the years.
- IBEF I has exited from all investments and delivered a portfolio XIRR of ~27%.
- IBEF III at ~₹ 2,300 crore stands fully committed across 11 investments.
- Launched IBEF IV, one of the biggest fund, with a target size of ₹ 4,500 crore. The fund achieved its 2nd close at ₹ 4,000 crore.
- IREF II and III fully deployed, generating 21%+ IRR on exited investments.
- IREF IV, with a size of ₹ 1,148 crore has deployed ₹ 1,170 crore across 21 investments.
- IREF V achieved its final close at ₹ 1,215 crore and the fund has deployed ₹ 314 crore across 8 investments.

Housing Finance

- Disbursements in FY2022 grew by 136% YoY to ₹ 643 crore. Business is geared up for stronger growth in disbursements.
- India Ratings assigned AA rating; CRISIL upgraded rating to AA from AA-; ICRA upgraded rating to AA- from A+.
- Cost of borrowing came down by 105 bps YoY in FY2022 at 8.2%. We raised ₹ 1,433 crore in FY2022 at 7%.
- Joined hands with U.S. International Development Finance Corporation (DFC), world's largest development finance institution. DFC has committed USD 50 million as a long term loan (for 15 years @ fixed ROI) under ECB route.
- Completed first Direct Assignment transaction.
- GNPA was down to 1.6% in FY2022 from 2.2% in FY2021 led by improved collection efficiency, which stood at 104% in March 2022.
- There was strong support from parent (Motilal Oswal Financial Services), total cumulative capital infusion from sponsor at ₹ 850 crore, resulting into lower net leverage (Debt/Equity ratio) of 2.3x.
- Strong capital adequacy ratio of 52% with Tier I at 50% in FY2022.

5 YEARS PERFORMANCE HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE

₹ in Lakhs

Year Ended March 31	2022	2021*	2020	2019	2018	2017
Total Income	4,31,983	3,63,412	2,36,541	2,46,174	2,75,234	1,92,362
Total Expenditure	2,70,402	2,08,760	2,08,022	2,08,383	1,92,326	1,39,012
Profit before Exceptional Item and Tax	1,61,581	1,54,652	28,519	37,790	82,908	53,350
Exceptional Item Income (Expenses)	-	-8,810	-	-	-	-2,788
Profit Before Tax	1,61,581	1,45,842	28,519	37,790	82,908	50,562
Tax Expenses	30,508	25,546	6,979	9,265	20,586	14,109
Profit after Tax before Associates, OCI & Minority Interests	1,31,073	1,20,296	21,540	28,525	62,322	36,453
Share of profit from associates (net of taxes)	172	6,177	-2,582	1,306	906	604
Profit after Tax before OCI & Minority Interests	1,31,245	1,26,473	18,958	29,831	63,228	37,057
Other comprehensive income	4,106	29,192	-5,986	-290	11,122	-
Profit after Tax before Minority Interests	1,35,351	1,55,665	12,972	29,542	74,350	37,057
Minority Interests Profit	269	431	618	436	1,003	1,060
Profit after Tax & Minority Interests	1,35,081	1,55,233	12,354	29,105	73,347	35,997
Paid up Equity Capital	1,491	1,485	1,481	1,457	1,451	1,445
Net Worth	5,67,437	4,46,142	3,08,630	3,05,344	2,88,590	1,78,603
Book Value Per Share	380.67	300.46	208.44	209.60	198.91	123.64
Basic EPS	89.14	85.67	12.47	20.21	43.00	25.14
Diluted EPS	88.38	83.70	12.20	19.67	42.32	24.79

*Restated due to Scheme of Arrangement

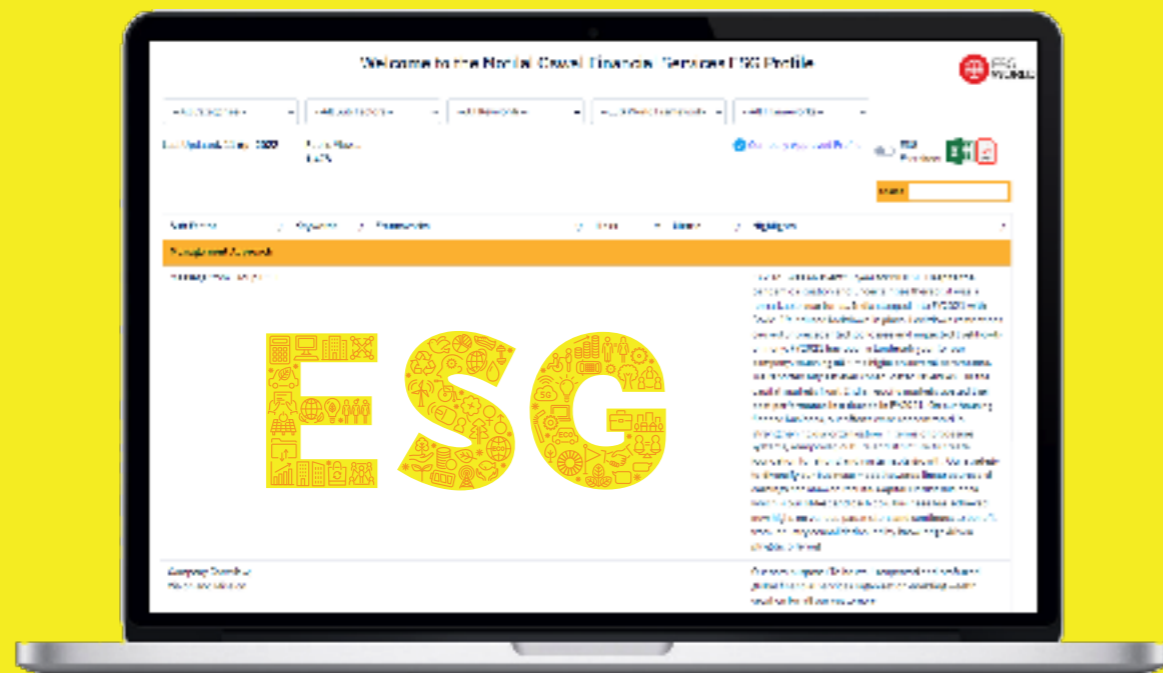
ESG Website

MOFSL has launched an online ESG profile ([Link](#)) platform, which is a public, consolidated, and searchable profile on MOFSL group website, that summarizes the company's approach towards sustainability.

Provides insightful and easily accessible information on the impact of group's activities across ESG areas.

This profile will allow various stakeholders such as clients, shareholders, financial institutions, regulators, rating agencies etc. to conveniently review and keep abreast of the company's rapidly evolving ESG practices.

MOFSL becomes one of early adopters of a transparent, comprehensive and real time platform to share company-wide ESG commitments.



ESG



ENVIRONMENT

- Reduce
- Reuse
- Recycle

SOCIAL

- Employee Engagement
- Learning & Development
- Talent Attraction & Management
- CSR Activities

GOVERNANCE


- Supervisory Board
- Risk Management
- Compensation Framework
- Compliance & Policies

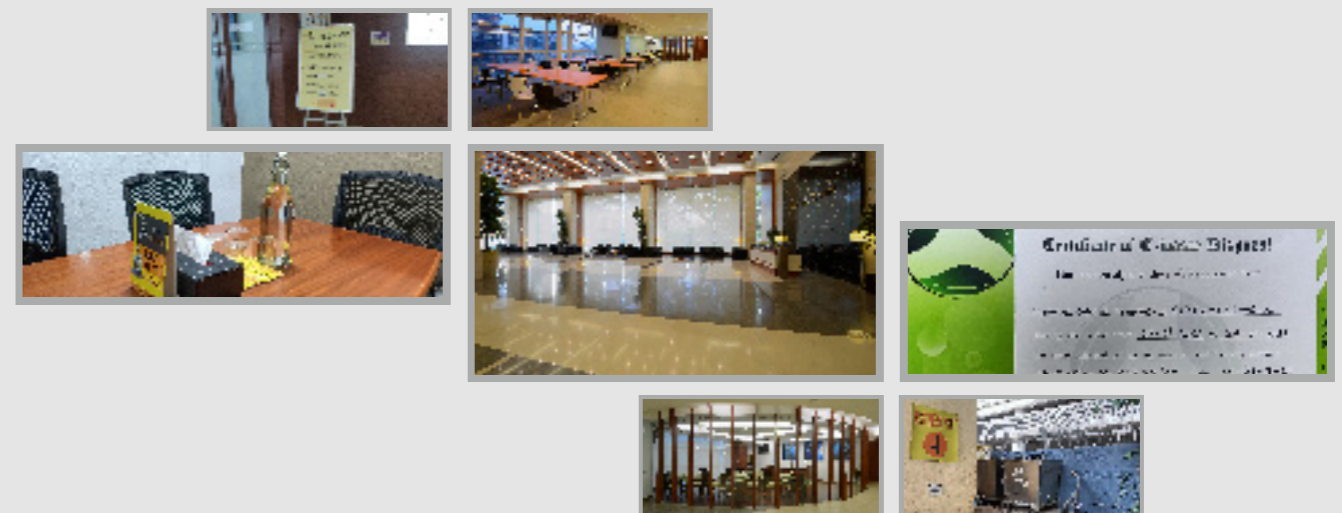
ENVIRONMENT



- Reduce
- Reuse
- Recycle

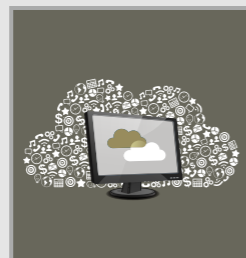
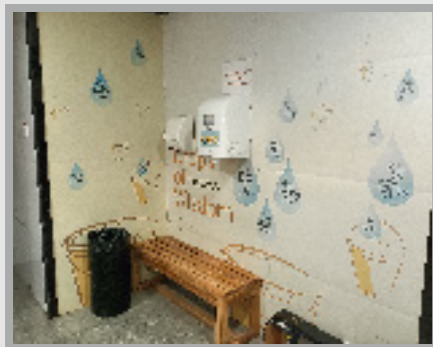
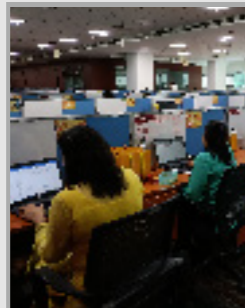
a Reduce - Facilities

-  Usage of LED lights leading to less electricity consumption
-  Motion sensors are installed in office space to save electricity
-  Usage of sensors in water taps to reduce wastage while washing hands
-  Installed IBMS system to save energy (Water Pump Automation , HVAC Switch on /off) & monitor building operation
-  Emphasis on increased use of electronic means of communication
-  Food wastage awareness drive is conducted in head office
-  Dry and wet waste segregation
-  No single-use plastics; usage of glass bottles, mugs and reusable cutlery
-  Taken the responsibility of cleanliness of the footpath in front of and opposite to our office



a Reduce - Information Technology

- More than 80% of servers are in virtual environment which reduces electricity cost & carbon foot print
- Laptops are issued to employees instead of Desktops as they are energy efficient
- Old UPS are replaced with new unity power UPS which helps in reducing carbon footprint
- Removal of e-wastage with the aid of authorized e-waste vendor
- Routine inspection of equipment to reduce losses and power consumption of data center



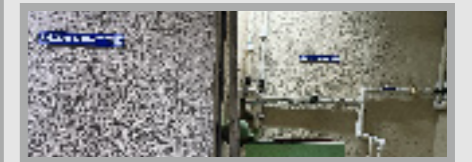
b Reuse

- Planted and maintaining trees in & around the office premises.
- Usage of live plants as art décor.

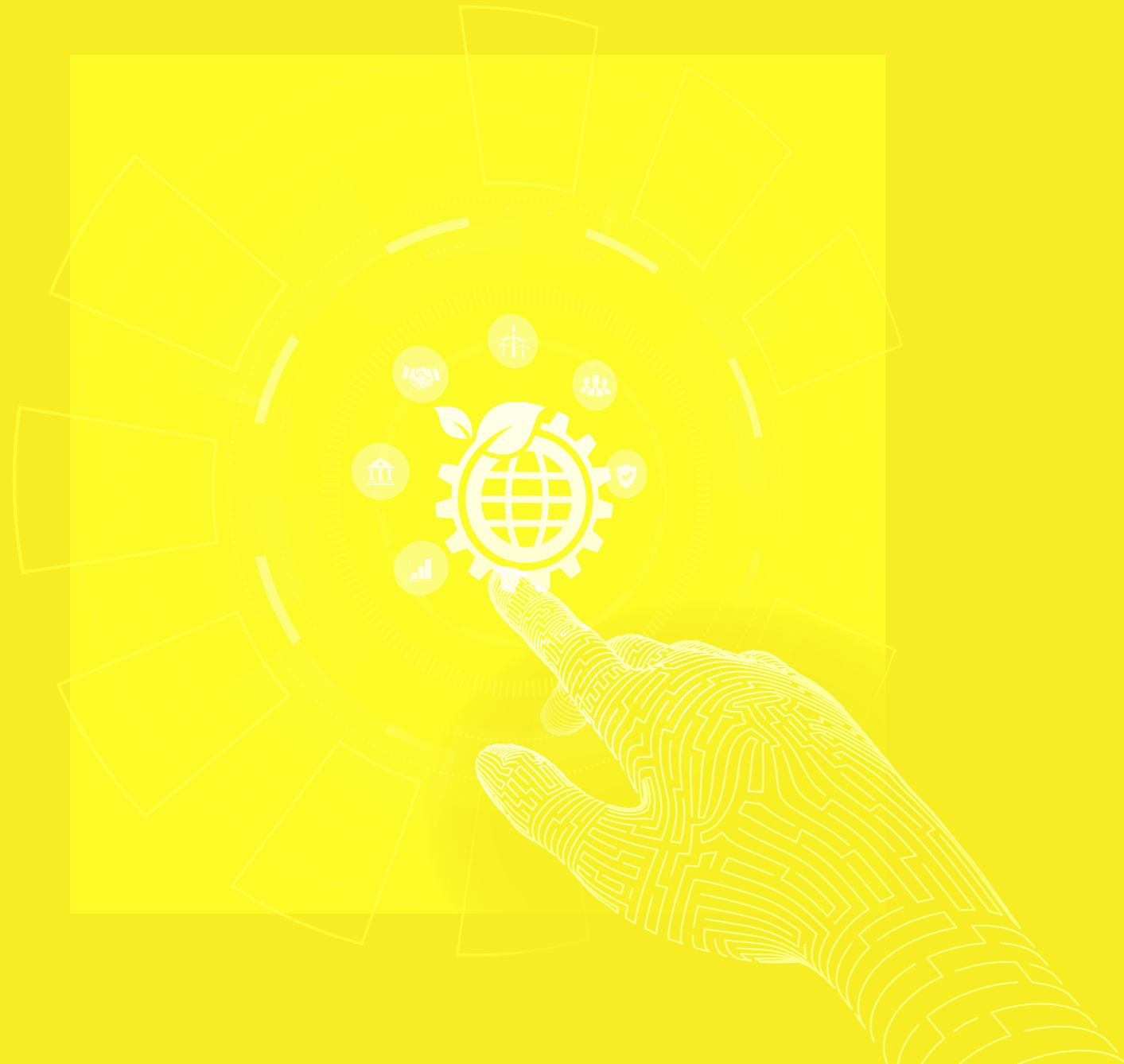


c Recycle

- Paper, tissue and cardboard waste are recycled
- Main office building is equipped with rainwater harvesting system and recycled waste water is reused as flush water and in watering plants
- Donated composting machine for recycling waste to our local municipality ward



SOCIAL












Employee Engagement

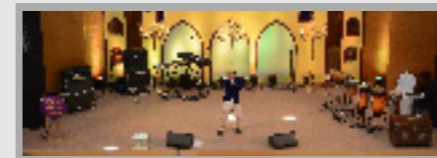
Learning & Development

Talent Attraction & Management






CSR Activities

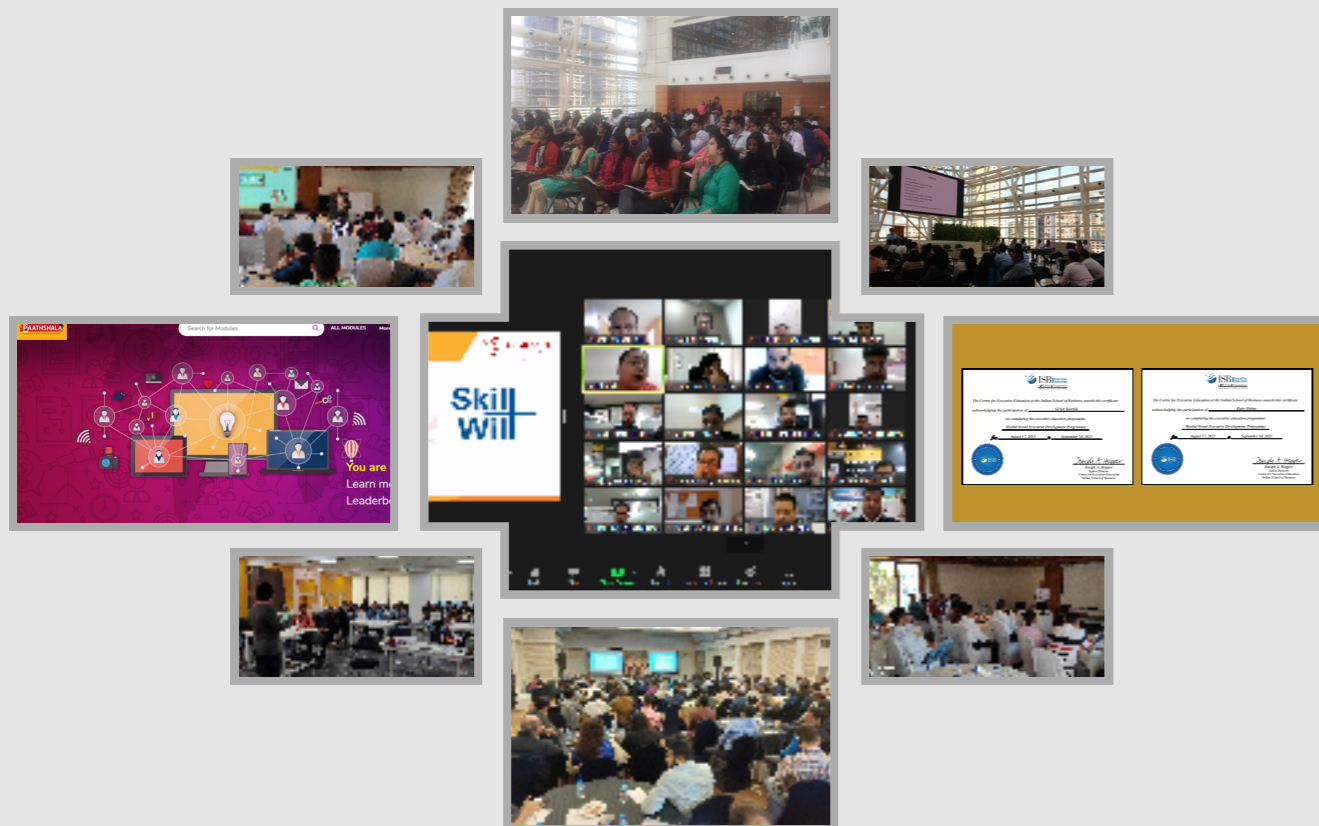
a Employee Engagement

-  Organised a free health check-up event for all associates Pan India through Dr Lal Path Labs
-  Conducted vaccination drive for both doses for associates and their family members
-  Designated Covid support desk for employees
-  Medical – Moral – Financial support to employees & their families combating Covid
-  Paid paternity, maternity leave, work from home, physical & emotional wellbeing assistance program
-  Employee engagement programs- sports events & festival celebrations
-  Online events where associates showcase their talents
-  Virtual yoga, health, diet tips, fitness challenge
-  Conducted career counselling sessions and summer camp for employees' children










b Learning & Development

-  Learning through Virtual Platform: Capsular and Byte sized learning
-  Dedicated Learning App (Paathshala)- continuous learning through existing and new modules
-  External certifications based on the roles with reputed universities
-  Senior Leadership and Management Development Programs
-  Around 30,000 soft skill training hours provided during the year



c Talent Attraction & Management

- Compounding Contributors**
 -  Organized an event to appreciate, recognise, celebrate and felicitate employees who have completed 10 years and above in the organisation.
 -  Employees were provided with personalised gold coins with their names embossed on it.
-  MT Spark Program: Learning through Job Rotations by hiring from Tier II and Tier III campus for all business
-  Hiring from premier management institutions
-  Campus engagement through guest lectures and launching competition
-  Dedicated Talent Development Program for developing High Potentials, fast-tracking for Hi-Pos
-  Development tools in the form of IDPs, coaching, CEO mentoring, Projects, Management Development Program



d CSR Activities

- 1 Supported 1,000 families in Sundarban affected by Yass cyclone
- 2 Donated an Ambulance to serve people residing near Osmanabad
- 3 Sponsored for Heart Surgery of 15 underprivileged children
- 4 2 secondaries and 5 primary schools renovated near Wada, benefiting 1500+ students
- 5 Set up a hostel building accommodating 100 girls
- 6 Supporting 219 schools in Madhya Pradesh, Odisha & Rajasthan for tribal students
- 7 Started Centre of Excellence, providing educational and skill based training to 1,200+ students
- 8 Provided scholarship to 80+ underprivileged CA students
- 9 English learning sessions organized in government schools
- 10 Farmers training school (Krishikul) established in Parli, Beed
- 11 Set up skill development training center in Wada for tribal youth and women
- 12 Established organic multi-crop training center for farmers in Asanas, Maharashtra
- 13 Conducted training sessions for new generation leaders through various platforms
- 14 Sponsored to build an animal hospital in Valsad

CSR Activities



Our Partners

Vatsalya Samajik Sanstha, Palak Palash Foundation, Friends of Tribal Society, Wada Zilla Parishad, Child Help Foundation, LeapForWord organisation, Sri Chaitanya Seva Trust, Shrimad Rajchandra Jivadaya, RVG Educational Foundation, Vidyawadi, Global Parli, Vision India Foundation

GOVERNANCE



Supervisory Board

Risk Management





Compensation Framework

Compliance & Policies





a Supervisory Board

-  Diverse Board Composition
-  50% Independent Directors including 2 woman directors in holding company and at least 50% Independent Directors in the material subsidiary
-  Average Board experience > 30 years
-  Segregation of position of Chairman and Managing Director
-  No pledge/encumbrance on shares held by Executive Directors/Promoters








b Risk Management

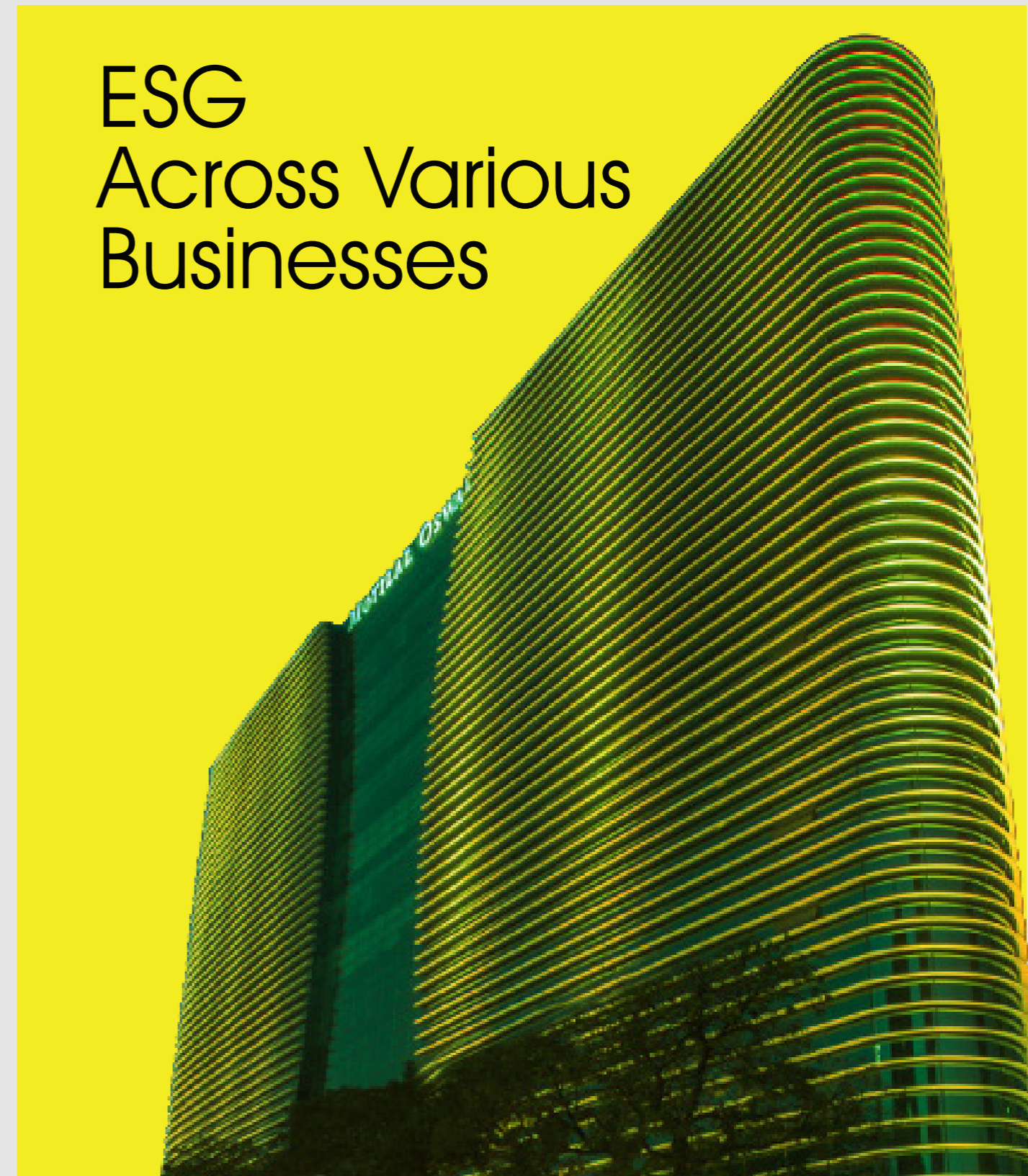
-  Risk Management Committee
-  Risk Awareness through training, workshop, e-mailers, conferences, seminars etc.
-  Risk Management Policy
-  Enterprise Risk Management Framework

c Compensation Framework

-  Remuneration policy recommended by Nomination & Remuneration Committee and approved by the Board
-  Board Evaluation is done on annual basis
-  Detailed disclosure of managerial remuneration in Annual Report
-  ESOP scheme across every business for retention of employees

d Compliance & Policies

-  Corporate Social Responsibility (CSR) is formulated by the company to ensure that CSR activities are carried in an impactful manner through CSR Monitoring Cell
-  Policy for prohibition of Insider Trading & having system driven controls for employees and other concerned stakeholders
-  Ensuring best Corporate Governance practices
-  Code of Conduct to ensure honest and prudent conduct and providing best practices and disclosure
-  Prevention of sexual harassment at workplace policy and awareness of the same through e-mailers. No sexual harassment complaints reported in FY2022
-  Vigil Mechanism/Whistle Blower Framework allowing employees & other stakeholders to report any non-compliance & wrong practices and also having direct access to Chairman of Audit Committee
-  Reporting of Business Responsibility on an Annual basis



ASSET MANAGEMENT

Motilal Oswal Alternates (Private Equity) has developed an ESG framework and has institutionalized the same in its investment process through a well-defined policy. ESG framework is largely governed by (i) Indian regulations (ii) IFC Performance Standards and (iii) World Bank EHS guidelines.



The company has identified the following six Key Impact Areas-

a Employment Generation

- 50K+ new jobs have been created since investment across 3 funds
- ~50% of our investments are in companies based out of Tier II / III cities in India
- ~1/4th of overall workforce from low income states or Tier II & III towns




b Gender Balance

- 6,000+ female jobs have been created since our investment
- 70%+ companies with at least one women Board of Director




c Climate Action

- Almost all companies comply with local environmental regulations, ensuring safety of employees and eco-system
- Almost all companies reported no serious accidents
- ~70% of the companies took initiatives towards reducing resource consumption, recycling, treating waste








d Financial Inclusion

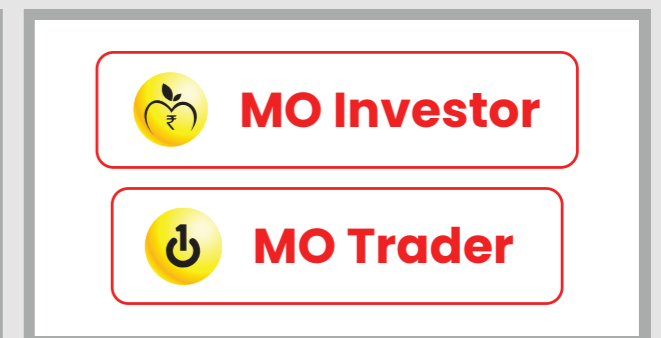
-  Large customer base of new to credit / first time borrowers, enabling financial inclusion
-  Portfolio companies with strong Tier II / Tier III / Rural presence
-  ~70% of companies with microfinance / affordable housing portfolio

e Healthcare Accessibility











-  Molbio, a diagnostic company, expanding testing infrastructure at primary healthcare levels
-  Arinna Lifesciences, engaged in providing pharmaceutical formulations for Central Nervous System disorders
-  Symbiotec, engaged in providing active pharmaceutical ingredients for various critical pharmaceutical drugs

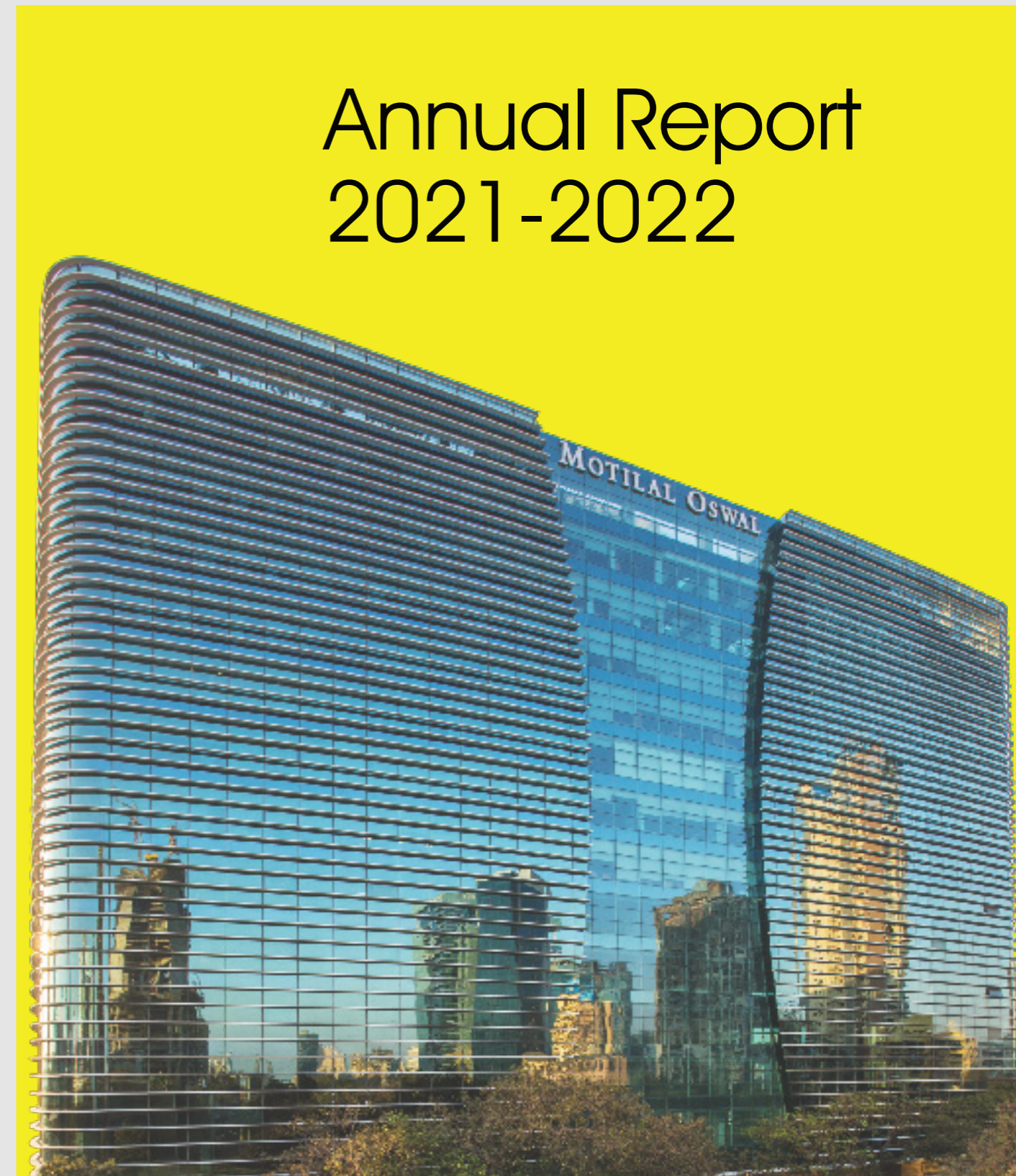
CAPITAL MARKET

-  EDUMO- online, free-to-access library of videos to educate the new-to-market investors about the nuances of stock markets. The courses host over 125 videos in 3 separate modules (Beginners, Intermediate and Advanced) to cater to all categories of investors
-  Daily webinars conducted for free to spread market awareness and help new to market investors
-  Customers get real time margin obligations in trading system which gave a competitive advantage over other industry players
-  Robotic Process Automation for transactional repetitive task to improve efficiency and avoid manual work
-  Research reports on our numerous investment offerings are issued in digital mode
-  Employment generation- hired 900+ people in FY2022
-  98% pin code coverage across India, thus promoting financial inclusion



HOUSING FINANCE

-  During loan counselling, we advise the customer on acquiring properties which have been built or are located in such a way that they do not hurt the ecology and environment at large.
-  Ensure while funding proper sanitation/hygiene /safety standards are maintained
-  Company follows norms issued by National Disaster Management Authority which help us in avoiding funding environmentally sensitive areas.
-  Company follows International Finance Corporation (IFC) Performance Standards
-  Focus on enabling home ownership in tier 2 & tier 3 cities, thereby helping in reducing the strain and load on resource in tier 1 cities.
-  Participated responsibly in GOI's initiative towards Covid Relief Package vide Covid Restructuring –II in FY22 to all eligible customers
-  Adopted digitalized operational processes to drastically reduce paper use. We have become paperless till the stage of loan sanction and aim to become paperless in disbursement documentation as well
-  Company has formed committee W-I-N-G-S (Women Initiative to Nurture, Grow & Succeed) to ensure substantial women representation in mid-senior level of the organization
-  Offers home loan at concessional rate to women borrowers working in private companies and self-employed women running their own businesses
-  Dedicated Customer Service department to resolve requests, queries and complaints from customers



Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Seventeenth Board's Report together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the Financial Year ("FY") 2021-22 as compared to the previous FY 2020-21 is given below:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	4,31,983	3,63,412	2,61,144	2,22,462
Profit before Interest, Depreciation, Taxation and exceptional items	2,14,226	2,02,431	1,06,848	1,12,822
Interest	47,819	43,028	16,558	12,770
Depreciation	4,826	4,752	3,876	3,676
Profit before Taxation and exceptional items	1,61,581	1,54,652	86,413	96,436
Add/(Less): Exceptional Items	-	(8,810)	-	(8,810)
Profit before taxation	1,61,581	1,45,842	86,413	87,626
Add/(Less) : Provision for Taxation				
Current Tax	23,588	15,849	14,807	8,985
Deferred Tax	7,109	10,914	1,123	3,832
Less : Tax for earlier year (s)	(189)	(1,217)	(199)	(258)
Tax Expenses	30,508	25,546	15,731	12,559
Profit after Taxation from Continuing Operations	1,31,073	1,20,296	70,682	75,066
Share of Profit from Associates and Joint Ventures (net of taxes)	172	6,177	-	-
Profit for the Period	1,31,245	1,26,473	70,682	75,066
Add/Less: Other Comprehensive Income (OCI)				
Actuarial gain/(loss)	176	311	(27)	163
Fair value gain/(loss) of investment held through FVOCI	4,488	32,706	2,324	27,411
Tax on OCI	558	3,825	(259)	(3,177)
Total Comprehensive Income	1,35,351	1,55,665	72,720	99,464
Net profit attributable to:				
Owners of parent	1,35,081	1,55,233	-	-
Non-controlling interests	269	431	-	-
Add: Balance brought forward from previous year	3,65,525	2,15,349	2,52,746	1,87,606
Profit Available for appropriation	1,35,087	1,54,252	70,682	75,066
Less: Appropriations	(11,636)	(4,075)	-	-
Transfer to Statutory Reserve	(2,729)	(659)	-	-
Transfer to Capital redemption Reserve	-	-	-	-
Interim Dividend and Final Dividend	(8,673)	(2,894)	(7,365)	(3,081)
Tax on Buyback	-	(2,820)	-	(2,820)
Significant changes due to business combination	-	-	(9,277)	(4,025)
Dividend Distribution Tax	-	-	-	-
Expected Credit Loss Impairment reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Minority interest	(137)	(67)	-	-
Balance of Profit carried forward	4,88,977	3,65,526	3,06,787	2,52,746

Note: In case links are not opening, kindly copy and paste the link on any web browser.

Board's Report (Contd..)

FINANCIAL PERFORMANCE

Standalone

The standalone revenues in FY 2021-22 stood at ₹2,61,144 Lakhs vs ₹2,22,462 Lakhs in FY 2020-21. Total expenses (excluding interest and depreciation) for the year came in at ₹1,54,297 Lakhs which increased by 41% over previous year. People cost increased by 37% YoY to ₹52,888 Lakhs. Operating expenses increased by 44% YoY to ₹75,461 Lakhs. The profit before depreciation, interest and taxation (EBITDA) stood at ₹1,06,847 Lakhs. Reported net profit for the year came in at ₹70,682 Lakhs.

Consolidated

The consolidated revenues for the year were ₹4,31,983 Lakhs for the year under review, an increase of 19% as compared to the previous year.

The average daily traded volumes (ADTO) for the equity markets during FY 2021-22 stood at ₹69.5 Lakh Crores, up 161% YoY from ₹26.7 Lakh Crores in FY 2020-21. The overall Cash market ADTO reported growth of 12% YoY at ₹72,443 Crores in FY 2021-22. Within derivatives, futures volume increased 9% YoY to ₹1.2 Lakh Crores while options rose 171% YoY to ₹67.6 Lakh Crores. Amongst cash market participants, retail constituted 51% of total cash volume, institution 20% and prop 28%. The proportion of DII in the cash market was 8%. In FY 2021-22, a record of 3.5 Crores new demat accounts were added as against 1.4 Crores in FY 2020-21. The number of demat accounts stood at 8.97 Crores in FY 2021-22, a growth of 63% YoY.

Key Highlights

- Capital market business (Broking + IB) income grew 48% YoY to ₹2,537 Crores.
- The Company had 28.5 Lakhs retail broking and distribution clients growing at a CAGR of 28% from FY 2017-18 to FY 2021-22. Client acquisition stood at 8.8 Lakhs during the year, up 43% YoY.
- Our financial product distribution AUM was ₹16,764 Crores as of March 2022, up 31% YoY.
- Investment banking business made a strong turnaround in business with 13 deals completed in FY 2021-22. The team have a rich pipeline and continues to engage on a wide cross-section of mandated transactions across capital markets and advisory.
- Asset management income increased by 17% YoY to ₹622 Crores, as compared to last year. Total assets under management across mutual funds, PMS and AIF was ₹49,020 Crores, up 13% YoY. Within this, the mutual fund AUM was up 18% YoY to ₹30,600 Crores, while Alternates AUM (PMS and AIF) stood at ₹18,177 Crores.
- The private equity income stood at ₹254 Crores, up 154% YoY. The income from wealth management business stood at ₹194 Crores, up 53% YoY. The wealth management AUM for FY 2021-22 was at ₹34,389 Crores, up 36% YoY.
- Housing finance related gross income of ₹528 Crores, down 3% YoY. HFC loan book was ₹3,485 Crores, as of March 2022. Disbursements stood at ₹643 Crores, up 136% YoY.

In line with the long term strategy to grow RoE sustainably, Motilal Oswal Financial Services Limited (MOFSL) had made strategic allocation of capital to long term RoE enhancing opportunities like Motilal Oswal Home Finance Limited, and sponsor commitments to our mutual fund and private equity funds. As of March 2022, our total quoted equity investments stood at ₹2,676 Crores.

Board's Report (Contd..)

Total expenses (excluding interest and depreciation) for the year at ₹2,17,757 Lakhs registered an increase of 35% over previous year. Profit before depreciation, interest and taxation (EBITDA) stood at ₹2,14,226 Lakhs, an increase of 6% from the previous year. Profit for the year increased by 9% to ₹1,31,073 Lakhs.

The detailed results of operations of the Company are given in the Management Discussion & Analysis forming part of this Report.

FUTURE OUTLOOK

Our strategy to diversify our business model towards more annuity sources of earnings continues to deliver positive results. The annuity nature of earnings in the businesses like asset based businesses and housing finance business has brought in visibility of our earnings. Our businesses have delivered strong and sustainable performance in FY2022. Our brand is now being recognized across each of our businesses. Each of our business segments offers huge headroom for growth and we are well placed to benefit from this.

CONSOLIDATED FINANCIAL STATEMENT

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder (as amended from time to time), the Consolidated Financial Statement of the Company for the FY 2021-22 have been prepared in compliance with applicable Indian Accounting Standards and on the basis of Audited Financial Statement of the Company and its subsidiaries, as approved by the respective Board of Directors ("Board").

The Consolidated Financial Statement together with the Auditors' Report is forming part of this Annual Report.

MOFSL "HIGHEST EVER" OR "LARGEST EVER"

The diversified business model of the Group has led to the largest ever profitability in the FY 2021-22. The key highlights for FY 2021-22 are as follows:-

- Highest ever Annual Revenue and Profit
- Highest ever AMC, Distribution, Wealth and DP AUM
- Highest ever Fund Raise by PE & RE
- Highest ever AMC and Wealth Business Annual Profit
- Highest ever Broking ADTO & Revenue
- Highest ever New Client Acquisition in Broking
- Highest ever NIM led by lowest ever CoF for Home Finance

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

Since your Company strongly believes in raising corporate transparency, strengthening risk management, promoting stakeholder engagement, improving communications with Stakeholders, your Company has undertaken various Environment, Social and (Corporate) Governance (ESG) initiatives during FY 2021-22. The separate disclosure on ESG initiatives and contribution by the Company in battling against COVID-19 is forming part of this Annual Report.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The Information on the affairs of the Company has been given in Management Discussion & Analysis Report forming part of this Annual Report.

Board's Report (Contd..)

CORPORATE RESTRUCTURING OF GROUP ENTITIES

In order to consolidate the fund management business of the Group, demonstrating the Promoter Group's direct commitment etc., the Board of Directors (the "Board") of the Company on December 24, 2020 and members of the Company on December 16, 2021, considered and approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") 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 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Act involving the following:-

- i. Amalgamation of Passionate Investment Management Private Limited with Motilal Oswal Financial Services Limited and consequent issue of equity shares by Motilal Oswal Financial Services Limited;
- ii. Amalgamation of Motilal Oswal Real Estate Investment Advisors Private Limited with MOPE Investment Advisors Private Limited;
- iii. Post the amalgamation as stated in clause (ii) above, demerger of the Fund Management Undertaking (defined as Fund Management Undertaking 1 in the Scheme) of MOPE Investment Advisors Private Limited into MO Alternate Investment Advisors Private Limited and consequent issue of equity shares by Motilal Oswal Financial Services Limited to the shareholders of MOPE Investment Advisors Private Limited;
- iv. Post the demerger as stated in clause (iii) above, amalgamation of MOPE Investment Advisors Private Limited with Motilal Oswal Financial Services Limited and consequent issue of equity shares by Motilal Oswal Financial Services Limited;
- v. Post the amalgamation as stated in clause (iv) above, demerger of the Fund Management Undertaking (defined as Fund Management Undertaking 2 in the Scheme) of Motilal Oswal Real Estate Investment Advisors II Private Limited into MO Alternate Investment Advisors Private Limited and consequent issue of equity shares by Motilal Oswal Financial Services Limited to the shareholders of Motilal Oswal Real Estate Investment Advisors II Private Limited;
- vi. Post the demerger as stated in clause (v) above, amalgamation of Motilal Oswal Real Estate Investment Advisors II Private Limited with Motilal Oswal Financial Services Limited and consequent issue of equity shares by Motilal Oswal Financial Services Limited;
- vii. Various other matters consequential or otherwise integrally connected herewith.

After obtaining all the statutory and regulatory approvals including No Objection Certificate from Stock Exchanges, your Company had filed an application with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") to said effect.

The Hon'ble NCLT vide its Order dated March 11, 2022 has approved the Scheme of Arrangement between Group Entities. Further, the Scheme was made effective from March 30, 2022. The appointed date was April 1, 2020.

The aforesaid restructuring will not lead to any change in control and the brief presentation explaining the entire arrangement and copy of the Hon'ble NCLT order is uploaded on the website of the Company at www.motilaloswalgroup.com.

Board's Report (Contd..)

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Pursuant to the Corporate Restructuring of Group Entities under the Scheme of Arrangement which was made effective from March 30, 2022, the updated/revised Standalone Financial Statements (Amalgamated) of the Company as on March 31, 2021 have been approved by the Audit Committee and Board at their respective Meeting held on March 30, 2022 for the limited purpose of filing return with Tax Authorities.

Except as stated above, there have been no other material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

DIVIDEND

In terms of Regulation 43A of Listing Regulations, the Board of Directors of the Company has approved the Dividend Distribution Policy ("Policy") in line with the requirements of the Listing Regulations and it is available on the website of the Company and can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/206776066708.-Dividend-Distribution-Policy.pdf>.

During the year under review, the Board of Directors of the Company, based on the parameters laid down in the Dividend Distribution Policy, at its meeting held on January 27, 2022 had declared and paid an Interim Dividend of ₹7/- per Equity Share for the FY 2021-22, out of the profits of the Company for the third quarter and nine months ended December 31, 2021, on 14,71,76,074 Equity Shares having face value of ₹1/- each, aggregating to ₹103,02,32,518/-.

Further, the Board of Directors of the Company at its meeting held on April 28, 2022 have recommended a Final Dividend of ₹3/- per Equity Share having face value of ₹1/- each for FY 2021-22, subject to approval of the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Final Dividend, if approved at the ensuing AGM, would be paid to those Members whose name appears in the Register of Members / Beneficial Holders as on July 4, 2022.

TRANSFER TO RESERVES

The Board of your Company decided not to transfer any amount to the General Reserve and retain the entire amount of profit under Retained Earnings.

Further, pursuant to the Corporate Restructuring of Group Entities under Scheme of Arrangement which was made effective from March 30, 2022, the Statutory Reserve of Passionate Investment Management Private Limited ("PIMPL" or Transferor Company 1) of ₹5,232.75 Lakhs was transferred to General Reserve of the Company.

CREDIT RATING

During the year under review, the Credit Rating agencies have reaffirmed/ assigned the below credit ratings:

Rating Agency	Instrument Type	Size of Issue (₹in Crore)	Rating/Outlook	Rating Action
ICRA Limited	Commercial Papers	1,500	[ICRA]A1	Assigned
		1,000	[ICRA]A1+	Reaffirmed
	Long-term Principal Protected Market Linked Debentures	100	PP-MLD[ICRA]AA (Stable)	Reaffirmed
	Non-Convertible Debentures	300	[ICRA]AA (Stable)	Reaffirmed
	Bank Lines – Unallocated	300	[ICRA]AA (Stable)	Reaffirmed

Board's Report (Contd..)

Rating Agency	Instrument Type	Size of Issue (₹in Crore)	Rating/Outlook	Rating Action
India Rating & Research Private Limited	Commercial Papers	250	IND A1+	Assigned
		2,250	IND A1+	Affirmed
	Non-Convertible Debentures	300	IND AA/Stable	Affirmed
	Principal Protected Market-Linked Debentures	300	INDPP-MLD AAemr/Stable	Affirmed
CRISIL Limited	Commercial Papers	1,750	CRISIL A1+	Reaffirmed

The above ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

SHARE CAPITAL

During the year under review, the Company has allotted 5,74,100 Equity Shares having face value of ₹1/- each to eligible employees upon exercise of the vested options granted to the said employees under various Employee Stock Option Schemes of the Company.

Further, pursuant to Corporate Restructuring of Group Entities under Scheme of Arrangement, the Company has allotted 8,82,42,508 Equity Shares to the shareholders of Transferor Companies i.e. Passionate Investment Management Private Limited ("PIMPL"), MOPE Investment Advisors Private Limited ("MOPE") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II") as per the treatment provided in the Scheme. This includes cancellation of 8,63,74,063 Equity Shares held by PIMPL against issue of equal number of new Equity Shares of the Company to the shareholders of PIMPL and issue of 18,68,445 new Equity Shares of the Company to the shareholders of MOPE & MORE II.

Consequently, the paid up Share Capital of the Company as at March 31, 2022 stood at ₹14,90,62,919/- (Rupees Fourteen Crore Ninety Lakhs Sixty Two Thousand Nine Hundred Nineteen only) equity shares having face value of ₹1/- each.

The Authorised Share Capital of the Company as on March 31, 2021 was ₹149,00,00,000/- divided into 92,50,00,000 Equity Shares of ₹1/- each and 56,50,000 Preference Shares of ₹100/- each. Pursuant to the Order dated March 11, 2022 passed by the Hon'ble NCLT approving the Scheme of Arrangement, the Authorized Share Capital of the Company stands increased to ₹1,74,00,00,000/- divided into 1,12,00,00,000 Equity Shares of ₹1/- each aggregating to ₹1,12,00,00,000/- and 62,00,000 Preference Shares of ₹100/- each aggregating to ₹62,00,00,000/- .

EMPLOYEE STOCK OPTION SCHEMES

The disclosures required to be made under the SEBI (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations") (as amended from time to time), are available on the website of the Company at www.motilaloswalgroup.com.

Further, the Company confirms that all the Employee Stock Options Schemes of the Company are falling under direct route and not trust route and accordingly the provisions related to trust route as specified in the ESOP Regulations are not applicable to the Company. Further, all the permanent employees (except the persons as mentioned in the regulations) of the Company, its holding company and its subsidiary companies are entitled to participate in said schemes of the Company. Further, the Company confirms that it has not granted employee stock options equal to or exceeding one percent of the issued capital of the Company at the time of grant of stock options to any employees of the Company/Holding Company/Subsidiary Company.

The Secretarial Auditor of the Company, M/s. U. Hegde and Associates, have certified that the Company's above-mentioned Schemes have been implemented in accordance with the ESOP Regulations and the Resolutions passed by the Members for the respective Schemes.

Board's Report (Contd..)

The Employee Stock Option Schemes are administered by the Nomination and Remuneration Committee of the Board of the Company, in accordance with the applicable ESOP Regulations.

DEBENTURES

During the year under review, the Company has issued and allotted 780 Non-Convertible Debentures ("NCDs") of ₹10 Lakhs each aggregating to ₹7800 Lakhs. Accordingly, 3,780 NCDs of ₹10 Lakhs each aggregating to ₹37,800 Lakhs are outstanding as on March 31, 2022.

The Company has been servicing payment of the interest on the due dates.

The details of the Debenture Trustee of the Company is as under:

Beacon Trusteeship Limited

4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai 400 051, Tel: +91 (0)22 2655 8759, +91 955 544 9955 Website: www.beacontrustee.co.in

DEPOSITS

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

The particulars of loans/advances, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Para A of Schedule V of the Listing Regulations are furnished in the Notes to Accounts annexed to Standalone Financial Statements which forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2022 is uploaded on website of the Company at <https://www.motilaloswalgroup.com/Investor-Relations/Financial-Report/Financial-Statement-of-Subsidiaries>

SUBSIDIARY COMPANIES

The Company along with its subsidiaries, offers a diversified range of financial products and services such as Loan against Securities, Investment Activities, Private Wealth Management, Broking and Distribution, Asset Management Business, Housing Finance, Institutional Equities, Private Equity and Investment Banking.

As of March 31, 2022, the Company had 17 subsidiaries (including step down subsidiaries). Pursuant to Corporate Restructuring of Group Entities under the Scheme of Arrangement becoming effective from March 30, 2022, MOPE Investment Advisors Private Limited, Motilal Oswal Real Estate Investment Advisors Private Limited and Motilal Oswal Real Estate Investment Advisors II Private Limited were amalgamated and ceased to be subsidiaries of the Company. There are no associate companies or joint venture within the meaning of Section 2(6) of the Act as on March 31, 2022.

Further, pursuant to the provisions of Section 136(1) of the Act, the financial statement for the period ended March 31, 2022 of each subsidiary of the Company is available on the website of the Company at www.motilaloswalgroup.com.

Board's Report (Contd..)

Material Subsidiaries

As required under Regulation 16(1)(c) and 46 of the Listing Regulations, the Board of Directors has approved the Policy on Determination of Material Subsidiaries ("Policy"). The said policy is available on the website of the Company and can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf> Accordingly, Motilal Oswal Home Finance Limited ("MOHFL"), Motilal Oswal Asset Management Company Limited ("MOAMC") and Motilal Oswal Finvest Limited ("MOFL") are material subsidiaries of the Company.

Investment in Subsidiaries

During the year under review, the Company has acquired:

- 172,65,446 equity shares having face value of ₹10/- each of Motilal Oswal Finvest Limited (Wholly Owned Subsidiary);
- 30,00,000 equity shares having face value of ₹10/- each of Glide Tech Investment Advisory Private Limited (Wholly Owned Subsidiary);
- 96,00,000 equity shares having face value of ₹10/- each of Motilal Oswal Finsec IFSC Limited (Wholly Owned Subsidiary);
- 92,24,259 equity shares having face value of ₹1/- each of Motilal Oswal Asset Management Company Limited (Wholly Owned Subsidiary).

Performance and Financial Position of Subsidiaries

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company has been appended as "**Annexure 1**" to the Board's Report. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statement of subsidiaries in Form AOC-1 is annexed to the Consolidated Financial Statement of this Annual Report. Your Company will also E-mail the copy of separate audited financial statement in respect of each of the subsidiary company upon request by any Member of the Company interested in obtaining the same. In accordance with provisions of Section 136 of the Act, the separate audited financial statement in respect of each of the subsidiary company is also available on the website of your Company at www.motilaloswalgroup.com. These documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com.

BOARD, COMMITTEES OF THE BOARD & KEY MANAGERIAL PERSONNEL

Composition of Board

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an optimum combination of Executive, Non-Executive and Independent Directors.

The Board of the Company has 10 (Ten) Directors comprising of 1 (One) Non-Executive Chairman, 1 (One) Managing Director & Chief Executive Officer, 2 (Two) Whole-time Directors, 1 (One) Non-Executive Director and 5 (Five) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review, there was no change in the composition of the Board of Directors of the Company.

Board's Report (Contd..)

Director(s) liable to retire by rotation

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. Raamdeo Agarawal and Mr. Navin Agarwal will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The details of Mr. Raamdeo Agarawal and Mr. Navin Agarwal are included in the notice of the AGM of the Company.

The resolutions for the appointment/re-appointment of all the Directors proposed for Shareholders' approval along with their brief profiles as detailed in the Notice of AGM would be placed for your approval.

Composition and Meetings of Board of Directors & Committee(s)

The Composition of Board and Committee(s) as on March 31, 2022 and the details of the Meetings of the Board and Committee(s) of the Company held during FY2021-22 are disclosed in the Report on Corporate Governance forming part of this Annual Report.

During the year under review, all the recommendations/submissions made by the Audit Committee and other Committees of the Board were accepted by the Board.

Separate Meeting of Independent Directors

As stipulated in the Code of Conduct for Independent Directors under the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on April 29, 2021 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Boards which is necessary to effectively and reasonably perform and discharge their duties.

Declaration by Independent Directors

Pursuant to Section 149(7) of the Act, Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations, the Independent Directors have provided a declaration to the Board of Directors that they meet the criteria of Independence as prescribed in the Act and the Listing Regulations, and are not aware of any situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties as an Independent Director with an objective independent judgement and without any external influence. Further, veracity of the above declarations has been assessed by the Board, in accordance with Regulation 25(9) of the Listing Regulations.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience (including the proficiency) required to fulfill their duties as Independent Directors.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ('MCA'), all the Independent Directors have confirmed that they have registered themselves with databank maintained by The Indian Institute of Corporate Affairs ('IICA'). These declarations/confirmations have been placed before the Board. The Independent Directors are also required to undertake online proficiency self-assessment test conducted by IICA within a period of 2 (Two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

Mrs. Divya Momaya and Ms. Swanubhuti Jain have passed online proficiency self-assessment test conducted by IICA, while Mr. C. N. Murthy and Mr. Chandrashekhar Karnik are not required to pass the online proficiency self-assessment test pursuant to the exemption provided under first proviso of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014. However, Mr. Pankaj Bhansali has confirmed to undertake the said online proficiency self-assessment within prescribed timeline.

Board's Report (Contd..)

Key Managerial Personnel

As at March 31, 2022, the Company has the following Key Managerial Personnel:

- 1) Mr. Motilal Oswal – Managing Director & Chief Executive Officer
- 2) Mr. Ajay Menon – Whole-time Director
- 3) Mr. Rajat Rajgarhia- Whole-time Director
- 4) Mr. Shalibhadra Shah - Chief Financial Officer
- 5) Mr. Kailash Purohit – Company Secretary & Compliance Officer

FAMILIARIZATION PROGRAMMES

The Company has formulated a policy on 'familiarisation programme for independent directors'. Accordingly, upon appointment of an Independent Director, the appointee is given a formal Letter of Appointment, which inter alia, explains the role, function, duties and responsibilities expected as a Director of the Company.

Further, the Company also familiarize the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc. The Director is also explained in detail the compliance required from him under the Act and the Listing Regulations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the business strategies, management structure, management development, quarterly and annual results, budgets, review of Internal Audit, risk management framework, operations of subsidiaries and associates.

The Policy on familiarisation programme for independent directors along with the details of the familiarization Programmes are available on the website of the Company and can be accessed at https://www.motilaloswalgroup.com/Downloads/IR/33122429Familiarization-Programmes-for-Independent-Director_2022.pdf

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, as amended from time to time, requires the Nomination and Remuneration Committee ("NRC") to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees of the Company and recommend the same for approval of the Board.

Accordingly, in compliance to the aforesaid provisions, the Nomination and Remuneration Policy of the Company is available on the website of the Company and can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/724496156Nomination-and-Remuneration-Policy.pdf>. The salient features of the Policy are given below:-

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years.

Board's Report (Contd..)

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

➤ **Evaluation:**

The performance evaluation shall be carried out as given below:-

Performance Evaluation by	Of Whom
Nomination and Remuneration Committee	- Every Director's performance
Board of Directors	- Board as a whole and Committees of Board - All Directors excluding the Director being evaluated
Independent Directors	- Non - Independent Directors - Chairman of the Company - Board as a whole

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

➤ **Removal:**

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

➤ **Retirement:**

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

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

➤ **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Act and Listing Regulations, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable.

Board's Report (Contd..)

5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and for Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

➤ **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including employer's contribution to Provident Fund(s), pension scheme(s), medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and such other approval, wherever required.

2. **Variable Pay:**

The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable shall be based on performance against pre-determined financial and non-financial metrics.

3. **Provision for excess remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act. If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

➤ **Remuneration to Non-Executive/Independent Director:**

1. **Remuneration/Commission:**

The remuneration/commission, if any, shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.

2. **Sitting Fees:**

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed from time to time.

3. **Limit of Remuneration/Commission:**

Remuneration/Commission may be paid to Non-Executive Directors within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

Board's Report (Contd..)

PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134(3)(p) and Schedule IV of the Act and in accordance to Regulation 17(10) and 25(4) of the Listing Regulations, the Board has carried out the annual performance evaluation of the Board as a whole, various Committees of the Board and of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as Transparency, Performance, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of independent directors, at which the performance of the Board, its committee and individual Directors was also discussed.

The outcome of the performance evaluation of the Board for the year under review was discussed by the NRC and the Board at their respective meetings. All Directors expressed satisfaction with the evaluation process.

PARTICULARS OF EMPLOYEES

Disclosure with respect to the percentage increase in remuneration, ratio of the remuneration of each Director and Key Managerial Person to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and has been appended as "**Annexure 2**" to the Board's Report.

In terms of first proviso to Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees will be available for inspection in electronic mode. Shareholders can inspect the same up to the date of AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer in this regard.

The Board of Directors affirms that the remuneration paid to Senior Management of the Company is as per the Nomination and Remuneration Policy of the Company.

GOVERNANCE

Report on Corporate Governance

A detailed Report on Corporate Governance in terms of Schedule V of the Listing Regulations for FY 2021-22, is forming part of this Annual Report.

Further, a Certificate from M/s. Singhi & Co., the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V to the Listing Regulations is annexed to the Report on Corporate Governance.

Board's Report (Contd..)

Code of Conduct

Pursuant to Regulation 26(3) of the Listing Regulations, all the Directors & Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations (as amended from time to time), the Company has framed Vigil Mechanism/Whistle Blower Policy ("Policy") to enable directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports of any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior /conduct etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and Listing Regulations. The same is available on the website of the Company and can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/1677814951Vigil-MechanismWhistle-Blower-Policy.pdf>

Prevention of Sexual Harassment of Women at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity.

Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the year under review, no complaints in relation to sexual harassment at workplace have been reported.

RISK MANAGEMENT

The Company realizes the importance of Enterprise Risk Management ("ERM") framework and had taken early initiatives towards its implementation. The Company has also formulated group risk management policy.

A systematic approach has been adopted that originates with the identification of risk, categorization and assessment of identified risk, evaluating effectiveness of existing controls and building additional controls to mitigate risk and monitoring the residual risk through effective Key Risk Indicators ("KRI"). The implementation is being carried out in phased manner with the objective to encompass the entire line of businesses.

Effective ERM involves a robust implementation of three lines of defense - first line of defense is the front-line employees, the second line of defense is the risk and compliance function and the third line of defense is external and internal auditors. To build an effective risk culture significant effort has been made towards robustness of these lines of defense.

Further, pursuant to Regulation 21 of the Listing Regulations, the Board of Directors have also constituted the Risk Management Committee of the Board, details of which are mentioned in the Corporate Governance Report. The

Board's Report (Contd..)

composition of the Committee is in conformity with the Listing Regulations, as amended, with all members being Directors of the Company. The Risk Management Committee is, inter alia, authorized to monitor and review the risk assessment, mitigation and risk management plans for the Company from time to time and report the existence, adequacy and effectiveness of the above process to the Audit Committee/Board on a periodic basis.

In the opinion of Board, there are no elements of risks threatening the existence of the Company.

The details of composition of the Risk Management Committee and its terms of reference, is provided in Corporate Governance Report which forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of the Listing Regulations, as amended from time to time, top 1000 listed entities based on their market capitalization as on March 31, are required to prepare a Business Responsibility Report ("BRR") forming part of this Annual Report.

Accordingly, the Company has prepared the BRR describing the initiatives taken by the Board from an Environmental, Social and Governance perspective. The Business Responsibility Committee oversees the BRR and frames and oversees such policies as may be required from time to time.

The said BRR is forming part of this Annual Report and is also uploaded on the website of the Company at www.motilaloswalgroup.com.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act read with rules made thereunder, the Members at their Twelfth AGM held on July 27, 2017, had appointed M/s. Walker Chandio & Co. LLP, Chartered Accountants, ("Walker") as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of Twelfth AGM till the conclusion of the Seventeenth AGM.

In order to attain the synergy at group level, Walker was also appointed as Statutory Auditor of material subsidiaries of the Company namely Motilal Oswal Home Finance Limited (MOHFL), Motilal Oswal Asset Management Company Limited (MOAMC) and Motilal Oswal Finvest Limited (MOFL) and other group entities for the term of 5 years.

Pursuant to the "Guidelines for Appointment of Statutory Auditors (SAs) of NBFCs (including HFCs)" issued by RBI, NBFCs are required to appoint new Statutory Auditors of their respective company for the period of 3 years (including existing period). Further, as per the said guidelines, the same Auditor cannot be appointed for two RBI regulated entities within same Group and every Statutory Auditor can conduct audit of only 8 NBFCs/HFCs in aggregate. Further, Walker had completed 3 years as Statutory Auditors in MOFL and 2 years in MOHFL.

In view of the aforesaid, Walker had resigned from MOFL due to completion of 3 years and has expressed their inability to continue as Statutory Auditors of MOHFL also for balance period of 1 year due to limitation of audit of 8 NBFCs.

Further, due to aforesaid regulatory restrictions, Group was also required to appoint 2 separate auditors for MOHFL and MOFL.

Further, pursuant to the provisions of Listing Regulations, the Statutory Auditor of the Company shall undertake a limited review of the audit of all the entities/companies whose accounts are to be consolidated with the Company and at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review.

Board's Report (Contd..)

In view of the above, the Management evaluated various audit firms and decided to discontinue the audit services of Walker across the Group pursuant to the mutual agreement between the Company and Walker. Accordingly, Walker agreed to resign as Statutory Auditors of the Company w.e.f. closure of business hours of August 12, 2021.

Consequent to resignation of Walker as Statutory Auditors, the Board of Directors of the Company, ("the Board"), at its meeting held on August 13, 2021, on the recommendation of the Audit Committee of the Board, resolved to fill the casual vacancy caused by the resignation of Walker with the appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditors of the Company, subject to approval of the members, to hold office till the conclusion of ensuing AGM.

Further, the members of the Company approved the appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditors of the Company through Postal Ballot on October 19, 2021 to hold office till the conclusion of 17th AGM of the Company.

Since the term of appointment of M/s. Singhi & Co., Chartered Accountants is expiring at the ensuing 17th AGM of the Company, a resolution seeking approval of the Members for appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditors of the Company for a term of five years commencing from 17th AGM till conclusion of 22nd AGM of the Company, is included in the Notice of the ensuing AGM.

M/s. Singhi & Co., has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2022 - 23. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Mr. Nikhil Singhi, Partner, Singhi & Co., Chartered Accountants, Statutory Auditors, has signed the Audited Financial Statements of the Company.

Statutory Auditors' Report

The Statutory Auditors' Report issued by M/s. Singhi & Co., Chartered Accountants for the year under review does not contain any qualification, reservations or adverse remarks. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the Company had appointed M/s. U. Hegde and Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2021-22.

Secretarial Audit & Annual Secretarial Compliance Report

The Secretarial Audit Report issued by the Secretarial Auditor has been annexed to this Board's Report as "**Annexure 3**".

Pursuant to the provisions of Regulation 24A of the Listing Regulations, Annual Secretarial Compliance Report for the Financial Year ended March 31, 2022 was obtained from M/s. U. Hegde and Associates, Practising Company Secretaries.

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report and Secretarial Compliance Report.

Board's Report (Contd..)

Secretarial Audit of Material Subsidiaries

In terms of Regulation 24A of Listing Regulations, the Secretarial Audit Report of material subsidiaries i.e. MOHFL, MOAMC & MOFL for the FY 2021-22 are made available at website of the Company at www.motilaloswalgroup.com.

INTERNAL AUDITORS

The Board of Directors at their meeting held on April 29, 2021 had appointed M/s. Aneja Associates, Chartered Accountants, as Internal Auditors of the Company for the FY 2021-22. The Internal Auditors have been periodically reporting to the Audit Committee with regards to their audit process and key audit findings during the year.

MAINTENANCE OF COST RECORDS & COST AUDIT

The Company is engaged in carrying Stock Broking & related activities and hence provisions related to maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 134(3) (m) of the Act read with Rule 8(3)(A) and 8(3)(B) of Companies (Accounts) Rules, 2014, the initiatives taken by the Company for conservation of energy and technology absorption are provided in Business Responsibility Report annexed to this Report.

Details of the foreign exchange earnings and outgo are given in the Note No. 47 to the Standalone Financial Statement of the Company.

DISCLOSURE OF DETAILS OF UNCLAIMED EQUITY SHARES IN THE SUSPENSE ACCOUNT:

Pursuant to Regulation 34 and Schedule V of Listing Regulations, the Company reports the following details in respect of unclaimed equity shares that are kept in Specific Demat Accounts of Motilal Oswal Financial Services Limited:-

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2021	5	575
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of Shareholders to whom shares were transferred from the suspense account during the year	-	-
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	5	575

Board's Report (Contd..)

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of whom the dividend is unpaid/unclaimed for seven consecutive years are required to be transferred to Investor Education and Protection Fund ("IEPF") after giving an opportunity to shareholders to claim the said unpaid/unclaimed dividend.

Accordingly, the Company issued the reminder letters to such shareholders to claim the dividend and also published the notice to such effect in the leading newspaper in English and Regional Language having wide circulation and accordingly informed them that in the event of failure to claim said dividend, the unpaid/unclaimed dividend along with shares pertaining to unpaid/unclaimed dividend would be transferred to IEPF.

Subsequently, the Company has transferred unpaid/ unclaimed dividend, amounting to ₹8,06,495/- on September 17, 2021 and 14 Equity Shares to IEPF on October 19, 2021. The details of such shares are available on the website of the Company at <https://www.motilaloswalgroup.com/Investor-Relations/Disclosures/IEPF>. The concerned shareholders are requested to claim the said shares by directly approaching IEPF Authority.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act in relation to the Audited Financial Statements of the Company for the year ended March 31, 2022, the Board of Directors confirm that, to the best of its knowledge and belief:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy.

In accordance with the requirements of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report forming part of this Annual Report.

Board's Report (Contd..)

The Company has also formulated a CSR Policy which is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/200139696902.-CSR-Policy.pdf>

Further, the detailed CSR initiatives undertaken by the Company are available at www.motilaloswal.com/foundation/

In the wake of COVID-19 pandemic, the Company extended and will continue to extend full support and co-operation in adhering to the directives issued by the Government and steps taken by the Government to overcome the crisis. The social contribution made by the Company is covered in ESG section forming part of this Annual Report. We assure you that your Company will continue to work towards its social commitment and contribute in nation building with the same zeal.

The Company has made contribution through Motilal Oswal Foundation, a not-for-profit charitable company incorporated under Section 25 of the Act and to various other not-for-profit organisations.

An Annual Report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) has been appended as "Annexure 4" to the Board's Report. Further, the Annual Action Plan on CSR activities for FY 2022-23 is also uploaded on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/100662267501.-Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions_27.01.2022_final.pdf

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made or guarantees or securities provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of loan or guarantee or security pursuant to Section 186 of the Act are given under Notes to Accounts annexed to Standalone Financial Statements for the year ended March 31, 2022 and the same forms part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Act and Listing Regulations and pursuant to the recommendation of the Audit Committee, the Company has formulated the policy on Materiality and dealing with Related Party Transactions ("RPT Policy") which is available on the Company's website and can be accessed at https://www.motilaloswalgroup.com/Downloads/IR/100662267501.-Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions_27.01.2022_final.pdf

All related party transactions entered into during the FY 2021-22 were on an arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen or repetitive in nature. The details of all such related party transactions entered into pursuant to the omnibus approval of the Committee, were placed before the Audit Committee on a quarterly basis for its review.

Pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188 (1) of the Act. Accordingly, the disclosure of Related Party Transactions, as required in Form AOC-2 is not applicable to the Company.

Details of transactions, contracts and arrangements entered into with related parties by the Company, during FY 2021-22, is given under Notes to Accounts annexed to Financial Statements, which forms part of this Annual Report.

Board's Report (Contd..)

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

Further, the Hon'ble NCLT, Mumbai Bench has vide its order dated March 11, 2022 approved the Scheme of Arrangement between group entities.

OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- There has been no change in the nature of business of the Company.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- There are no proceedings, either filed by the Company or filed against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2022.
- There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Regional Directors, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's Bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, resulting in successful performance during the year under review.

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

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : April 28, 2022

Board's Report (Contd..)

Annexure 1

The financial performance of each of the subsidiaries included in the Consolidated financial statement are detailed below:-

₹ In Lakhs

Sr. No	Name of the Subsidiary	Turnover			Profit / Loss before Tax			Profit / Loss after Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
(A)	INDIAN SUBSIDIARIES									
1	Motilal Oswal Investment Advisors Limited	4,149	1,008	312%	2,037	(785)	359%	1,589	(517)	407%
2	Motilal Oswal Commodities Broker Private Limited	0	1	(30%)	(2)	(7)	76%	(2)	(7)	71%
3	MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited)	21,798	9,255	136%	11,462	3,283	249%	10,588	2,412	339%
4	Motilal Oswal Finvest Limited	28,685	10,491	173%	16,459	3,531	366%	13,643	3,296	314%
5	Motilal Oswal Asset Management Company Limited	72,628	80,950	(10%)	35,928	48,435	(26%)	28,436	41,001	(31%)
6	Motilal Oswal Trustee Company Limited	37	38	(4%)	14	23	(40%)	11	20	(47%)
7	Motilal Oswal Wealth Limited	24,262	14,226	71%	10,932	5,228	109%	8,218	4,108	100%
8	Motilal Oswal Securities International Private Limited	224	95	136%	29	14	106%	30	11	173%
9	Motilal Oswal Home Finance Limited	52,620	54,552	(4%)	11,831	9,045	31%	9,489	4,023	136%
10	Motilal Oswal Capital Limited	67	86	(23%)	2	11	(83%)	(1)	8	(109%)
11	Motilal Oswal Finsec IFSC Limited	152	166	(9%)	137	100	37%	108	98	10%
12	Glide Tech Investment Advisory Private Limited	492	-	100%	(88)	(249)	65%	(63)	(206)	69%
13	TM Investment Technologies Pvt. Ltd.	733	4	19,139%	146	(172)	185%	153	(172)	189%
	COMPANIES INCORPORATED OUTSIDE INDIA									
14	Motilal Oswal Capital Markets (Hong Kong) Private Limited	124	59	109%	22	(40)	156%	22	(40)	156%
15	Motilal Oswal Capital Markets (Singapore) Private Limited	227	263	(14%)	(28)	34	(183%)	(30)	33	(192%)
16	Motilal Oswal Asset Management (Mauritius) Private Limited	911	422	116%	457	107	328%	457	107	328%
17	Indian Business Excellence Management Company	10,849	1,708	535%	7,512	891	743%	7,491	869	762%

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

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : April 28, 2022

Board's Report (Contd..)

Annexure-2

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2021-22:

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration of each Director/ KMP to median remuneration of Employees	Percentage Increase in Remuneration (only fixed salary is considered)
1.	Mr. Raamdeo Agarawal	Non-Executive Chairman	3.94	NA ⁽¹⁾
2.	Mr. Motilal Oswal	Managing Director and Chief Executive Officer	78.96	Nil
3.	Mr. Navin Agarwal	Non-Executive Director	NA ⁽²⁾	NA ⁽²⁾
4.	Mr. Ajay Menon	Whole-time Director	296.53	10.00
5.	Mr. Rajat Rajgarhia	Whole-time Director	199.21	Nil
6.	Mr. C.N. Murthy	Independent Director	1.52	Nil
7.	Mr. Chandrashekhar Karnik	Independent Director		
8.	Mr. Pankaj Bhansali	Independent Director		
9.	Mrs. Divya Momaya	Independent Director		
10.	Mrs. Swanubhuti Jain	Independent Director		
11.	Mr. Shalibhadra Shah	Chief Financial Officer	68.03	13.64
12.	Mr. Kailash Purohit	Company Secretary and Compliance Officer	11.09	25.00

⁽¹⁾ Mr. Raamdeo Agarawal is paid the fixed remuneration of ₹ 12 lakhs p.a. in the form of commission.

⁽²⁾ Mr. Navin Agarwal being Non-Executive Director was not in receipt of any remuneration from the Company during the year.

Note:- The Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration paid to Independent Directors during the year under review are provided in the Report on Corporate Governance.

- (ii) The percentage increase in the median remuneration of employees in the financial year : Nil
- (iii) Permanent employees on the rolls of Company as on March 31, 2022 – 6,951
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Board's Report (Contd..)

Particulars	% Increase in Remuneration
Employees other than Managerial Personnel	14.00%
Managerial Personnel	9.73%

Since there was no increase in managerial remuneration, there were no exceptional circumstances.

- (v) **It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.**

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

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : April 28, 2022

Board's Report (Contd..)

Annexure-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members,
Motilal Oswal Financial Services Limited
CIN- L67190MH2005PLC153397

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Motilal Oswal Financial Services Limited ("MOFSL")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on such verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Motilal Oswal Financial Services Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;

Board's Report (Contd..)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- (vi) I have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws.
- 1) Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by SEBI, Stock Exchanges & Depositories and applicable to Depository Participant & Registered Broker

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following specific events /action reported having major bearing on company's operations;

- 1) The Company has allotted 5,74,100 equity shares of Re.1/- each under various ESOS Scheme implemented by the Company.
- 2) Approval of Shareholders for issuing equity shares under Motilal Oswal Financial Services Limited – Employees Stock Options Scheme –IX.

Board's Report (Contd..)

- 3) Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated March 11, 2022, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("the Transferor Company 1" or "PIMPL") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3" or "MOPE") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2" or "MORE") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4" or "MORE II") and MO Alternate Investment Advisors Private Limited ("the Resulting Company" or "MO Alternate") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "MOFSL") and their respective Shareholders ('the Scheme') becoming effective w.e.f. March 30, 2022 and pursuant to the scheme the Company has allotted 8,82,42,508 Equity Shares under the said scheme.

FOR U.HEGDE & ASSOCIATES, COMPANY SECRETARIES

Sd/-

UMASHANKAR K HEGDE

(Proprietor)

COP No- 11161 # M.No- A22133

ICSI UDIN : A022133D00022754

ICSI Unique Code : S2012MH18 8100

Peer Review Certificate No - 1263/2021

Date : April 28, 2022

Place : Mumbai

Board's Report (Contd..)

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Motilal Oswal Financial Services Limited
CIN- L67190MH2005PLC153397

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

FOR U.HEGDE & ASSOCIATES, COMPANY SECRETARIES

Sd/-

UMASHANKAR K HEGDE

(Proprietor)

COP No- 11161 # M.No- A22133

ICSI UDIN : A022133D00022754

ICSI Unique Code : S2012MH18 8100

Peer Review Certificate No - 1263/2021

Date: April 28, 2022

Place: Mumbai

Board's Report (Contd..)

Annexure 4

Annual Report on Corporate Social Responsibility ("CSR") Activities

1. Brief outline on CSR Policy of the Company:

The Company's vision is to provide opportunities for children and their families to move from poverty and dependence to self-reliance. Motilal Oswal Financial Services Limited (the "Company") believes in "Knowledge First" and the Company believes that education can bring prosperity and equality in the society.

In line with our motto of "Knowledge First", the Company believes in enhancing the human intangible asset and thus the Company strives to contribute largely to the education & learning front. Recognizing the responsibilities towards society, we intend to carry out initiatives for supporting education.

The Company resolves to contribute towards development of knowledge based economy by discharging Corporate Social Responsibilities (CSR) that would positively impact on customers, employees, shareholders, communities and other stakeholders in various aspects of its operations.

The Company would carry out its responsibilities of Corporate Social Responsibility for the year with a collective goal on key focus areas enumerated in the CSR policy of the Company. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Motilal Oswal	Managing Director and Chief Executive Officer	2	2
2.	Mr. Raamdeo Agarawal	Non-Executive Chairman	2	2
3.	Mr. C. N. Murthy	Independent Director	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of CSR Committee	https://www.motilaloswalgroup.com/Downloads/IR/1677877388MOFSL--Composition-of-Board-and-Committees_28.04.2022.pdf
CSR Policy	https://www.motilaloswalgroup.com/Downloads/IR/200139696902.-CSR-Policy.pdf
CSR Projects i.e. Annual Action Plan	https://www.motilaloswalgroup.com/Downloads/IR/1056755152MOFSL-CSR-Annual-Action-Plan-2022-23.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Provisions related Impact assessment of CSR projects are not applicable to the Company

Board's Report (Contd..)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	FY 2020-21	58,77,126	58,00,000

6. Average net profit of the company as per section 135(5) : ₹ 3,71,63,70,450 /-
(The Company has considered revised financials for the Financial Year 2020-21 pursuant to the Scheme of Arrangement)
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 7,43,27,409 /-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : ₹ 58,00,000/-
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 6,85,27,409/-
8. (a) CSR amount spent or unspent for the financial year

Total amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
		Amount	Date of transfer	Name of the Fund	Amount
11,25,18,152	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII of the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency		
				State	District								
												Name	CSR Registration No.
Not Applicable													

Board's Report (Contd..)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

SI No.	Name of the project	Item from the list of activities in schedule VII to the Act. (Sr. No. of activities is given)	Local area (Yes/No).	Location of the project		Amount spent for the Project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration No.
1.	Global Vikas Trust (Global Parli)	(ii) Promoting education	No	Maharashtra	Parli	5,00,00,000	No	Motilal Oswal Foundation ("MOF")	CSR00001144
2.	Shrimad Rajchandra Jivdaya Trust	(iv) Animal Welfare	No	Gujarat	Valsad	1,00,00,000	No	MOF	CSR00001144
3.	Mahratta Chamber of Commerce Industries	(i) Preventive Health Care	No	Maharashtra, Gujarat, Rajasthan		1,00,00,000	No	MOF	CSR00001144
4.	Bharatiya Jain Sanghatana	(i) Preventive Health Care	No	Maharashtra, Gujarat, Rajasthan		90,00,000	No	MOF	CSR00001144
5.	Keshav Shrushti	(i) Eradicating poverty	Yes	Maharashtra	Mumbai	75,00,000	No	MOF	CSR00001144
6.	VIF Leadership Forum	(ii) Promoting Education	No	Haryana	Sonepat	50,00,000	No	MOF	CSR00001144
7.	Siddhi Traders	(i) Preventive Health Care	No	Rajasthan	Barmer	44,53,500	No	MOF	CSR00001144
8.	Shraman Arogyam	(i) Preventive Health Care	No	PAN India		30,00,000	No	MOF	CSR00001144
9.	Jindal Biotech Private Limited	(i) Preventive Health Care	No	Chhattisgarh	Raipur	24,20,400	Yes	-	-
10.	Everest Kanto Cylinder Ltd	(i) Preventive Health Care	No	Gujarat	Kutch	23,60,000	Yes	-	-
11.	Seva Sahayog Foundation	(ii) Promoting education	No	Maharashtra	Palghar	12,50,850	No	MOF	CSR00001144
12.	Maxx Farmacia India LLP	(i) Preventive Health Care	No	Rajasthan		12,09,600	Yes	-	-
13.	Association For Nutrition And Development Action	(i) Preventing Hunger	No	Maharashtra	Palghar, Thane	11,50,000	No	MOF	CSR00001144
14.	Annamitra Foundation	(i) Preventing Hunger	Yes	Maharashtra	Mumbai	10,00,000	No	MOF	CSR00001144
15.	LeapForWord	(ii) Promoting Education		Maharashtra		10,00,000	No	MOF	CSR00001144
16.	Child Help Foundation	(ii) Promoting Education		Maharashtra		750,000	No	MOF	CSR00001144
17.	Augmont Enterprises Pvt. Ltd	(i) Preventive Health Care		Maharashtra	Mumbai	726,802	Yes	-	-
18.	S P U Jain Sikshan Sangh Falna	(ii) Promoting Education	No	Rajasthan	Jaipur	500,000	No	MOF	CSR00001144
19.	Palak Palash Charitable Foundation	(i) Preventive Health Care	Yes	Maharashtra	Mumbai	400,000	No	MOF	CSR00001144
20.	Ronak International	(i) Preventive Health Care	Yes	Maharashtra	Mumbai	224,000	Yes	-	-

Board's Report (Contd..)

SI No.	Name of the project	Item from the list of activities in schedule VII to the Act. (Sr. No. of activities is given)	Local area (Yes/No).	Location of the project		Amount spent for the Project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration No.
21.	Gramin Vikas Evam Chetna Sansthan	(i) Preventing Hunger, Poverty and malnutrition	No	Rajasthan	Barmer	200,000	No	MOF	CSR00001144
22.	Pratibha Shikshan Prasarak Mandal	(ii) Promoting Education	Yes	Maharashtra	Mumbai	126,000	No	MOF	CSR00001144
23.	Bhartiya Govansh Rakhshan Samvardhan Parishad	(iv) Animal Welfare	Yes	Maharashtra	Mumbai	100,000	No	MOF	CSR00001144
24.	Meghdoot Enterprises	(i) Preventing Hunger, Poverty and malnutrition	Yes	Maharashtra	Mumbai	96,000	No	MOF	CSR00001144
25.	Global Hospitals	(i) Promoting Education	Yes	Maharashtra	Mumbai	51,000	No	MOF	CSR00001144
TOTAL						11,25,18,152			

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

₹ 11,25,18,152/-

(g) Excess amount for set off, if any:

SI No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	7,43,27,409
(ii)	Total amount spent for the Financial Year	11,25,18,152
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,81,90,743 ⁽¹⁾
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,81,90,743 ⁽¹⁾

⁽¹⁾ The excess CSR spent in the FY 2020-21 amounting to ₹ 58,00,000/- is adjusted against the CSR obligation for the FY 2021-22. Hence, the actual CSR obligation for the FY 2021-22 post set-off comes to ₹ 6,85,27,409/- whereas, the Company has spent ₹ 11,25,18,152/- in FY 2021-22 resulting into excess spent of ₹ 4,39,90,743 available for set off in succeeding years.

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	
Not Applicable						

Board's Report (Contd..)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount Allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
(a)	(b)	(c)	(d)
Not Applicable			

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

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

Sd/-
Motilal Oswal
Managing Director,
Chief Executive Officer and Chairman-CSR Committee
(DIN: 00024503)

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : April 28, 2022

MANAGEMENT DISCUSSION ANALYSIS

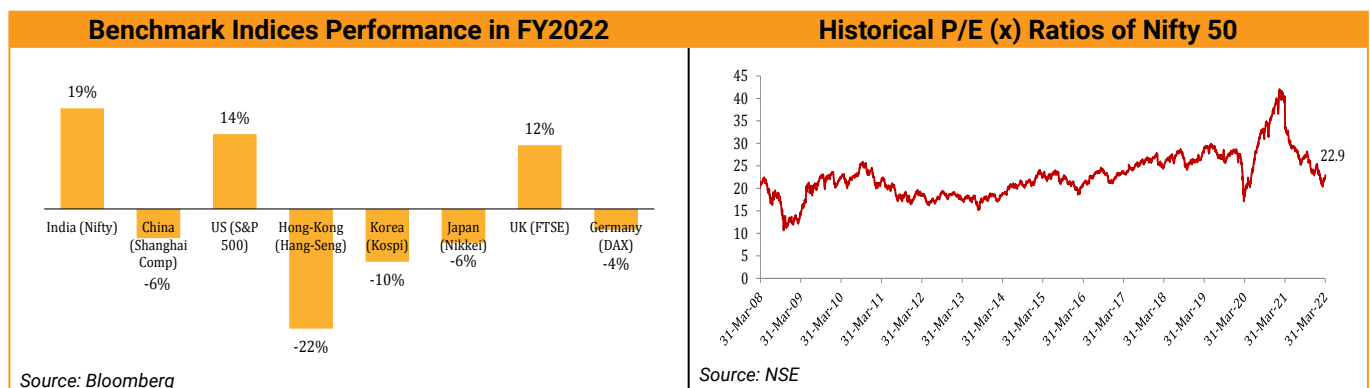
India saw a robust recovery in later part of FY2021 following the breakout of Covid pandemic in the first half. We were on the path of economic recovery but the 2nd wave played spoilsport. India stepped into FY2022 with rising number of Covid cases and lockdown due to 2nd wave of the pandemic. The government announced measures to support sectors hit hard by the pandemic, including new credit guarantee schemes for healthcare, tourism and small borrowers, besides a ₹ 23,220 crores plan to strengthen the country's medical infrastructure. RBI, on its part, allowed lenders to carry out a fresh round of restructuring of loan accounts under "Resolution Framework 2.0" which provided a sigh of relief and much needed cushion to declining asset quality. The effect of 3rd Covid wave, which started in January 2022, had limited impact on health, thanks to government's successful vaccination drive, which in turn had limited negative effect on economy. During the year, RBI had decided to keep repo rate and reverse repo rate unchanged at 4% and 3.35% respectively which were last revised in May 2020 to support economic growth and recovery. On the global front, the year witnessed Taliban's swift return to power in Afghanistan after nearly two decades following the withdrawal of troops by United States. But the major event that impacted the stability of the global order was the Russia-Ukraine war. Russia being one of the largest exporters of crude oil globally and major global economies putting sanctions on Russia had led to oil prices shooting up and spread supply shock waves. The war gave rise to increase in prices of various food items and fuel which led to India's retail inflation rising 16 months high to 6.95% in the month of March 2022.

International Monetary Fund initially projected a 9% growth rate for India in FY2023 but it later revised its estimate to 8.2%, citing the negative impact of higher commodity prices led by the Ukraine war on domestic consumption and private investment. Despite downward revision in estimates, India will still retain its tag as the fastest growing major global economy. Global economy growth is expected to moderate from 6.1% in 2021 to 3.6% in 2022 and 2023. RBI had slashed its growth projections for FY2023 from 7.8% to 7.2%. IMF put the forecast for FY2024 GDP growth for India at 6.9% from earlier estimates of 7.1%. India is increasingly becoming an attractive destination for foreign investors given the low corporate tax rate, skilled population, relatively low wages and a large domestic market. Thus, going forward, India is expected to see relatively stronger growth.

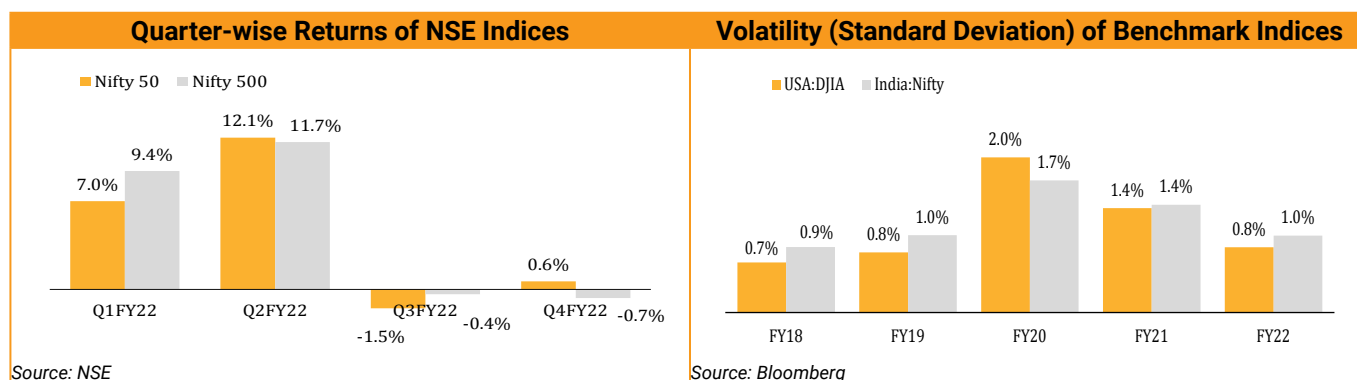
Equity Markets-

Markets continued to have a bullish run since the beginning of FY2022. The 2nd wave of Covid did not have any substantial impact on the market run and the Sensex breached the 60,000 mark for the 1st time. Both Sensex and Nifty closed at an all-time high of 61,766 and 18,477 respectively in the month of October 2021. However, owing to tensions arising due to Russia Ukraine conflict, market witnessed a fall and Sensex went below 53,000. Subsequently, Sensex and Nifty regained most of the losses and closed at 58,569 and 17,465 levels respectively in March 2022. Indian stock markets outperformed most of the global peers and ended the financial year with the second best return in seven years.

After witnessing highest ever FII inflows in FY2021, India recorded highest ever FII outflows of ₹ 1.4 lakh crores in FY2022, after 5 consecutive year of inflows. March 2022 recorded FY2022 highest monthly outflows of ₹ 41,123 crores. Domestic investments, however, have offset the FII selling pressure. DIIs recorded highest ever inflows of ₹ 2.2 lakh crores.



MANAGEMENT DISCUSSION ANALYSIS (Contd..)



Business Streams and Outlook:

Motilal Oswal Financial Services Limited (MOFSL) is a diversified financial services company with stock broking business activity. MOFSL operates in businesses such as Retail Broking and Distribution, Institutional Broking, Investment Banking, Asset Management, Wealth Management, Private Equity and Housing Finance. In each of the businesses, MOFSL offers unique value proposition to its customers and creates its niche in each of the business segment and commands premium position over peers. MOFSL carries its lending business by running Loan against shares book under the name of Motilal Oswal Finvest Limited and retail mortgage backed lending in affordable housing segment under the name of Motilal Oswal Home Finance Limited.

Ratings:

Borrowings of Motilal Oswal Financial Services Limited enjoy the following credit ratings-

Nature of Borrowing	Rating/Outlook		
	CRISIL	ICRA	India Ratings
Short Term			
Commercial Paper	A1+	A1+	A1+
Long Term			
Market Linked Debentures	-	PP-MLD AA (Stable)	-
Non-Convertible Debentures	-	AA (Stable)	AA (Stable)

Borrowings of Motilal Oswal Finvest Limited enjoy the following credit ratings-

Nature of Borrowing	Rating/Outlook		
	CRISIL	ICRA	India Ratings
Short Term			
Commercial Paper	A1+	-	A1+
Long Term			
Market Linked Debentures	PP-MLD AA r (Stable)	-	-
Non-Convertible Debentures	AA (Stable)	AA (Stable)	AA (Stable)

Borrowings of Motilal Oswal Home Finance Limited enjoy the following credit ratings-

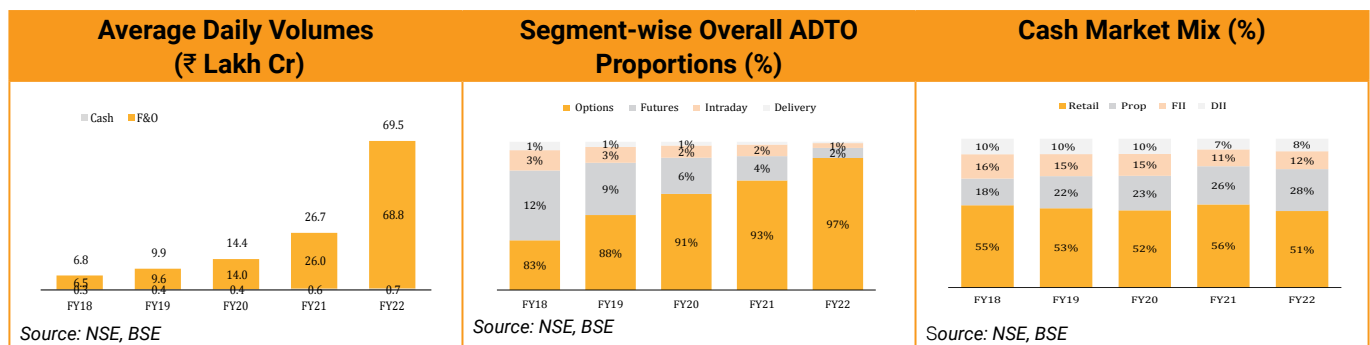
Nature of Borrowing	Rating/Outlook		
	CRISIL	ICRA	India Ratings
Short Term			
Commercial Paper	A1+	A1+	A1+
Long Term			
Market Linked Debentures	PP-MLD AA r (Stable)	PP-MLD AA- (Stable)	-
Non-Convertible Debentures	AA (Stable)	AA- (Stable)	AA (Stable)
Bank Borrowings	AA (Stable)	-	AA (Stable)

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

Broking Business

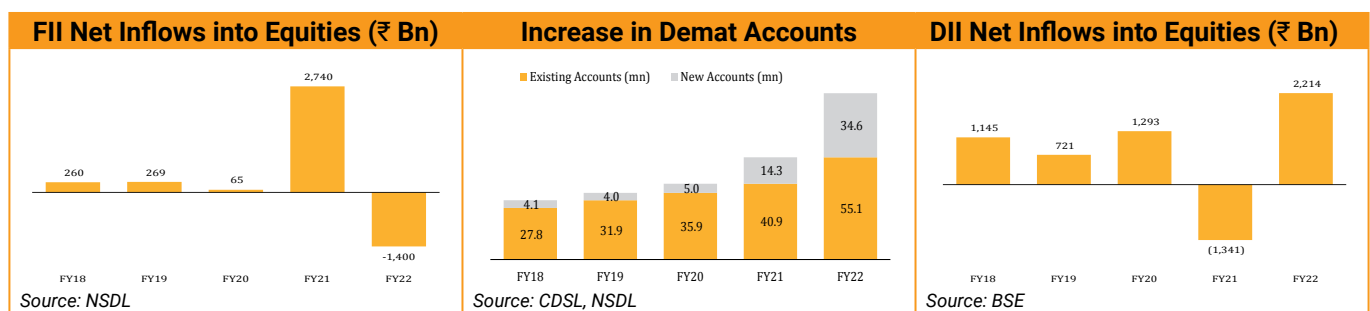
Industry Facts

The average daily traded volumes (ADTO) for the equity markets during FY2022 stood at ₹ 69.5 lakh crores, up 161% YoY from ₹ 26.7 lakh crores in FY2021. The overall Cash market ADTO reported growth of 12% YoY at ₹ 72,443 crores in FY2022. Within derivatives, futures volume increased 9% YoY to ₹ 1.2 lakh crores while options rose 171% YoY to ₹ 67.6 lakh crores. Amongst cash market participants, retail constituted 51% of total cash volume, institution 20% and prop 28%. The proportion of DII in the cash market was 8%.



In FY2022, a record of 3.5 crores new demat accounts were added as against 1.4 crores in FY2021. This spike is attributed to the disposable income and saved time due to work from home culture coupled with strong rally in equity markets. CDSL, the largest depository in India in terms of number of demat clients, crossed the 6 crore accounts mark in February 2022. The number of demat accounts stood at 8.97 crores in FY2022, a growth of 63% YoY.

Indian equities witnessed net outflows from FIIs for most of the part of the financial year. Highest ever FII outflows was recorded in FY2022, as compared to highest ever inflows in FY2021. On the contrary, DIIs have offset FIIs selling pressure and recorded highest ever inflows.

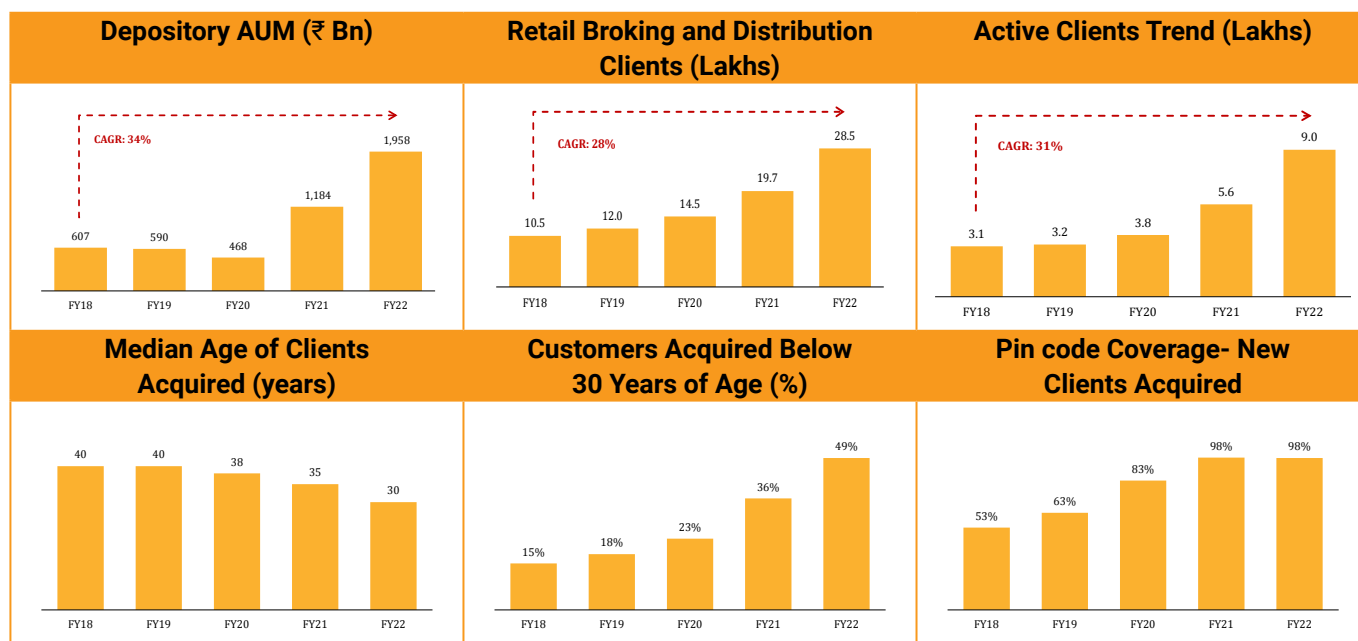


Our Broking Business

Research and advisory form the foundation of the company's broking services. Brokerage serves participants across FIIs, domestic institutions, HNIs and retail. This business comprises of two distinct units - Retail Broking & Distribution and Institutional Equities.

Retail Segment: Services offered include equities, derivatives, commodities, currency, depository services, distribution of investments products like portfolio management services, mutual funds, primary equity offerings and other investment products.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)



Our broking business focuses on **“Phygital Business model”** which offers best of both the worlds. Success of this model has yielded result as we recorded highest ever broking revenues, profit and ADTO in FY2022. There was a spurt in retail participation in the stock market, especially after sharp correction in March 2020 as investors saw this as a good investing opportunity. We witnessed highest ever client acquisition in line with the Industry. The company added around 8.8 lakh clients during the year, +43% YoY. Our retail client base stood at 28.5 lakh, growing at a CAGR of 28% from FY2018-2022. Reflecting on the experiences and learnings in broking business, we adopted franchisee based model few years ago. Our focus towards development and infusion of entrepreneurial spirit in new and existing franchisees has led to strong growth in client base as well as franchisee base. Further, acquisition of smaller regional brokers by converting them into franchisees is gaining traction for us across geographies. We have started with Insurance broking business in FY2020 and registered strong premium collection of around ₹ 57 crores in FY2022 as compared to ₹ 40 crores in FY2021, envisaging future business potential. We have tie-ups with HDFC Life, ICICI Pru Life and Bajaj Life for life insurance products and Aditya Birla Health, Care Health and Star Health and Allied for health insurance products. Further we have various fintech players as our acquisition and product partners. Our business focus is to improve our scale and competitiveness through enhanced customer experience, high-quality advisory, digital initiatives, assets-based product distribution, system-driven trading products and network expansion. We have robust dedicated advisory desks for mass-retail and affluent clientele. Our focus on knowledge, advisory, and client segmentation differentiates us from the threats of discount brokers.

We are progressively developing our distribution arm to achieve linearity in the cyclical nature of broking business. Our financial product distribution AUM was ₹ 16,764 crores as of March 2022, + 31% YoY. Our strong retail network acts as a leverage to cross sell financial products, providing room for scaling up the business. In addition, our client penetration at ~16% of our total retail client base of 28.5 lakh paves the way for growth scalability.

Institutional Broking: Our institutional broking provides offerings in the forms of cash and derivatives to domestic and foreign institutions. We continued to acquire new empanelment with overall base of 790+ institutions. We witnessed strong improvement in domestic client rankings in several key accounts led by broad-based team servicing. FY2022 was a landmark year for Institutional Equities business as we garnered highest ranking in Asia Money Brokers Poll 2021 across various categories. We stood #1 in Local Brokerage, Overall Sales, Corporate Access Team, Execution Team and Sales Person category. We continued to strengthen our competitive positioning through research offerings, corporate access outreach and sales and trading capabilities. Our research product portfolio consisted of 250+ companies covering 20+ sectors. Our corporate access domain has always been a focus area with execution of successful events like Annual Global Investor Conference (AGIC) and many unique events in India. We continued our successful trend in conducting ‘AGIC’ in September 2021 which was attended by 150+ corporates across 20+ sectors

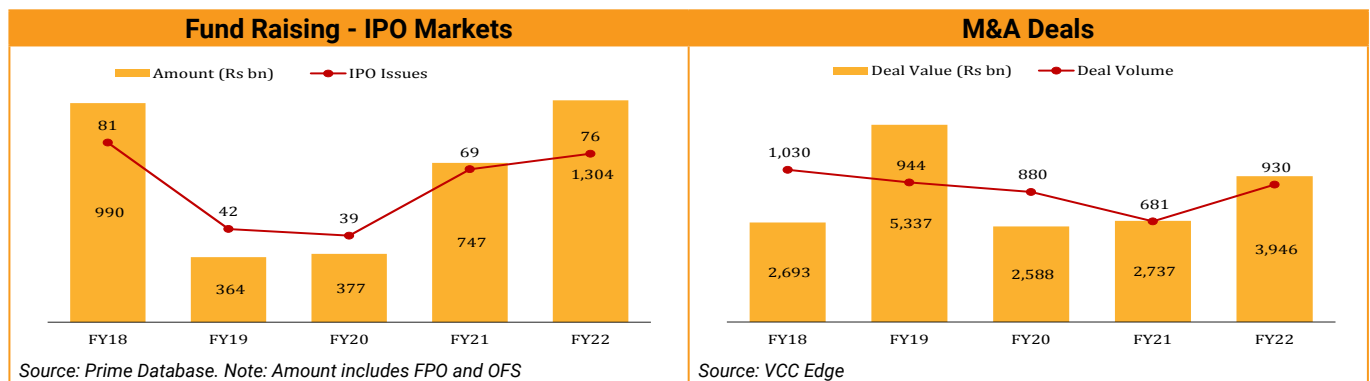
MANAGEMENT DISCUSSION ANALYSIS (Contd..)

and witnessed over 80% CXO level participation. We also conducted Ideation Conferences where 65+ corporates participated and Fintech Day conferences.

Investment Banking

Industry Facts

IPO market had an exceptional year in FY2022, even in the face of the uncertain environment that grappled the country. Fund mobilization via the primary market route was one of the highest ever during the financial year. FY2022 witnessed 76 IPOs as compared to 69 in FY2021. The amount of funds raised through 52 main-board IPOs in FY2022 was ₹ 1.1 lakh crores which was over 3.5 times of ₹ 31,268 crores raised through 30 IPOs in FY2021. At ₹ 18,300 crores, One 97 Communications (Paytm), India's largest IPO was launched followed by Zomato (₹ 9,375 crores), Star Health (₹ 6,019 crores), PB Fintech (Policybazaar) (₹ 5,710 crores), Sona BLW (₹ 5,550 crores) and FSN E-Commerce (Nykaa) (₹ 5,350 crores). 4 out of the top 6 IPOs were from new age technology companies which together raised ₹ 38,734 crores. Primary market witnessed increased retail participation in FY2022, with an average of 14.1 lakh applications as compared to 12.7 lakh applications in FY2021.



Our Investment Banking Business

FY2022 was a remarkable year for our investment banking business as we made a strong turnaround in performance. We completed total 13 deals in FY2022, some of the prominent ones being IPOs of Aditya Birla Sun Life AMC, Devyani International, GR Infraprojects and Metro Brands and QIPs of Burger King, Union Bank of India, Mold-Tek Packaging and Gulshan Polyols. We follow an expertise-led approach focusing on specific sub-segments of strength, where we have relationships and track record. Sectoral focus on BFSI, Auto, Consumer, Healthcare and Industrials is expected to yield benefits in the medium to long term. We continue to have rich pipeline, and are constantly engaging on a wide cross-section of mandated transactions across capital markets and advisory.

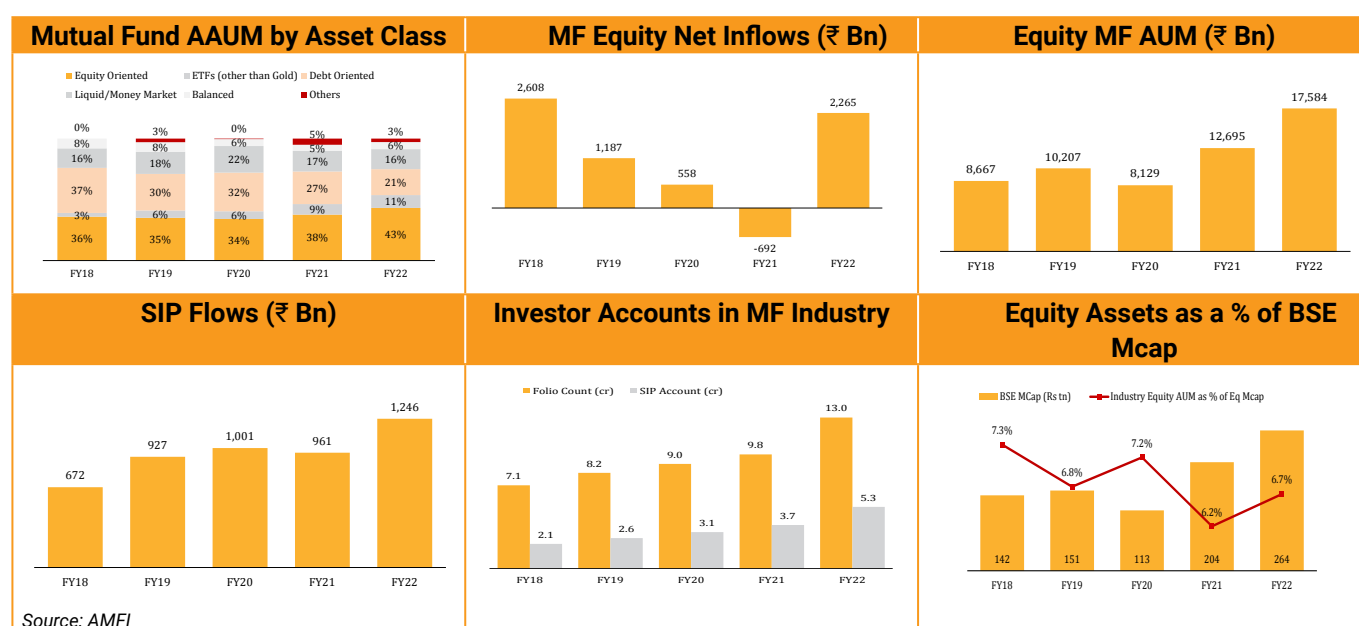
Asset Management

Industry Facts

Overall mutual fund industry AUM was ₹ 37.6 lakh crores in FY2022, a jump of 20% YoY. On the front of equity mutual fund (excluding arbitrage), AUM stood at ₹ 17.6 lakh crores contributing 47% of the total AUM. Equity category witnessed net inflows in all of the 12 months in FY2022 with total net inflows of ₹ 2.3 lakh crores as compared to ₹ 0.7 lakh crores of outflows in FY2021. Around 2.7 crores of new SIPs were registered in FY2022 as compared to 1.4 crores in FY2021. SIP monthly contribution touched an all-time high of ₹ 12,328 crores in March 2022. SIP flows for FY2022 stood at ₹ 1,24,566 crores vs ₹ 96,080 crores in FY2021. During the year, several new guidelines and regulations were issued by SEBI, the most prominent one being "Skin in the Game" rule that aims to align the interest of the 'Key employees' of the mutual fund house with the unitholders of its schemes. As per the rule, key employees of the asset management companies will have to mandatorily invest a minimum of 20% of the salary/ perks/ bonus/

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

non-cash compensation (gross annual CTC) net of income tax and any statutory contributions i.e. PF and NPS, in the units of Mutual Fund schemes in which they have a role/ oversight. SEBI expects that getting the key employees to invest in the schemes they manage can lead to better accountability on the part of the fund management team, thus paving way for a better quality of securities and improved performance. The regulator also came up with a revised risk management framework for fund houses and has called for standardization of the benchmarks of mutual fund schemes which will bring in uniformity and facilitate easy comparison of returns. The rationale behind all the regulatory changes is to act in favor of investors which bodes well for the industry in the long run.

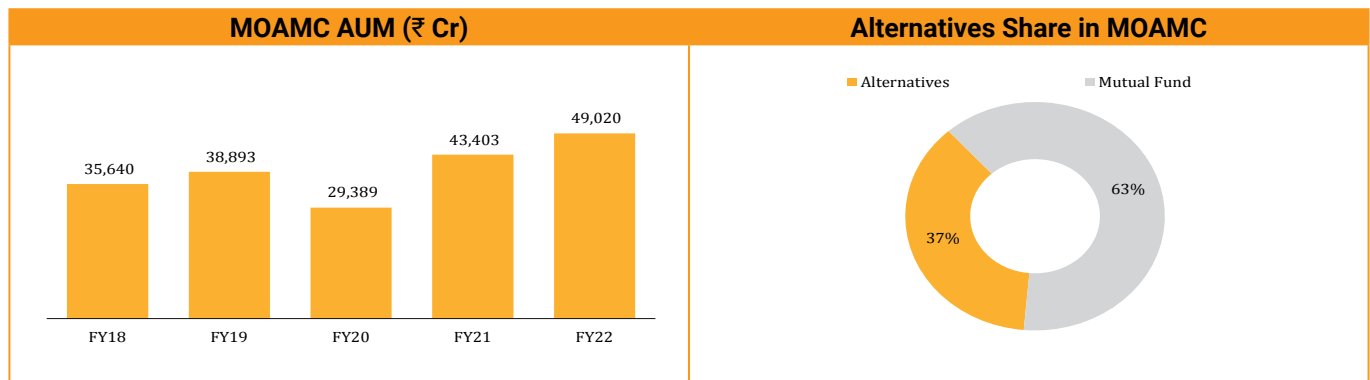


Our Asset Management Business

Motilal Oswal Asset Management (MOAMC) operates Mutual Fund (MF), PMS and AIF in the public equities space. MOAMC has crafted its niche with majority of AUM in equities. MOAMC AUM stood at ₹ 49,020 crores, +13% YoY. As of March 2022, our mutual fund AUM stood at ₹ 30,600 crores (+18% YoY), PMS AUM stood at ₹ 14,226 crores and AIF AUM stood at ₹ 3,951 crores (+49% YoY). We have received strong traction in our Passive offerings; our AUM crossed ₹ 10,000 crore mark in FY2022. Our presence in passive category will help us to on-board clients from the bottom of the pyramid, which are typically new to the equity asset class or have lower risk appetite. Our focus is on CAT III long only close ended AIF and we have witnessed favourable response to alternate offerings under AIF strategy.

Overall gross sales improved 49% YoY in FY2022 led by 30% YoY growth in MF and 2x growth in AIF sales. We have witnessed decline in redemptions across product categories which has resulted in strong positive net sales at AMC level in FY2022 as compared to net outflows in FY2021. We added around 4.8 lakh SIPs in FY2022, registering a growth of 54% YoY. Our new SIP count market share stood at 1.8%. Inflows from SIP was at ₹ 2,200 crores, which grew by 30% on YoY basis. We firmly believe in our Quality, Growth, Longevity and Price (QGLP) philosophy which has rewarded us over the years in terms of performance and will continue to hold and improvise it. Our AMC business has always been the promoter of trail based model and hence, the ban on upfront fee structure has been in our favor. On a blended basis, our net yield stood at 74 bps in FY2022. As of March 2022, ~30% of our non-MF AUM was performance-fee-linked. We aim to push more performance-linked AUM in both PMS and AIF, as it would help push net yields. Our total employee count stood at 325 as on March 2022. We have significantly invested in branding and advertising in past few years and the same has started realizing benefits in terms of brand-recall in the long term.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)



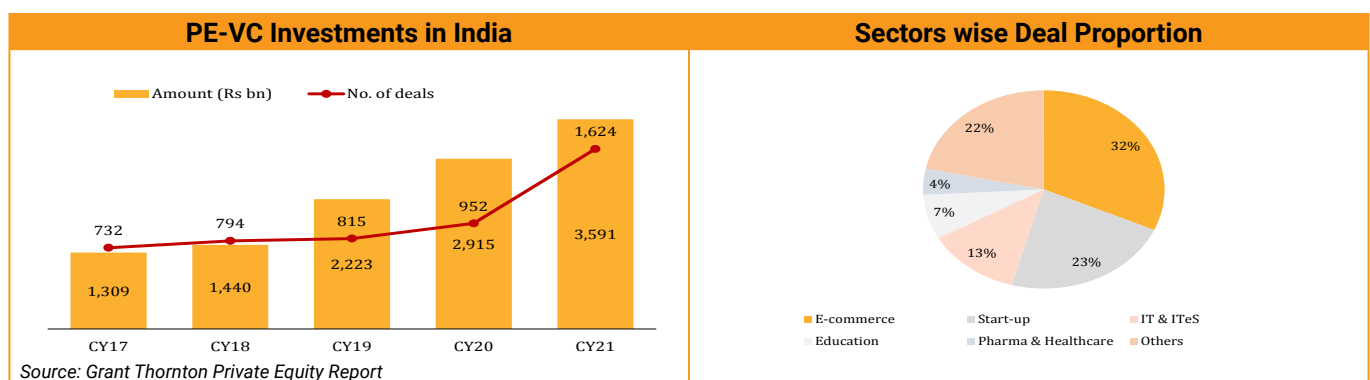
Private Equity

Industry Facts

2021 was a remarkable year for private equity investors, despite the second wave's toll on the economy. PE-VC firms invested \$48 billion in Indian companies across 1,624 deals. Tech-savvy sectors including start-up, IT & ITeS and e-commerce were the major beneficiaries of these investments. The year witnessed eight investments worth \$1 billion or more, led by Flipkart's \$3.6 billion pre-IPO round, which marked the re-entry of SoftBank Corp. The other major transactions included stake acquisition by Carlyle Group in Hexaware Technologies, Blackstone buying out a 75% stake in publicly listed Mphasis, Advent International's acquisition of Encora and Byju's fund raise led by Prosus Ventures. Sequoia Capital India was the most active investor with 105 transactions followed by global investor Tiger Global with 60 investments.

2021 also witnessed a major leap for India's PE growth, fueled by heightened interest from foreign funds, Indian family offices participating in direct investments, continued participation from domestic funds and incubation of sector agnostic funds, sustained interest from sovereign wealth funds, pension funds and AIFs participation, increase in the number of large size bets, growing PE-backed acquisitions and IPOs, among other things.

Pick-up in consumption supporting demand along with structural policy reform measures and support from government spending is preparing a conducive backdrop for a spurt in private sector growth resulting in a strong positive outlook for the PE landscape for the coming years.



Our Private Equity Business

Our PE arm manages three growth capital funds and four real estate funds. The QGLP philosophy is extended in private equity business too. The growth funds focus on themes that may benefit from structural changes like domestic consumption, domestic savings, infrastructure, etc. PE Funds have been successful in gaining investors' confidence with stellar returns over the years. During FY2022, IBEF-I has exited from all investments and delivered a

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

portfolio XIRR of 26.8%. Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions. Portfolio exits from IBEF II have commenced with 1 divestment completed and the balance lined up over next few quarters. Strong performance and positioning has enabled MOPE to raise Fund III ("IBEF-III") in very quick succession to Fund II. Fund III was launched in FY2018, which, after exhausting its green-shoe option, stands fully raised at ~₹ 2,300 crores. IBEF III has fully committed across 11 investments and the Fund is tracking top quartile performance compared to funds of its vintage. During the year, we launched IBEF IV with a target size of ₹ 4,500 crores. The fund has witnessed strong positive response and it achieved its 2nd close at ~₹ 4,000 crores.

The encouraging performance is not limited to growth funds but also real estate funds. IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors. IREF II is fully deployed across 14 investments. The Fund has secured 10 complete exits and 1 structured exit and has returned money equaling 138.5% of the Fund corpus back to the investors. IREF III has deployed ₹ 1,420 crores including reinvestments across 26 investments. The Fund has secured 12 full exits and has returned money equaling 80.9% of the investible fund. IREF IV with a size of ₹ 1,148 crores has deployed ₹ 1,170 crores including reinvestments across 21 investments. It has secured 5 full exits and has returned money equalling 17.4% of the investible funds back to its investors. IREF V has achieved its final close at ₹ 1,215 crores and has deployed ₹ 314 crores across 8 investments till March 2022.

Wealth Management

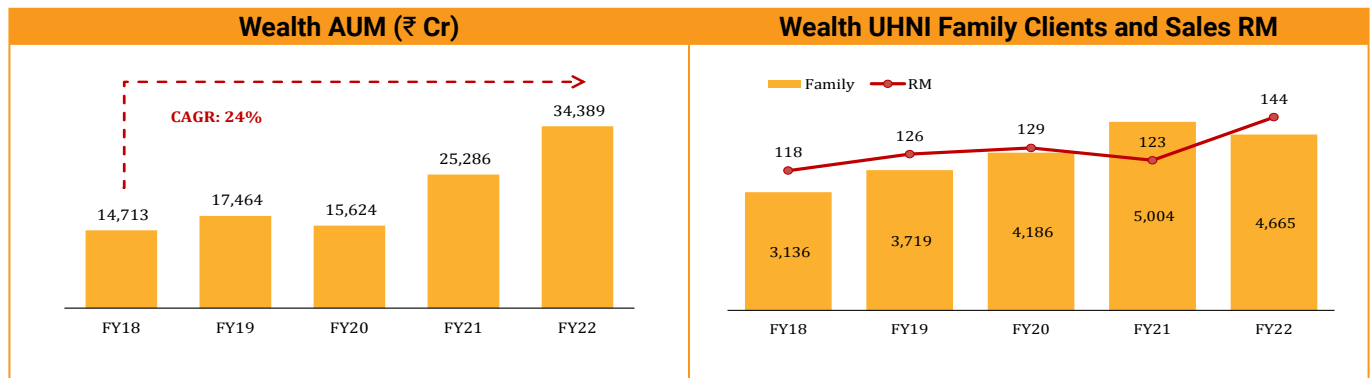
Industry Facts

As per Knight Frank's latest edition of The Wealth Report 2022, the number of ultra-high net worth individuals (UHNWIs) has globally increased by 9.3% in 2021 with over 51,000 people witnessing their net assets increased to USD 30 million or more. In India, the number of UHNWIs has grown by 11% YoY in 2021, the highest percentage growth in APAC. Equity markets and digital adoption have been key factors driving growth in the super rich category of India. Further, around 69% of the super wealthy individuals in India is expected to witness an increase of over 10% in their net worth in 2022. India has ranked 3rd in terms of billionaires' population in 2021, following the US and China. Amongst key Indian cities, Bengaluru witnessed highest growth in the number of UHNWIs followed by Delhi and Mumbai.

Our Wealth Management Business

Our wealth AUM was at an all-time high at ₹ 34,389 crores in FY2022, +36% YoY. We witnessed strong growth in revenues and profit during the year led by robust net sales of ₹ 5,389 crores, +99% YoY. During the year, we have added net 21 RMs. Our focus continued on training and knowledge development. We follow philosophy of 'home grown talent' which involves lower-cost junior RMs to assist the senior RMs to expand their books, while getting mentored to take a bigger role in the future. During FY2022, there was a strong improvement in RM productivity. The rise in RM vintage and operating leverage will lead to further scaling up of margins. No. of families stood at 4,665 as of March 2022. Our product mix contains ~63% of the equity products which helps in garnering higher yields. We have a strong pipeline of products across asset classes. We are on boarding new portfolio managers with differential offerings. Our adoption of open architecture model is enabling the incremental sales to be driven by non-captive products, resulting in more diversified products offering. Our trail revenues covered 89% of fixed costs in FY2022. This will provide cushion to margins in downturn.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)



Housing Finance

Industry Facts

Industry witnessed muted disbursement in Q1FY2022 due to the second wave of the pandemic and on-book portfolio registered nil sequential growth. However, with easing of the pandemic and opening of the economy, there was a sharp recovery in Q2FY2022 which continued for rest of the year. As per ICRA's report, the total outstanding housing finance credit for NBFC-HFC as on December 2021 stood at ₹ 11.9 lakh crores. The overall on-book portfolio growth of NBFC-HFC was 10% till period ended December 2021, driven by the steady growth in disbursements. Given the buoyancy in disbursements, as per ICRA, loan book portfolio is expected to grow by 9-11% in FY2023. GNPA as on December 2021 was 3.3%, the increase was due to tighter regulations by RBI. With the expectation of some recovery in Q4FY2022, driven by continuing healthy collections, ICRA has revised its estimate of reported GNPA's to 3.0-3.3% as on March 31, 2022 from earlier estimate of 3.6-3.8%. GNPA is expected to recover further in FY2023 to 2.7-3.0%.

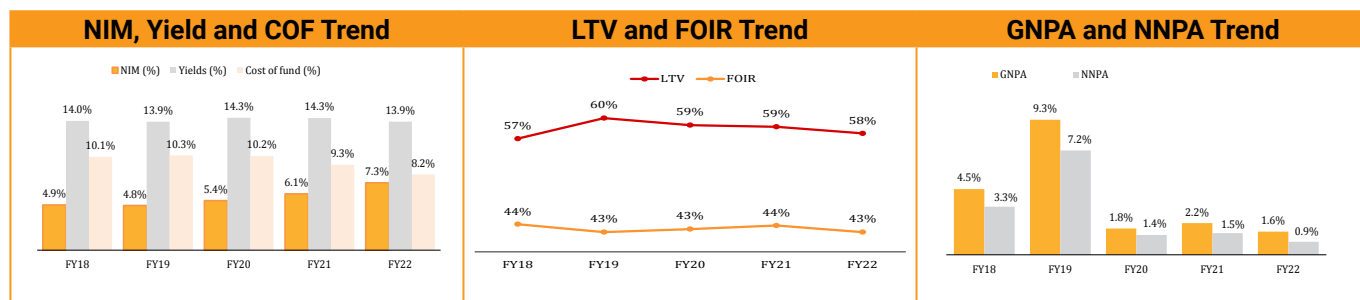
Our Housing Finance Business

Motilal Oswal Home Finance Ltd. (MOHFL) major focus has been to provide home loans to individuals and families for purchase, construction and extension of house. MOHFL also provides loans for repair and renovation of houses and home loans to families in the new to credit, self-employed, cash salaried category where formal income proofs, and credit bureaus reports are not easily available, and the repayment capacity of such families are appraised based on their cash flows and internal score cards.

Due to Covid induced lockdown, MOHFL's disbursements remained muted for the month of April and May in FY2022. However, disbursements gradually picked up and highest monthly disbursement in last 36 months was witnessed in March 2022. During FY2022, MOHFL disbursed loans amounting to ₹ 643 crores, a jump of 136% YoY. The loan book stood at ₹ 3,485 crores across 48,142 families as of March 2022. We have witnessed sharp traction in collection efficiency which stood at 98% in March 2022. Our average ticket-size at sourcing stood at ₹ 8.6 lakhs. We have put in place a vertical organization structure comprising sales, credit, collection and technical team. The implementation of cluster level credit layer along with 4 layer credit approval system based on loan ticket sizes and differentiated pricing methodology for loans based on risk type should likely result in improve underwriting, going forward. During the financial year, our ratings were upgraded by rating agencies and we received commitment of USD 50 mn from US International Development Finance Corporation, world's largest finance institution. Apart from that, we also completed first Direct Assignment Transaction. We witnessed 105 bps reduction in cost of fund on YoY basis in FY2022 to 8.2%. Cost of funds for the month of March 2022 stood at 8%. Our net gearing declined to 2.3x as of March 2022. We have limited borrowing repayments for next 1 year, robust undrawn borrowing lines and ALM places us in strong liquidity position.

We have invested significantly in technology to reduce operational costs and turnaround-times. On the digital side, we are committed towards digital initiatives in order to improve our customer experience. Our PMAY portal, which was launched in FY2021, has proven beneficial to customers and we have started on-boarding partners through our Digital MO Partner app.

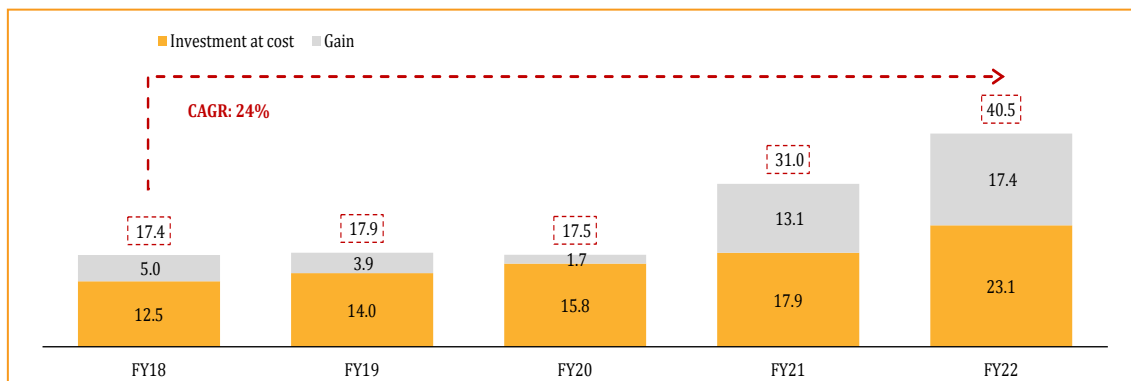
MANAGEMENT DISCUSSION ANALYSIS (Contd..)



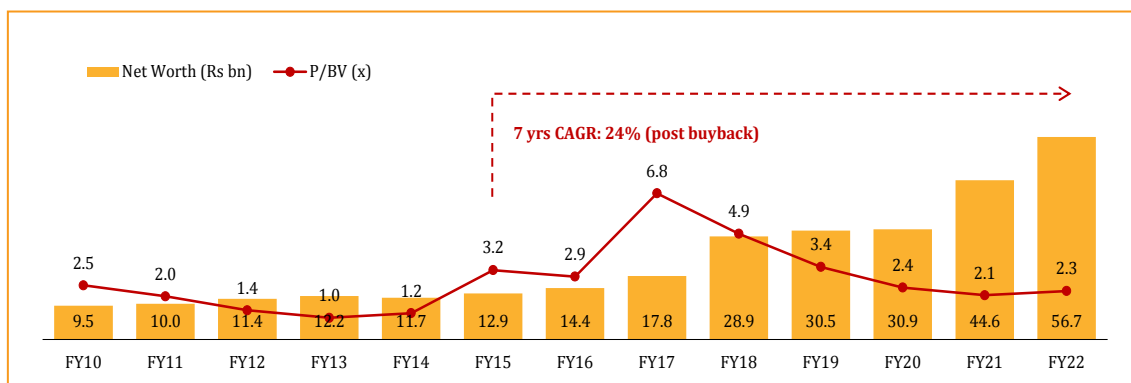
Fund based activities focusing on 'skin in the game' approach and enhancing Return on Equity

In line with the long term strategy to grow RoE sustainably, MOFSL had made strategic allocation of capital to long term RoE enhancing opportunities like MOHFL, and sponsor commitments to our mutual fund and private equity funds. As of March 2022, our total quoted equity investments stood at ₹ 2,676 crores. Our total investments including alternate investments stood at ₹ 4,053 crores as of March 2022.

Strong Growth in Investments over the years (₹ Bn)



Net Worth Trend



Key Ratios

The ROE during the year FY2022 stood at 30% vs 38% in FY2021. EBITDA and Net profit margins stood at 50% and 30% respectively in FY2022 (after intercompany adjustments). Debt to Equity ratio stood at 1.1x.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

Opportunities and Threats

Opportunities

- Positive long-term economic outlook will lead to opportunity for financial services
- Growing Financial Services industry's share of wallet for disposable income
- Regulatory reforms would aid greater participation by all class of investors
- Leveraging technology to enable best practices and processes
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business

Threats

- Execution risk
- Short term economic slowdown impacting investor sentiments and business activities
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Market trends making other assets relatively attractive as investment avenues

Strengths

- **Strong Brand name**

'Motilal Oswal' is a well-established brand among retail and institutional investors in India. MOFSL believes that its brand is associated with high quality research and advice as well as corporate values like integrity and excellence in execution. The company has been able to leverage its brand awareness to grow its businesses, build relationships and attract and retain talented individuals.

- **Experienced top management**

The promoters, Mr Motilal Oswal and Mr Raamdeo Agrawal are qualified chartered accountants with over three decades of experience each in the financial services industry. The top management team comprises qualified and experienced professionals, with a successful track record. The company believes that its management's entrepreneurial spirit, strong technical expertise, leadership skills, insight into the market and customer needs provide it with a competitive strength, which will help to implement its business strategies.

- **Integrated financial services provider**

The broad range of offerings under Broking and Distribution, Institutional Equities, Investment Banking, Asset Management, Wealth Management, Private Equity and Housing Finance business helps to foresee client requirements and provide full-fledged services under single platform. The production and distribution of all financial products and services helps the company's advisors and clients to attain client's financial objectives with best in class services.

- **Independent and insightful research**

MOFSL believes that its understanding of equity as an asset class and business fundamentals drives the quality of its research and differentiates it from its competitors. The research team is focused on equities, derivatives and commodities.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

- **One of largest distribution network with presence across 550+ locations**

MOFSL's financial products and services are distributed through a Pan India network. The business has grown from a single location to a nationwide network operated by business associates or directly through own branches in 550+ locations. This extensive network provides opportunities to cross sell products and services, particularly as the company diversifies into new business streams. In addition to the geographical spread, MOFSL also offers an online channel to service customers.

- **Established leadership in Franchisee business**

One of the key strengths has been the successful establishment of the franchisee business. The company's relationship with the franchisees has become stronger as they grew. MOFSL has multiple business partner models in franchising and is strongly committed to enhance growth and profitability of each of its franchisee.

- **Strong risk management**

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. Risk management department analyses this data in conjunction with the company's risk management policies and takes appropriate action where necessary to minimize risk.

- **State of art infrastructure**

MOFSL has consolidated its businesses under one Corporate Office – Motilal Oswal Towers. The integration of multiple MOFSL businesses provides a great opportunity to present a holistic solution to client needs and facilitates the "One Firm" philosophy. The infrastructure has been extensively leveraged upon to build deeper connect with our customers, business partners and corporates.

- **Financial prudence**

MOFSL's operating margins continue to remain stable despite the fluctuations in market volumes and revenues. This is a result of creating a robust business model that can withstand the cyclical fluctuations in business volumes and simultaneously capture the opportunities provided by the structural growth of India.

During the year, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of the Company. CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of Motilal Oswal Finvest Limited (MOFL), a subsidiary of the Company. Further, CRISIL first revised the outlook of Market Linked Debentures and Non-Convertible Debentures of MOFL from Stable to Positive and later upgraded the rating to "CRISIL PP-MLD AA r/Stable" and "CRISIL AA/Stable" respectively. CRISIL assigned "CRISIL A1+" to the Commercial Paper Programme of Motilal Oswal Wealth Limited (MOWL), a subsidiary of the company. CRISIL first revised the outlook from Stable to Positive of Long Term Ratings, Market Linked Debentures and Non-Convertible Debentures of Motilal Oswal Housing Finance Limited (MOHFL) and later upgraded the rating to "CRISIL AA/Stable" and "CRISIL PP-MLD AA r/Stable" and reaffirmed "CRISIL A1+" for Commercial Paper Programme.

ICRA Limited assigned rating of "ICRA AA" to the Bank Lines, "ICRA PP-MLD AA/Stable" to the Market Linked Debentures and "ICRA A1+" rating to the Commercial Paper Programme of the Company and reaffirmed "ICRA AA/Stable" rating of Non-Convertible Debentures. ICRA Limited assigned rating of "ICRA AA/Stable" rating to Non-Convertible Debentures of MOFL and "ICRA A1+" rating to Commercial Paper of MOWL. ICRA has upgraded rating of Non-Convertible Debentures and Market Linked Debentures of MOHFL to "ICRA AA-/Stable" and "ICRA PP-MLD AA-/Stable" from "ICRA A+" and "ICRA PP-MLD A+" respectively.

MANAGEMENT DISCUSSION ANALYSIS (Contd..)

India Rating assigned “IND AA/Stable” and “IND PP-MLD AA/Stable” rating to Non-Convertible Debentures and Market Linked Debentures respectively and reaffirmed “IND A1+” rating to the Commercial Paper Programme of the Company. India Rating assigned “IND AA/Stable” and “IND PP-MLD AA/Stable” rating to Non-Convertible Debentures and Market Linked Debentures respectively and reaffirmed “IND A1+” rating to the Commercial Paper Programme of MOFL. India Rating assigned “IND A1+” rating to the Commercial Paper Programme of MOWL. During the year “IND AA/Stable” rating was assigned to the Bank Loans and Non-Convertible Debentures and “IND A1+” rating was reaffirmed to the Commercial Paper Programme of MOHFL.

Risks and concerns

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the Asset Liability Management Committee to manage these risks. This team identifies, assesses and monitors all principal risks in accordance with defined policies and procedures. The committee is headed by the Chairman & Managing Director.

The Board Level Committees viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures. It reviews credit and operational risks while the Asset Liability Management Committee reviews policies in relation to investment strategy and other risks like interest rate risk and liquidity risk.

Internal control systems and their adequacy

The company’s internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets.

Internal audit is conducted by Aneja and Associates, to assess the adequacy of the internal controls procedures and processes, and their reports are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors.

REPORT ON CORPORATE GOVERNANCE (Contd..)

REPORT ON CORPORATE GOVERNANCE

[As per Regulation 34(3) read along with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Corporate Governance Philosophy

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company's Philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industry. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company's comprehensive Corporate Governance practices ensures that the Company always works optimally, protecting the best interests of the stakeholders and withholding the reputation and status of the Company.

Board of Directors ("Board")

Composition of Board:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time). As on March 31, 2022, the Board consists of Ten Directors comprising of Three Executive Directors, Two Non-Executive Directors and Five Independent Directors including Two Woman Directors. The Company has a Non-Executive Chairman & he is Promoter of the Company and thus, 50% (Fifty Percent) of the total number of Directors are Independent. The Management of the Company is headed by Mr. Motilal Oswal, Managing Director & Chief Executive Officer of the Company, who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

There was no material, financial and/or commercial transactions entered into between the Senior Management and the Company which could have potential conflict of interest with the Company at large.

Confirmation of the Board for Independent Directors:

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Independent Directors have also registered their names in the Data Bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended. Further, none of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

REPORT ON CORPORATE GOVERNANCE (Contd..)

As required under Regulation 46 of the Listing Regulations, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on the website of the Company at www.motilaloswalgroup.com.

Inter-se relationships between Directors:

None of the Directors of the Company are inter-se related to each other.

Board Process:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. The Board Meetings (including Committee Meetings) of the Company are scheduled after getting confirmation on dates from Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board meeting is also called at Shorter Notice or approval of Board is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The detailed Agenda together with the relevant notes to agendas is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is placed at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of the Independent Directors. Senior Management Personnel are invited to the Board / Committee meeting(s) to provide additional inputs on the items being discussed by the Board / Committees thereof as and when necessary. The Chairman/Managing Director apprises the Board at every meeting on the overall performance of the Company, followed by the detailed presentation by Chief Financial Officer of the Company.

The Company Secretary is responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

For facilitating circulation of Board folders in electronic form and reducing consumption of papers, the Company has adopted a web-based application for transmitting Agenda, Minutes and other papers relating to Board/Committee Meeting(s). The Directors of the Company receive the Board papers in electronic form through this application, which can be accessed only through iPad/MacBook. The application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda and Minutes in electronic form.

The Board provides the overall strategic direction and periodically reviews strategy and business plans, annual operating and capital expenditure budgets and oversees the actions and results of the management to ensure that the long term objectives of enhancing shareholders' values are met. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, Minutes of Meetings of the Audit and other Committees of the Board, Minutes of the Meetings of the Subsidiary Companies and information on recruitment of officers at the Board level and the Key Managerial Personnel. The Board reviews compliance reports of all laws applicable to the Company on quarterly basis.

REPORT ON CORPORATE GOVERNANCE (Contd..)

The draft Minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the Meeting. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board / Committee(s), prior to the next meeting and confirmed thereat.

Information to the Board:

The Board has complete access to the information within the Company, which inter alia includes–

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results and results of operations of subsidiaries.
- Financing plans of the Company.
- Minutes of the meetings of the Board of Directors and Committees of the Board.
- Minutes of the Board Meetings of subsidiaries.
- Details of potential acquisitions or collaboration agreement, if any.
- Material default, if any, in the financial obligations to and by the Company or substantial non-payment for services rendered, if any.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company.
- Developments in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any.

Board Meetings held during the year:

During the Financial Year (“FY”) 2021-22, the Board met 6 (Six) times i.e. on April 29, 2021, July 29, 2021, August 13, 2021, October 28, 2021, January 27, 2022 and March 30, 2022. The maximum gap between any two meetings was not more than one hundred and twenty days. The required quorum was present at all the above meetings. The meetings of the Board are generally held at the Registered Office of the Company.

Attendance & Other details:

The attendance of the members of the Board at the meetings held during the FY 2021-22, at the previous Annual General Meeting (“AGM”) held on August 09, 2021 and also the number of other Directorships and Memberships / Chairpersonship of Committees held by them as on March 31, 2022 are as follows:

REPORT ON CORPORATE GOVERNANCE (Contd..)

Name of the Director	Category	DIN	Board Meetings		Attendance at the previous AGM	Number of Directorships and Committee Membership/ Chairpersonship (including in Company)			No. of Independent Directorships (including in Company) ⁽³⁾
			No. of meetings held during the year	No. of meetings attended		Directorship ⁽¹⁾	Member ⁽²⁾	Chairperson ⁽²⁾	
Mr. Raamdeo Agarawal	P, C & NED	00024533	6	6	Present	7	3	1	-
Mr. Motilal Oswal	P, MD&CEO	00024503	6	6	Present	6	4	1	-
Mr. Navin Agarwal	NED	00024561	6	6	Present	6	1	-	-
Mr. Ajay Menon	WTD	00024589	6	6	Present	5	1	1	-
Mr. Rajat Rajgarhia	WTD	07682114	6	6	Present	3	-	-	-
Mr. C. N. Murthy	ID	00057222	6	6	Present	1	1	-	1
Mr. Chandrashekhar Karnik	ID	00003874	6	6	Present	2	2	-	1
Mr. Pankaj Bhansali	ID	03154793	6	6	Present	5	1	1	1
Mrs. Divya Momaya	ID	00365757	6	6	Present	5	4	2	3
Mrs. Swanubhuti Jain	ID	09006117	6	6	Present	3	-	-	2

P – Promoter C – Chairman MD&CEO – Managing Director & Chief Executive Officer
WTD – Whole-Time Director ID – Independent Director NED – Non-Executive Director

Notes:

- (1) Section 8 companies are excluded.
- (2) Memberships include Chairpersonship. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company.
- (3) Only Equity listed companies are considered.
- None of the Directors on the Board are Member of more than 10 Committees and Chairperson of more than 5 Committees across all listed entities in which they hold Directorship.
 - None of the Independent Directors hold office as an Independent Director in more than seven equity listed companies.
 - Further, no Executive Director of the Company is serving as an Independent Director in any company.

Details of Directorship in Listed Entities as on March 31, 2022:

The details of directorship held by Directors of the Company in other listed entities as on March 31, 2022 are as follows:-

Sr. No.	Name of the Director	Name of the Listed Entity ⁽¹⁾	Category of Directorship
1	Mrs. Divya Momaya	Arihant Superstructures Limited	Independent Director
2	Mrs. Divya Momaya	GTPL Hathway Limited	Independent Director
3	Mrs. Swanubhuti Jain	Allied Digital Services Limited	Independent Director

(1) Only Equity listed entities are considered

REPORT ON CORPORATE GOVERNANCE (Contd..)

Meeting of Independent Directors:

Section 149(8) read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a Financial Year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met once i.e. on April 29, 2021 during the year under review, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of aforesaid Meeting of Independent Directors was Mr. C. N. Murthy.

Familiarisation programmes for Independent Directors:

The Company has familiarised the Independent Directors of the Company with Programmes which aims to provide them in depth insight and understanding of the businesses and operations of the Company and its subsidiaries, which enables and assists them in performing their role as Independent Directors of the Company. The Details of the familiarisation programmes imparted to the Independent Directors has been disclosed on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/33122429Familiarization-Programmes-for-Independent-Director_2022.pdf

Directors and Officers Insurance ('D&O'):

In line with the requirements of Regulation 25 (10) of the Listing Regulations, the Company has taken D&O Insurance for all its Directors & Officers for such quantum and risk as determined by the Company.

Matrix setting out the Skills/expertise/competence of the Board of Directors:

The following is the list of core skills/expertise/competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner:-

Sr. No.	Name of the Directors	Skills/Expertise/competences						
		Business & Industry	Leadership & Human Resource	Finance	Risk	Legal, Compliance & Governance	Marketing & Sales	Digital & Information Technology
1.	Mr. Raamdeo Agarawal	✓	✓	✓	✓	✓	✓	
2.	Mr. Motilal Oswal	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Navin Agarwal	✓	✓	✓	✓	✓	✓	✓
4.	Mr. Ajay Menon	✓		✓	✓	✓	✓	✓
5.	Mr. Rajat Rajgarhia	✓		✓			✓	
6.	Mr. C. N. Murthy	✓	✓	✓		✓	✓	
7.	Mr. Chandrashekhar Karnik	✓	✓	✓		✓	✓	
8.	Mr. Pankaj Bhansali	✓		✓	✓	✓		
9.	Mrs. Divya Momaya	✓		✓	✓	✓	✓	✓
10.	Mrs. Swanubhuti Jain	✓		✓		✓	✓	✓

Committees of the Board:

With a view to have a more focused attention on the business and for better governance and accountability, the Board has constituted including but not limited to various below mentioned Committees under the Act and Listing

REPORT ON CORPORATE GOVERNANCE (Contd..)

Regulations for compliance and / or administrative purpose. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval:-

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Corporate Social Responsibility Committee
- 5) Risk Management Committee
- 6) Finance Committee
- 7) Business Responsibility Committee
- 8) Technology Committee

1) Audit Committee

The terms of reference of the Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than

REPORT ON CORPORATE GOVERNANCE (Contd..)

those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism/Vigil Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary;
21. To carry out such other responsibility as may be provided by the Act and the Listing Regulations.

Composition, Meetings and Attendance:

During the FY 2021-22, the Audit Committee met 6 (Six) times i.e. on April 29, 2021, July 29, 2021, August 13, 2021, October 28, 2021, January 27, 2022 and March 30, 2022. The maximum gap between any two meetings was not more than one hundred and twenty days. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

REPORT ON CORPORATE GOVERNANCE (Contd..)

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Pankaj Bhansali	ID	Chairman	6	6
Mr. C.N. Murthy	ID	Member	6	6
Mr. Chandrashekhar Karnik	ID	Member	6	6
Mrs. Divya Momaya	ID	Member	6	6

Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. The internal auditor reports directly to the Audit Committee.

2) Nomination and Remuneration Committee

The terms of reference of the Committee are as follows:

1. Formulate criteria to qualify individuals who may become Director or who may be appointed in senior management level of the Company and recommend to the Board of such appointments and removal;
2. Carry out performance evaluation of all Directors;
3. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
4. Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. The policy shall be referred as Nomination and Remuneration policy;
5. To decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company;
6. To devise the policy on Board's diversity;
7. To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees;
8. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
9. To decide whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent director;
10. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, in case of appointment of an Independent Director;
11. To confirm that compensation payable to Research Analyst(s) are not determined or based on any specific merchant banking or investment banking or brokerage services transaction and approve the said compensation payable to Research Analyst(s);
12. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable and such other powers to be exercised by NRC pursuant to circulars, notifications issued by Statutory & Regulatory authorities from time to time.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Composition, Meetings and Attendance:

During the FY 2021-22, the Committee met 3 (Three) times i.e. on April 29, 2021, July 29, 2021 and October 28, 2021. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. C. N. Murthy	ID	Chairman	3	3
Mr. Chandrashekhar Karnik ⁽¹⁾	ID	Member	2	2
Mr. Pankaj Bhansali	ID	Member	3	3
Mrs. Divya Momaya	ID	Member	3	3
Mr. Raamdeo Agarawal ⁽²⁾	NED	Member	1	1

⁽¹⁾ Appointed as Member w.e.f. April 29, 2021

⁽²⁾ Resigned as Member w.e.f. April 29, 2021

Nomination and Remuneration Policy:

The success of the organization in achieving good performance and good governing practice depends on its ability to attract and retain individuals with requisite knowledge and excellence as Executive and Non-Executive Directors. With this objective, the Board and the Nomination and Remuneration Committee decides on the appointment and remuneration to be paid to the Non-Executive Directors.

While deciding on the remuneration to the Directors, the Board and Nomination and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualifications of the appointee, his experience, level of responsibility, past performance and other relevant factors.

The Board and Nomination and Remuneration Committee carry the performance evaluation of the Directors. Accordingly, on the basis of the report of the performance evaluation of Directors including Independent Directors, the Company decides whether to extend or continue the term of appointment of the Independent Directors. The criteria of performance evaluation of Directors includes the effectiveness in decision making, effectively facilitates the Board Meeting, demonstrating knowledge, etc.

The Nomination and Remuneration Policy of the Company including the criteria for making payments to Directors including Non-executive Directors, Key Managerial Personnel ("KMP") and Senior Management is uploaded on the Website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/724496156Nomination-and-Remuneration-Policy.pdf>

Performance Evaluation:

In terms of provisions of the Act read with Rules made there under and Regulations 17 and 19 of the Listing Regulations, the Board, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the Financial Year ended March 31, 2022. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, inputs provided to executive management on matters of strategic importance, familiarization with the business of the Company and its subsidiaries, etc.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Remuneration to Directors:

Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Motilal Oswal Family Trust are the Promoters of the Company.

Mr. Motilal Oswal, Managing Director & CEO, Mr. Ajay Menon, Whole-time Director and Mr. Rajat Rajgarhia, Whole-time Director draws remuneration from the Company. Apart from the reimbursement of expenses incurred in discharge of their duties, the sitting fees and commission that the Independent Directors are entitled to receive under the Act, none of the Independent Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Management, its Subsidiary Companies and its Associate Companies which would affect their independence.

Remuneration to the Executive Directors :

(Amount in ₹)

Name of the Director	Category	Salary ⁽¹⁾	Variable Pay	Perquisites	Total
Mr. Motilal Oswal	MD&CEO	2,40,35,000 ⁽²⁾	0	4,000	2,40,39,000
Mr. Ajay Menon	WTD	1,00,94,400 ⁽²⁾	8,00,00,000	1,86,850	9,02,81,250
Mr. Rajat Rajgarhia	WTD	1,74,96,000	4,30,00,000	1,54,050	6,06,50,050
Total		5,16,25,400	12,30,00,000	3,44,900	17,49,70,300

⁽¹⁾ Based on policy formulated by the NRC and approved by the Board.

⁽²⁾ Including incentives related to MOG-SIP.

- The aforesaid Managerial remuneration does not include Provision for Gratuity and Insurance Premiums for medical and life.
- The Executive Directors are provided with various benefits including reimbursement of expenses, leave travel concession etc.
- None of the Executive Directors of the Company have received the pension and severance fees from the Company. Also, the Company has not entered into the service contracts and there is no provision of notice period in the Company for Directors.

Remuneration paid to Non-Executive Directors:

The Independent Directors are paid the sitting fees of ₹20,000/- for every Meeting of the Board and ₹10,000/- for every meeting of the Committees of the Board attended by them. The shareholders of the Company at the Annual General Meeting held on July 27, 2017 approved the payment of Commission up to an amount not exceeding 1% of the Net Profits of the Company computed in accordance with the provisions of Section 198 and other applicable provisions of the Act, to Independent Directors of the Company for period of five years with effect from April 1, 2017. The Nomination and Remuneration Committee at its Meeting held on April 28, 2022 approved the payment of Commission of ₹6,50,000/- to Mr. Chandrashekhar Karnik and ₹3,00,000/- each to Mr. C.N. Murthy, Mr. Pankaj Bhansali, Mrs. Divya Momaya & Mrs. Swanubhuti Jain, Independent Directors of the Company, for the FY 2021-22. Also since Mr. Karnik undertake various leadership training sessions for Senior Management of Motilal Oswal Group, the Committee approved the remuneration of ₹3,50,000/- by way of Commission for his service offered to Company in addition to ₹3,00,000/- for the FY 2021-22. Mr. Raamdeo Agarawal, Non-Executive Non-Independent Director of the Company is not paid any sitting fees for attending Board Meetings & various Committee Meetings. However, pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on July 31, 2019 has approved the payment of remuneration of ₹12,00,000/- per annum by way of monthly commission of ₹1,00,000/- per month to Mr. Raamdeo Agarawal, Non-Executive Chairman of the Company. Mr. Navin Agarwal, the Non-Executive Director of the Company is in the Whole time employment of Motilal Oswal Asset Management Company Limited ("MOAMC"), a material subsidiary of the Company and draws remuneration from MOAMC. Also Mr. Navin Agrawal is not paid any sitting fees for attending Board Meetings & various Committee Meetings.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Details of the sitting fees & commission paid to the Non-Executive Directors for the FY 2021-22 are given herein below:-

(Amount in ₹)

Name of the Director	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. Raamdeo Agarawal	C & NED	-	-	12,00,000	12,00,000
Mr. C. N. Murthy	ID	1,20,000	1,00,000	3,00,000	5,20,000
Mr. Chandrashekhar Karnik	ID	1,20,000	80,000	6,50,000	8,50,000
Mr. Pankaj Bhansali	ID	1,20,000	1,00,000	3,00,000	5,20,000
Mrs. Divya Momaya	ID	1,20,000	80,000	3,00,000	5,00,000
Mrs. Swanubhuti Jain	ID	1,20,000	0	3,00,000	4,20,000
Total		6,00,000	3,60,000	30,50,000	40,10,000

In accordance with the provisions of the Act and Listing Regulations, Independent Directors are not eligible for any employee stock options.

Shares held by the Non-Executive Directors:

The details of the Equity Shares of the Company held by the Non-Executive Directors as on March 31, 2022 is given herein below:-

(Amount in ₹)

Name of the Director	Category	No. of Equity Shares held
Mr. Ramdev Agrawal	C & NED	4,03,69,047
Mr. Navin Agrawal	NED	77,04,010
Mr. C.N. Murthy	ID	Nil
Mr. Chandrashekhar Karnik	ID	Nil
Mr. Pankaj Bhansali	ID	Nil
Mrs. Divya Momaya	ID	Nil
Mrs. Swanubhuti Jain	ID	Nil
Total		4,80,73,057

3) Stakeholders Relationship Committee

The terms of reference of the Committee are as follows:

- To address requests/resolve grievances of security holders including complaints related to transfer/transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends/interests, etc;
- To monitor and transfer the amounts/shares transferable to Investor Education and Protection Fund ("IEPF");
- To approve transfer / transmissions of securities;
- Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis;
- To address the remat/demat requests of security holders for rematerialisation/dematerialisation of securities;
- To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company;

REPORT ON CORPORATE GOVERNANCE (Contd..)

7. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities;
8. Specifically look into the various aspects of interest of shareholders, debenture holders and other security holders;
9. Review of measures taken for effective exercise of voting rights by shareholders;
10. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
11. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
12. Any other matters that can facilitate better investor services and relations.

Composition, Meetings and Attendance:

During the FY 2021-22, the Committee met 1(One) time i.e. on October 28, 2021. The details of the Composition of the Committee, number of meeting(s) held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meeting(s)	
			Held	Attended
Mr. Raamdeo Agarawal	C & NED	Chairman	1	1
Mr. Motilal Oswal	MD&CEO	Member	1	1
Mr. Navin Agarwal	NED	Member	1	1
Mr. Chandrashekhar Karnik	ID	Member	1	1

The Committee meets as and when required, to deal with the investor related matters.

Details of queries and grievances received and attended by the Company during the FY 2021-22 are given herein below:

Sr. No.	Nature of Complaint	Pending as on April 1, 2021	Received during the year	Disposed off during the year	Pending as on March 31, 2022
i.	SEBI /Stock Exchange Complaints	0	0	0	0
ii.	Non-receipt of Dividend warrant/ Interest	0	0	0	0
iii.	Non-receipt of Share Certificate	0	0	0	0
iv.	Non-receipt of Annual Report	0	1	1	0
v.	Others	0	0	0	0
	Total	0	1	1	0

SEBI Complaints Redress System (SCORES)

Securities and Exchange Board of India ("SEBI") administers a centralised web based complaints redress system ("SCORES"). It enables investors to lodge and follow up complaints and track the status of redressal online on the website at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the

REPORT ON CORPORATE GOVERNANCE (Contd..)

complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2022.

4) Corporate Social Responsibility Committee

The terms of reference of the Committee are as follows:

1. Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in Clause (1);
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Update the Board on the implementation of various programmes and initiatives;
5. Formulate and recommend to the Board for its approval, an annual action plan in pursuance to the CSR policy;
6. Such other powers to be exercised by CSRC pursuant to circulars, notifications issued by Statutory & Regulatory Authorities from time to time.

Composition, Meetings and Attendance:

During the FY 2021-22, the Committee met 2 (Two) times i.e. on April 29, 2021 and October 28, 2021. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Motilal Oswal	MD	Chairman	2	2
Mr. Raamdeo Agarawal	C&NED	Member	2	2
Mr. C.N. Murthy	ID	Member	2	2

The CSR Policy devised in accordance with Section 135 of the Act and the details about CSR Policy and initiatives and activities undertaken by the Company on CSR during the financial year 2021-22 is annexed as "Annexure-4" to the Board's Report.

5) Risk Management Committee

The Company has a well-defined risk management framework in place and Risk Management Committee, which ensures that the management controls risks through means of a properly defined framework. In addition, the Board has formulated and adopted a risk management policy. The risk management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter annexed to the Board's Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

REPORT ON CORPORATE GOVERNANCE (Contd..)

The terms of reference of the Committee are as follows:

1. Reviewing and approving the risk management policy and associated framework, processes and practices of the Company on an annual basis;
2. Ensuring the appropriateness of the Company in taking measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
3. Evaluating significant risk exposure of the Company and assessing Management's action to mitigate / manage the exposure in timely manner;
4. Laying down the risk tolerance limits and Monitoring risk exposures at periodic intervals;
5. Reporting to the Board on periodical basis;
6. Assist the Board in effective operation of risk management system by performing specialized analyses and quality reviews;
7. Maintaining a group-wise and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile;
8. Reviewing, investigating the instances reported for unethical behavior of employees or Senior Management Officials and taking suitable disciplinary action against such employees;
9. Overseeing and Identifying the wilful defaulters;
10. Monitoring and Reviewing of the Risk Management Plan including Cyber Security;
11. Such other powers to be exercised by RMC pursuant to circulars, notifications issued by Statutory & Regulatory authorities from time to time.

Composition:

During the FY 2021-22, the Committee met 2 (Two) times i.e. on July 29, 2021 and January 24, 2022. The details of the Composition of the Committee, number of meeting(s) held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Motilal Oswal	MD	Chairman	2	2
Mr. Navin Agarwal	NED	Member	2	2
Mr. Ajay Menon	WTD	Member	2	2
Mr. Shalibhadra Shah	CFO	Member	2	2
Mr. Pankaj Bhansali ⁽¹⁾	ID	Member	2	2
Mr. Anupam Agal ⁽²⁾	SEVP	Member	2	2

CFO: Chief Financial Officer

SEVP: Senior Executive Group Vice President

⁽¹⁾ Appointed as Member w.e.f. April 29, 2021

⁽²⁾ Ceased to be a Member w.e.f. April 28, 2022

REPORT ON CORPORATE GOVERNANCE (Contd..)

6) Finance Committee

The terms of reference of the Committee are as follows:

- 1) To review, evaluate and approve the Investments to be made by the Company;
- 2) To borrow monies from Banks, financial institution, Body Corporate(s) or any other person for funding capital requirement of the Company and its subsidiaries, the amount outstanding at any point of time not exceeding the overall limit of ₹12,000 Crores;
- 3) To create Pledge/ hypothecate/ mortgage and/ or charge on both movable and immovable assets not exceeding the overall limit of ₹10,000 Crores;
- 4) To provide loans to any Body Corporate/Person not exceeding the overall limit of ₹4,500 Crores and/or give guarantee or provide security in connection to loan to any other body corporate or person not exceeding ₹500 Crores;
- 5) Allotment of Shares, Debentures and other securities;
- 6) Acquisition by way of subscription, purchase of otherwise the securities of any body corporate including investment in private equity funds and real estate funds not exceeding overall limits of ₹4,000 Crores;
- 7) Affix common seal of the Company on instruments or deeds or on any document(s) as may be required in the presence of at least one Director or such other person as the Committee may appoint for the purpose;
- 8) Investments, Deployment, Liquidation and re-deployment of surplus funds of the Company, temporary or otherwise, from time to time, in units of mutual fund schemes, units of liquid funds, and subject to the provision of Section 186 of the Act and investment in any other marketable/financial instrument/securities and any other instrument traded on the Stock Exchange(s) and Commodity Exchange(s) from time to time, the amount to be invested at any point of time not exceeding ₹10,500 Crores;
- 9) To sign and execute all forms and other documents for the foregoing purposes and to do all such acts as may be ancillary or incidental to the foregoing purposes;
- 10) Review and monitoring of the business policies and operational decisions as set by the Board, from time to time;
- 11) Supervision and review of the performance of various operational activities on an ongoing basis;
- 12) Authorise negotiations and arrangements for operational and administrative requirements;
- 13) Opening and closing current/cash credit/ overdraft/ fixed deposit or other accounts including depository accounts with any scheduled bank and/or depository participant, authorize the officials of the Company to operate the same and to vary the existing authorization in respect of these accounts;
- 14) Issue of Power of Attorneys/Delegation Letter to the Officials of the Company;
- 15) Execute, sign, certify any agreement, MOU, undertaking, document, deed and other writings in relation to the day-to-day matters;
- 16) Authorise Officials of the Company to initiate legal action, sign documents/deeds/undertakings and other writings and represent the Company in litigation and settle any legal disputes in connections with any legal proceedings by or against the Company;

REPORT ON CORPORATE GOVERNANCE (Contd..)

- 17) Registration, renewal/continuation of registration and continuing compliance and observance of various provisions of Shops & Establishment, Sales Tax, Service Tax, Professional tax and such other legislations and rules, regulations and directions made or issued there under;
- 18) To undertake all activities to act as sponsor and to decide quantum of investment and/or commitment in these funds, schemes, trusts and to do all such acts, deeds, and things as may be necessary in this regard;
- 19) Grant of authority to avail online payment gateway facility;
- 20) To take decisions with respect to matters of acquisition, disposal and utilization of premises (by way of sale, purchase, lease, leave & license or otherwise) for and on behalf of the Company;
- 21) To open, operate and close Bank Accounts/Demat Accounts;
- 22) To acquire broking & distribution business and other businesses of various entities for an aggregate consideration of ₹25 crores and to sign, file and submit documents for obtaining regulatory approvals, if any, in this regard and carry out such other incidental & ancillary matters;
- 23) To carry out all the activities/actionables pertaining to various businesses/licenses of the Company including submitting various reports, declarations, certifications, undertakings and such other documents as may be required from time to time by the Depositories, Stock Exchange(s) and other regulatory authorities and to carry out such other incidental & ancillary matters;
- 24) Any other incidental or other matter in the ordinary course of business, including delegation of powers for routine matters, and/or may be delegated by the Board, from time to time.

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	MD&CEO	Chairman
Mr. Raamdeo Agarawal	C&NED	Member
Mr. Navin Agarwal	NED	Member
Mr. Ajay Menon	WTD	Member

7) Business Responsibility Committee

The terms of reference of the Committee are as follows:

1. Frame and overview polices pertaining to principles of Business Responsibility as may be required from time to time;
2. Overview and Recommend the Business Responsibility Report to the Board;
3. Undertake various Environment, Social and Governance (ESG) initiatives;
4. Such other powers to be exercised by BRC pursuant to circulars, notifications issued by Statutory & Regulatory authorities from time to time.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	MD & CEO	Chairman
Mr. Sudhir Dhar	Group Head – Human Resources and Administration	Member
Mr. Navin Agarwal ⁽¹⁾	NED	Member

⁽¹⁾ Appointed as Member w.e.f. April 29, 2021.

8) Technology Committee

The terms of reference of the Committee are as follows;

1. Review the implementation of the Cyber Security and Cyber Resilience Policy;
2. Review of current IT and Cyber Security and Cyber Resilience Capabilities;
3. Set goals for a target level of Cyber Resilience;
4. Establish plans to improve and strengthen Cyber Security and Cyber Resilience;
5. Any other ancillary matters related to the domain of Information Technology.

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Pankaj Purohit	Head - Information Technology	Chairman
Mr. Sehul Shah	Vice President - IT- Designated officer	Member
Mr. Manish Bobdey ⁽¹⁾	Vice President - IT	Member
Mr. Atul Sashittal	Representative- Eduvanz Financing Private Limited	Member

⁽¹⁾ Ceased to be a Member w.e.f. March 04, 2022.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has adopted a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. As per the policy, any women employee may report her complaint to the Committee. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Sr. No.	Category	No. of complaints			
		Pending as on April 01, 2021	filed during the year	disposed of during the year	Pending as on March 31, 2022
1.	Sexual Harassment	0	0	0	0
2.	Discriminatory employment	0	0	0	0

Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis.

General Body Meetings

The details of the Annual General Meetings held during past three years are given herein below:-

Sr. No.	Date	Venue	Time	Special Resolutions passed
14 th AGM	July 31, 2019	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.00 p.m.	Issuance of Equity Shares on Preferential basis
15 th AGM	July 30, 2020	Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025 (deemed venue)	4.00 p.m.	Approval to Material Wholly Owned Subsidiary, Motilal Oswal Finvest Limited, for Selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, respectively in any financial year
16 th AGM	August 09, 2021	Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025 (deemed venue)	4.00 p.m.	<ol style="list-style-type: none"> 1) Appointment of Mr. Chandrashekhar Karnik (DIN: 00003874) as an Independent Director of the Company. 2) Appointment of Mrs. Swanubhuti Jain (DIN: 09006117) as an Independent Director of the Company. 3) Approval of Motilal Oswal Financial Services Limited- Employee Stock Option Scheme-IX for Issuance of Stock Options to the employees of the Company. 4) Approval of extension of benefits of Motilal Oswal Financial Services Limited- Employee Stock Option Scheme-IX and Issuance of Stock Options to the employees of present/ future subsidiary companies/holding company of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Postal Ballot Resolution(s)

During the FY 2021-22, the Company has not passed any Special Resolution through Postal Ballot. However, the approval of the Shareholders was sought by way of postal ballot vide notice dated September 11, 2021 in respect of the Ordinary Resolution for Appointment of M/s. Singhi & Co. as the Statutory Auditors of the Company to fill casual vacancy.

The details of Voting is given below:

No. of votes Polled	No. of Votes in favour	% of Votes in favour on votes polled	No. of Votes Against	% of Votes against on votes polled	No. of Invalid votes
11,59,86,046	11,59,70,674	99.99	15,372	0.01	0

Procedure for Postal Ballot:

The Company had provided its Shareholders the facility to exercise their right to vote on the Postal Ballot through the remote e-Voting on the resolution as set out in the Notice of the Postal Ballot. The Company had engaged the Central Depository Services (India) Limited ("CDSL") to provide remote e-Voting facility.

The Company appointed Mr. Umashankar Hegde, Practicing Company Secretary as the Scrutinizer to scrutinize the entire Postal Ballot Process. The Scrutinizer submitted his report to the Chairman on completion of Scrutiny on October 20, 2021 and consolidated results of the said postal ballot were announced and the said results were made available at the Company's website at https://www.motilaloswalgroup.com/Downloads/IR/1803919597Votingresults_scrutinizerreport_PostalBallot.pdf and also placed at the Registered Office of the Company. The Resolution mentioned above was passed by the shareholders with the requisite majority in favour of the Company.

No Special Resolution requiring approval through Postal Ballot is being proposed on or before the ensuing AGM of the Company.

Means of Communication

Modes of Communication:

The Company, from time to time and as may be required, communicates with its Shareholders and Investors through multiple channels of communications including the following:

- Dissemination of information on the website of the Stock Exchanges;
- Press releases;
- Annual reports;
- Earnings calls, investor conferences; and
- Uploading relevant information on the Company's website.

Financial Results:

The Company publishes quarterly, half-yearly and annual results generally either in Free Press Journal, Financial Express, Business Standard and Navshakti newspapers. The Company's results and official news releases are displayed on the Company's website at www.motilaloswalgroup.com. Presentations made to the Institutional Investors and analysts are also uploaded on the Company's website.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annual Report:

Pursuant to the MCA circulars and SEBI Circulars, the Annual Report for FY 2020-21 containing the Notice of AGM was sent through e-mails to all those Members whose e-mail IDs were registered with the Company/ Depository Participants.

Press Release/ Analyst Call:

The official media releases and presentations made to Institutional Investors / Analysts and audio recording of Analyst Calls, and transcripts are posted on the Company's website.

Disclosures:

The Company informs BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") about all price sensitive matters or such other matters which in its opinion are material and of relevance to the members and the same are also displayed on the Company's website. Further, in compliance to the provisions of Regulation 30 of the Listing Regulations, the Company has disclosed on its website, a duly approved Policy on Determination of Materiality of Events.

NSE Electronic Application Processing System ("NEAPS"), NSE Digital Portal and BSE Corporate Compliance & Listing Centre ("Listing Centre") are a web-based application designed by NSE and BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS and the Listing Centre.

Communication to Shareholders:

Unclaimed shares/dividend: As required statutorily, a reminder for unclaimed shares/dividends is sent to the shareholders as per records every year.

General Shareholders' Information

Annual General Meeting	Date	Monday, July 11, 2022
	Time	4.00 p.m.
	Venue	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025
Financial Year	The financial year of the Company comprises of period of 12 months from April 1 to March 31.	
Dividend Payout Date	The Company has paid interim dividend of ₹ 7/- per Equity Share having face value of ₹ 1/- each. Further, the Board of Directors, at their meeting held on April 28, 2022, has recommended a final dividend of ₹ 3/- per Equity Share having face value of ₹ 1/- each for the Financial Year 2021-22. Dividend, if declared shall be paid / dispatched on or before August 9, 2022.	
Listing on Stock Exchanges	Name of Stock Exchange	Address of Stock Exchange
	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
	National Stock Exchange of India Limited	Exchange Plaza Bldg., 5 th Floor, Plot No. C- 1, 'G' Block, Bandra- Kurla Complex, Mumbai - 400 051
The requisite Annual listing fees for financial year 2021-22 have been paid in full to BSE and NSE.		

REPORT ON CORPORATE GOVERNANCE (Contd..)

	None of the securities of the Company have been suspended for trading at any point of time during the year.
Stock Code Equity:	BSE: 532892 NSE: MOTILALOF5
ISIN:	INE338I01027
Debt:	Series A: INE338I07057 Series B: INE338I07065 Series M: INE338I07073

Market Price Data:

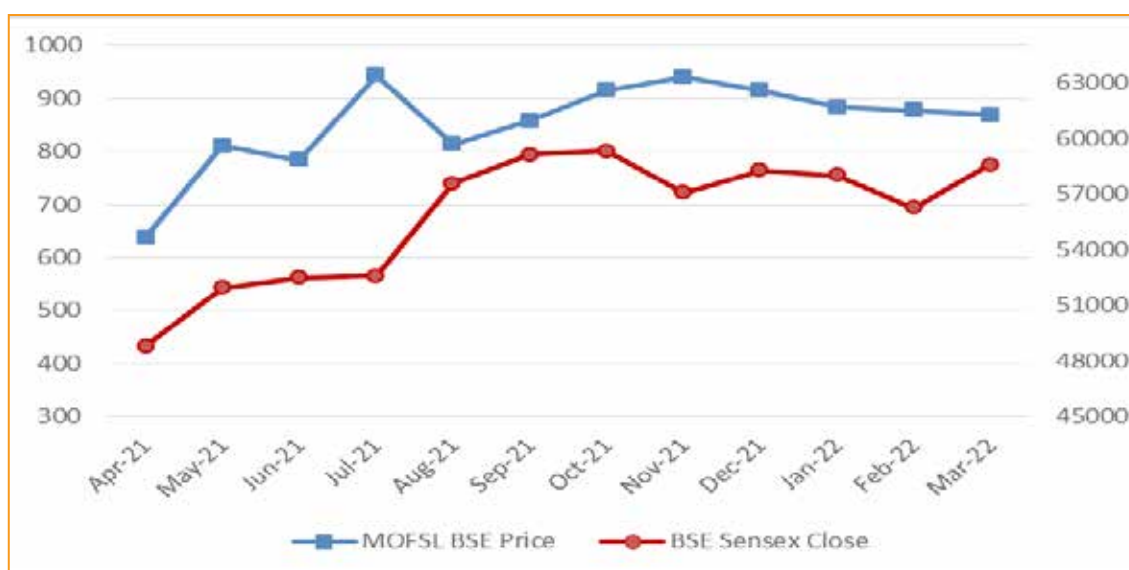
High, Low and Close Price during each month in the last financial year at BSE and NSE:-

Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2021	676.00	568.25	676.90	580.00
May, 2021	859.95	630.00	860.00	632.00
June, 2021	831.10	760.00	831.45	760.15
July, 2021	1188.00	787.20	1188.00	784.00
August, 2021	968.00	726.80	968.40	725.15
September, 2021	886.00	760.00	887.60	759.80
October, 2021	949.70	851.10	949.00	850.50
November, 2021	994.35	881.15	995.00	884.05
December, 2021	1013.85	904.00	1014.80	901.25
January, 2022	1005.00	835.90	1005.95	835.00
February, 2022	959.55	823.25	959.85	824.00
March, 2022	949.75	806.35	948.70	805.60

Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty etc.:

The Company is the constituent of the BSE – 500. The performance of the Company's shares relative to the BSE Sensex, BSE – 500 and S&P CNX Nifty is given in the chart below:-

MOFSL Share performance versus BSE Sensex

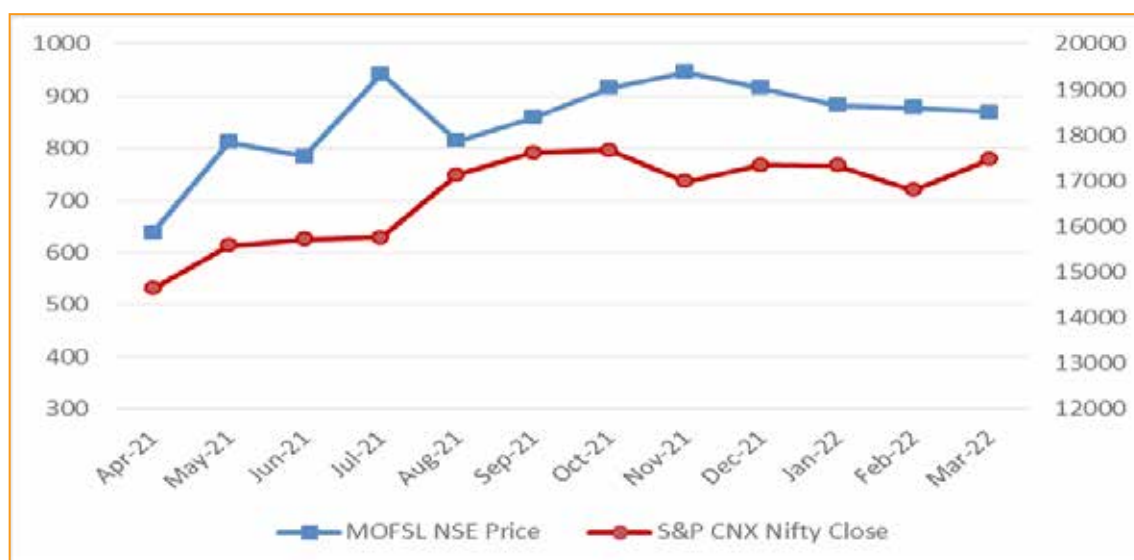


REPORT ON CORPORATE GOVERNANCE (Contd..)

MOFSL Share performance versus BSE – 500



MOFSL Share performance versus S&P CNX Nifty



Registrar and Share Transfer Agent for Equity Shares

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083.

Tel: +91 22 49186000

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges is permitted in dematerialized form.

The Board has delegated the authority for approving transmission etc. of the Company's securities to Stakeholders Relationship Committee. The Stakeholders Relationship Committee meets as and when required to consider the transmission of shares, requests for issue of duplicate share certificates, etc. and attend to shareholder grievances.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Distribution of Shareholding:

Distribution of the Shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2022:

Number of Shares held	No. of Shareholders	Total No. of Shares held in the category	% of Shareholding
Up to 500	69,203	30,92,437	2.08
501-1000	1,108	8,41,363	0.56
1001-2000	576	8,44,214	0.57
2001-3000	204	5,14,160	0.34
3001-4000	129	4,57,993	0.31
4001 – 5000	71	3,33,831	0.22
5001 – 10000	168	11,98,882	0.81
10001 & Above	267	14,17,80,039	95.11
Total	71,726	14,90,62,919	100.00

Category wise Shareholding Pattern as on March 31, 2022:

Sr. No.	Category	No. of Shares	% to Share Capital
1)	Promoters & promoter group	10,36,05,055	69.50
2)	Mutual Funds/Financial Institutions / Banks / Foreign Institutional Investors	2,04,42,169	13.71
3)	Public	1,10,54,943	7.42
4)	Directors	98,21,848	6.59
5)	Others	27,74,825	1.86
6)	Bodies Corporate	8,48,335	0.57
7)	NRIs/OCBs	5,15,744	0.35
	Total	14,90,62,919	100.00

Dematerialization of Shares and liquidity	As on March 31, 2022, 14,71,89,914 Equity Shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited and 4,560 Equity shares were held in physical form. Further, pursuant to the Corporate Restructuring of Group Entities under Scheme of Arrangement which was made effective from March 30, 2022, the Company has allotted 18,68,445 fresh Equity Shares for which an application for listing approval is pending before BSE and NSE.
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	As on March 31, 2022, the Company did not have any outstanding GDRs/ADRs/ Warrants or any Convertible instruments (excluding ESOPs).
Commodity price risk or foreign exchange risk and hedging activities	The Company does not deal in commodities and has no foreign exchange or hedging exposures hence disclosures relating to risk management policy with respect to commodities, commodity price risks, foreign exchange risk and hedging thereof in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018 is not applicable.
Plant Locations	The Company is in the business of broking and distribution; therefore, it does not have any manufacturing plants.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Address for Correspondence	Link Intime India Pvt. Limited (Registrar and Share Transfer Agent) C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083. Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Name and Address of the Compliance Officer	Mr. Kailash Purohit Company Secretary & Compliance Officer Motilal Oswal Financial Services Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel: +91-22-7193 4200 Fax: +91-22-5036 2365 E-mail: shareholders@motilaloswal.com
List of all credit ratings obtained along with any revisions thereto during the relevant financial year.	The details of credit rating obtained by the Company is included in Board's Report forming part of Annual Report of the Company.

Disclosures:

i) The Company has complied with all the requirements of regulatory authorities, There were no instances of non-compliance by the Company and no material penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during last three years.

ii) Whistle Blower Policy/Vigil Mechanism

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of the Listing Regulations, the Company formulated a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and makes provision for direct access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company at [We affirm that no director/employee of the Company was denied access to the Audit Committee.](#)

iii) The Company has complied with all the mandatory requirements of the Listing Regulations.

iv) Compliance with Non-mandatory Requirements

The Company has complied with the following non-mandatory requirements as prescribed in Regulation 27 read with Schedule II Part E of the Listing Regulations: -

a) **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director.

b) **Modified Opinion in Auditors Report:** The Company's financial statements for the financial year 2021-22 do not contain any modified audit opinion. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

REPORT ON CORPORATE GOVERNANCE (Contd..)

c) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee. The Internal Auditor also participates in the meetings of the Audit Committee and also presents internal audit observations to the Audit Committee.

v) **Disclosures of compliance with Corporate Governance Requirements specified In Regulation 17 to 27 and Regulation 46(2)**

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and paras (2) to (10) mentioned in part 'C' of Schedule V of the Listing Regulations during the year under review.

Compliance Certificate from M/s. Singhi & Co., Statutory Auditors of the Company confirming compliance with the of conditions of Corporate Governance for the financial year ended March 31, 2022 in terms of Schedule V(E) to the Listing Regulations is annexed to this Report as **"Annexure A"**.

vi) **Fees to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

Type of Service	Amount Paid (₹)
Statutory Audit, Certifications and Other services	76,00,000

vii) **Subsidiary Companies**

According to the Regulation 16(1)(c) of the Listing Regulations, a "Material Subsidiary" shall mean a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has three material subsidiaries namely Motilal Oswal Home Finance Limited ("MOHFL"), Motilal Oswal Asset Management Company Limited ("MOAMC") and Motilal Oswal Finvest Limited ("MOFL") as on March 31, 2022. The debentures of MOHFL & MOFL are listed on BSE and units of mutual funds of MOAMC are listed on NSE and BSE.

As required under the Listing Regulations, the Company has formulated policy for determining material subsidiaries which has been uploaded on the Company's website at <https://www.motilalosalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf>

viii) **Related Party Transactions**

During the year under review, the Company had not entered into any materially significant transactions with any of the Directors, Management, Subsidiaries or Related parties.

Further, the details of all Related Party Transactions entered during the year under review are presented in Notes forming part of standalone financial statement of the Company.

Additionally, the details of all material transactions with related parties are disclosed quarterly in the compliance report on corporate governance.

Further, as required under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on Materiality and dealing with Related Party Transactions which has been uploaded on the Company's

REPORT ON CORPORATE GOVERNANCE (Contd..)

website at https://www.motilaloswalgroup.com/Downloads/IR/100662267501.-Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions_27.01.2022_final.pdf

ix) Certifications

Certificate from Company Secretary in Practice

M/s. U. Hegde and Associates, Company Secretaries certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such other Statutory Authority, is annexed to this Report as "Annexure B".

Declaration on affirmation with the Code of Conduct

The Board has laid down the Code of Conduct for its Directors and for Senior Management of the Company. The Code has been posted on the Company's website at <https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

A declaration signed by Mr. Motilal Oswal, Chief Executive Officer & Managing Director stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, in accordance with Regulation 26(3) read with Para D of Schedule V of the Listing Regulations in annexed as "Annexure C".

Certification by CEO / CFO

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chief Executive officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is annexed to this Report as "Annexure D".

x) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018. The financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS notified under Section 133 of Act read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

xi) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A)

During the period under review, the Company has not raised any funds through preferential allotment or qualified institutional placement.

xii) Recommendation of Committees

All recommendations / submissions made by various Committees of the Board during the financial year 2021-22 were accepted by the Board.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annexure-A

To,
The Members of
Motilal Oswal Financial Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 19, 2021.
2. We have examined the compliance of conditions of corporate governance by Motilal Oswal Financial Services Limited ('the Company') for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46, and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements issued by the ICAI.

Opinion

7. To best of our knowledge, and according to the information and explanation given to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose and should not be used by any other person or for any other purpose. Accordingly, our certificate should not be quoted or referred to in any document or made available to any other person or

REPORT ON CORPORATE GOVERNANCE (Contd..)

persons without our prior written consent. Our Obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this Certificate, or anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Place : Mumbai
Date : April 28, 2022

Sd/-
Nikhil Singhi
Partner
Membership No. 061567
UDIN:22061567AHZGBP5386

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annexure-B

To,
The Members of
Motilal Oswal Financial Service Limited
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opp. Parel ST Depot, Mumbai 400025

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Motilal Oswal Financial Services Limited having CIN L67190MH2005PLC153397** and having registered office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Mumbai 400025 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time). In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ending March 31, 2022, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	Date of appointment	DIN
1.	Mr. Raamdeo Agarawal (Non-Executive Chairman)	18-05-2005	00024533
2.	Mr. Motilal Oswal (Managing Director)	18-05-2005	00024503
3	Mr. Navin Agarwal (Non-Executive Director)	18-05-2005	00024561
4	Mr. Ajaykumar Menon (Whole-time Director)	21-08-2018	00024589
5	Mr. Rajat Rajgarhia (Whole Time Director)	31-07-2020	07682114
6	Mr. C.N. Murthy (Independent Director)	01-07-2020	00057222
7	Mr. Chandrashekhar Karnik (Independent Director)	16-09-2020	00003874
8	Mr. Pankaj Bhansali (Independent Director)	01-07-2020	03154793
9	Ms. Divya Momaya (Independent Director)	01-07-2020	00365757
10	Ms. Swanubhuti Jain (Independent Director)	24-12-2020	09006117

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : April 28, 2022

For U. HEGDE & ASSOCIATES

Sd/-
Umashankar K. Hegde
PROPRIETOR
Membership No.: A22133 # COP No:- 11161
ICSI UDIN :-A022133D000227624

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annexure- C

As required by Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO declaration for Code of Conduct is given below:

To,
The Members of
Motilal Oswal Financial Services Limited

I, Motilal Oswal, Managing Director & Chief Executive Officer of the Company, declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company for the financial year 2021-22.

For Motilal Oswal Financial Services Limited

Sd/-
Motilal Oswal
Managing Director & Chief Executive Officer
(DIN: 00024503)

Place : Mumbai
Date : April 28, 2022

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annexure D

Chief Executive Officer and Chief Financial Officer Certificate

To,
The Board of Directors
Motilal Oswal Financial Services Limited

Dear Sir(s)/Madam(s),

- A. We have reviewed the financial statements read with the cash flow statement of Motilal Oswal Financial Services Limited for the quarter & year ended March 31, 2022 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to taken to rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. that there were no significant changes in internal controls over financial reporting during the period
 2. that the Company has adopted Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the April 1, 2018, with comparatives for the periods ending on March 31, 2018, or thereafter and there were no other significant changes in accounting policies made during the period and
 3. that there were no instances of significant fraud of which we have become aware.

Thanking you,

Yours faithfully,
For Motilal Oswal Financial Services Limited

Sd/-
Motilal Oswal
Managing Director & Chief Executive Officer
(DIN : 00024503)

Sd/-
Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : April 28, 2022

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report

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

Background

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), top 1000 listed entities (based on market capitalisation on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") are required to include a Business Responsibility Report ("BRR") in the Annual Report.

Motilal Oswal Financial Services Limited ("MOFSL" or "the Company") is a public limited company listed on BSE and NSE. MOFSL is a SEBI registered Trading Member registered with BSE, NSE, Multi Commodity Exchange of India Limited ("MCX") and National Commodity & Derivatives Exchange Limited ("NCDEX"). MOFSL is also SEBI registered Depository Participant registered with Central Depository Services of India Limited ("CDSL") and National Securities Depository Limited ("NSDL"). MOFSL execute transactions in capital markets / equity derivatives / commodity derivatives / currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. MOFSL is also registered with the SEBI as Research Analyst, Investment Advisor, and with various other bodies / agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc. Further, MOFSL along with its subsidiaries, offers a diversified range of financial products and services such as broking and distribution, institutional equities, asset management business, housing finance, private equity, private wealth management, investment banking, loan against securities and investment activities.

Our Business Responsibility ("BR") Report includes our responses to questions on our practice and performance on key principles defined by Regulation 34(2)(f) of Listing Regulations, covering topics across environment, governance and stakeholder relationships. Further, the Company has also included separate section on Environment, Social and Governance (ESG) initiatives in the Annual Report of the Company.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L67190MH2005PLC153397
2.	Name of the Company	Motilal Oswal Financial Services Limited (MOFSL)
3.	Registered address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025, India
4.	Website	www.motilaloswalgroup.com
5.	E-mail ID	shareholders@motilaloswal.com
6.	Financial Year reported	April 01, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 6612 - Engaged in Providing Broking and Distributions related activity
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in Broking and Distribution business activity. Further, along with its subsidiaries, offers a diversified range of financial products and services such as institutional equities, asset management business, housing finance, private equity, private wealth management, investment banking, loan against securities and investment activities.

BUSINESS RESPONSIBILITY REPORT (Contd..)

Sr. No.	Particulars	Company Information
9.	Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major five): Nil ii. Number of National Locations: 98
10.	Markets served by the Company	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid up Capital of the Company	₹ 1490.63 Lakhs
2.	Total Turnover (Excluding Other Income)	₹ 2,57,184 Lakhs
3.	Total Profit after Taxes	₹ 70,682 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure 4 of Board's Report forming part of the Annual Report for further details on CSR activities.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 4 of Board's Report forming part of the Annual Report.

SECTION C: OTHER DETAILS

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

Yes. The details of all the subsidiary companies is included in Annexure 1 to the Board's Report.

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

Yes, the Company's Business Responsibility Policy is applicable to all its 17 Subsidiary Companies (including step down subsidiaries) as on March 31, 2022. The policies and processes adopted across all the companies within Motilal Oswal Group ("MO Group") are largely uniform. Further, at group level, subsidiary companies participate in BR / CSR activities through Motilal Oswal Foundation.

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

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

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

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

The following members of the BR Committee are collectively responsible for implementation of the BR polices of the Company:-

BUSINESS RESPONSIBILITY REPORT (Contd..)

Sr. No.	DIN	Name	Designation
1.	00024503	Mr. Motilal Oswal	Managing Director & Chief Executive Officer
2.	00024561 ⁽¹⁾	Mr. Navin Agarwal	Non-Executive Director
3.	Not Applicable ⁽²⁾	Mr. Sudhir Dhar	Group Head - Human Resources & Administration

⁽¹⁾ Appointed as Member w.e.f. April 29, 2021.

⁽²⁾ He is not a Director on the Board of the Company.

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN ⁽¹⁾	Not Applicable
2.	Name	Mr. Sudhir Dhar
3.	Designation	Group Head - Human Resources & Administration
4.	Telephone Number	+91 22 7193 4200
5.	E-mail ID	chrosoffice@motilaloswal.com

⁽¹⁾ He is not a Director on the Board of the Company.

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

(a) Details of compliance

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

BUSINESS RESPONSIBILITY REPORT (Contd..)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company have in-house structure to implement the policy / policies?	Yes, the Company has constituted the BR Committee to implement the policies								
9.	Does the Company have a grievance redressal mechanism related to the stakeholders' grievances related to the policy / policies?	Y	-	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The evaluation of policies are carried out by internal & statutory Auditors during audit process at an appropriate interval.								

Considering the business of the Company, Principle 2 is not applicable

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

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

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

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 - Business should respect and promote human rights

P6 - Business should respect, protect and make efforts to restore the environment

BUSINESS RESPONSIBILITY REPORT (Contd..)

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Governance related to BR

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

The BR performance of the Company under various principles is assessed at least once a year by the Board of Directors.

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

Yes, the BRR has been made available on the website of the Company at www.motilaloswalgroup.com. The BRR is reviewed and published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

The Whistle Blower Policy / Vigil Mechanism of the Company is uploaded on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1677814951Vigil-MechanismWhistle-Blower-Policy.pdf> and Code of Conduct of the Company is uploaded on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

BUSINESS RESPONSIBILITY REPORT (Contd..)

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

The status of investor complaints are given below:-

Particulars	Number of Investor Complaints
Pending as on April 1, 2021	0
Received during the financial year 2021-22	1
Disposed off during the financial year 2021-22	1
Remaining unresolved as on March 31, 2022	0

Further, the Company has not received any whistle blower complaints during financial year 2021-22.

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

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

The Company is into business of stock broking & other financial activities. Customers of the Company are provided online trading facilities through internet and offline trading through Branches & Customer Care. All operations are carried out online through active support of branches & authorised persons i.e. franchisees, under regulatory environment. All operations are in compliance with relevant rules & regulations. The Company has digital platforms for client on-boarding, engagement and servicing, HR operations, accounting etc. These secured digital platforms ensure privacy of information and are environmentally sustainable.

Considering the nature of the business of the Company the said principle may not be strictly applicable. However, the Company endeavours to serve social and economic opportunities.

Further, the Company emphasizes on reducing dependence on paper communications and encourage use of electronic means of communication which serves towards environmental protection and sustainable growth.

The Company always focus on waste minimization which can be achieved in an efficient way by focusing primarily on the 3Rs, “reduce,” followed by “reuse” and then “recycle.”

The detailed information on 3Rs initiatives adopted by the Company are provided under ESG part of the Annual Report.

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

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

However, the Company is equipped with rainwater harvesting system and recycles waste water to reuse as flush water and in watering plants. Further, sensors in water taps are used to reduce wastage of water.

Further, there is thermal insulator which help in reducing the heat transfer thereby improving cooling inside the building and hence reducing power consumption. Usage of LED light and motion sensors are installed in office premises to save electricity.

BUSINESS RESPONSIBILITY REPORT (Contd..)

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

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. The Company's major material requirements are related to office infrastructure, administration and IT related equipments and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

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

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

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

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

Further, the IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism. Also the old papers, documents, tissue and cardboard waste are scrapped in such a manner that they may be recycled. Further, food wastage awareness drive is conducted in Head Office.

The focus of the Company is to recycle waste/ scrap. The Company recycles materials wherever it is used within the Company and the scrap/ waste so generated cannot be recycled are sold to approved vendors for disposal as per the applicable guidelines.

The Company also follows waste management rules, as prescribed by the respective pollution control board where the Head Office of the Company is located.

Principle 3 – Business should promote the wellbeing of all employees

1. Please indicate the Total number of employees:

The total number of employees as on March 31, 2022 – 6951.

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

The total number of employees hired on temporary / contractual / casual basis as on March 31, 2022 - 286.

3. Please indicate the Number of permanent women employees:

The total number of women employees as on March 31, 2022 – 1901.

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

The number of employees with disabilities as on March 31, 2022 – 2.

BUSINESS RESPONSIBILITY REPORT (Contd..)

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

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

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

Not Applicable

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

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour/ involuntary labour	MOFSL does not hire child labour, forced labour or involuntary labour	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

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

- (a) Permanent Employees: 96% of our permanent employees (including women employees) have received skill up-gradation training in the last year. Employees based in India, undergo fire drill and fire safety training every year. However, considering lockdown, since employees were working from home, none of the employees based in India, underwent fire drill and fire safety training in financial year 2021-22.
- (b) Permanent Women Employees: 96% of our women employees (except employees who were on long medical leave) have undergone the skill up-gradation training.
- (c) Casual / Temporary / Contractual Employees: We have contractual employees in the organisation. As part of their development, they undergo basic trainings required on the job and also basic behavioural skills. Due to the pandemic, we did not have physical sessions during the year; however in the past we have done basic grooming, etiquettes sessions for them. Also as part of their ongoing development, there is continuous focus on how they can be developed and groomed to be absorbed on-rolls for roles within the organisation. In the past we have absorbed several such employees and we have many such success stories – E.g. we recently published one such success story as part of our 'Know More Grow More' series.
- (d) Employees with Disabilities: None of the employees with disabilities had undergone the skill up-gradation training in financial year 2021-22.

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

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

Yes. The Company has identified its stakeholders. These include, but are not limited to shareholders, employees, clients, investors, shareholders, government & regulatory bodies, business partners, media and the wider community.

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

BUSINESS RESPONSIBILITY REPORT (Contd..)

Yes, the Company's CSR Monitoring Cell identifies disadvantaged, vulnerable & marginalized stakeholders through its dedicated team and directs the CSR activities of the Company towards such stakeholders. The same is also covered in ESG Section.

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

The Company engages with each of its stakeholders through a variety of forums. The details of the engagement with such stakeholders has been laid out in the CSR report of the Company in Annexure 4 to the Board's Report forming part of Annual Report.

Principle 5 – Business should respect and promote human rights.

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

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

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

During the year under review, the Company has not received any complaint from any stakeholders pertaining to human rights.

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

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

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

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

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

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

Further, the Company has stopped the usage of plastic cups, bottles and straws for beverages and instead has distributed ceramic coffee mugs to all the employees and reusable cutlery is used in cafeteria.

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

Yes, the Company, on a periodic basis, assess various risks affecting the Company and its stakeholders including environmental risks.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof,**

BUSINESS RESPONSIBILITY REPORT (Contd..)

in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

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

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

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

The Company uses LED lights on all floors which consumes less power. The office space is provided with motion sensors to ensure that the lights are on only when the person is present thereby saving electricity.

The Company has opted for efficient processes in order to minimize adverse impact on the environment. High priority is given towards energy efficiency for selecting or changing over to new system to have less carbon emission initiatives.

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

Not Applicable

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

The Company has not received any show cause/legal notice from CPCB /SPCB.

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

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

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

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

Not applicable

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

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

The Company with its vision of equitable development and in adherence to social responsibility towards society as imposed under Section 135 of Companies Act, 2013, has been engaged into activities of providing education, trainings & other welfare programmes, etc.

During the year, the Company has been engaged into various social activities, program and projects such as

BUSINESS RESPONSIBILITY REPORT (Contd..)

running Farmer's Training Centre, Hostel for Girls at Rajasthan, Skill Centre at Wada (Maharashtra), Vocational Training Centre at Mumbai, Rahstram School of Public Leadership, Sponsoring Ekal Vidyalayas and the Company has also been engaged for making English Learning Easy, Scholarship for CA students, Animal Welfare, Rural Development, Ambulance donation, etc.

The Company being in the business of providing financial services, conducts various investor programs from time to time viz. Annual Global Investor Conference (AGIC), etc.

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

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

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

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

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

The Company has spent an amount of ₹ 1,125.18 Lakhs in the Financial Year 2021-22 towards programs / projects through various NGOs and other organizations in three areas of its focus, namely Education, Medical Treatment and Preventing Hunger by Meals Distribution. Further, at Group Level, we have spent ₹ 1,651.97 Lakhs.

For further details, kindly refer Note 47 of Consolidated Financial Statement.

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

The Company periodically monitors and evaluate the outcome of the community development initiatives taken through CSR activities and the monitor the impact of the same on regular basis.

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

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

The percentage of customer complaints pending as on the end of financial year – 1.14% Further, the status of customer complaints are given below:-

Particulars	Number of Customer Complaints
Pending as on April 1, 2021	71

BUSINESS RESPONSIBILITY REPORT (Contd..)

Received during the financial year, 2021-22	2810
Disposed off during the financial year, 2021-22	2844
Remaining unresolved as on March 31, 2022	37

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

During the year under review, the Company was engaged in Broking & Distribution Business and hence this is not applicable.

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

The Company understands that consumers/clients are its most important stakeholders and in the ordinary course of business, some customer may have grievance / disputes against the Company/ its subsidiaries. The Company and its subsidiaries never indulges in any anti-competitive behaviour, and the remains committed to protecting the interest of all stakeholders in a legally compliant manner with high ethical standards.

The Company always endeavour to maintain cordial relationship with its customer and attach utmost importance to verify / investigate the matters and arrive at an amicable settlement, but in some cases where it is not possible, the Company pursues legal resolution for the same.

There is no anti-competitive, abuse of dominant position or unfair trade practices case pending against the Company.

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

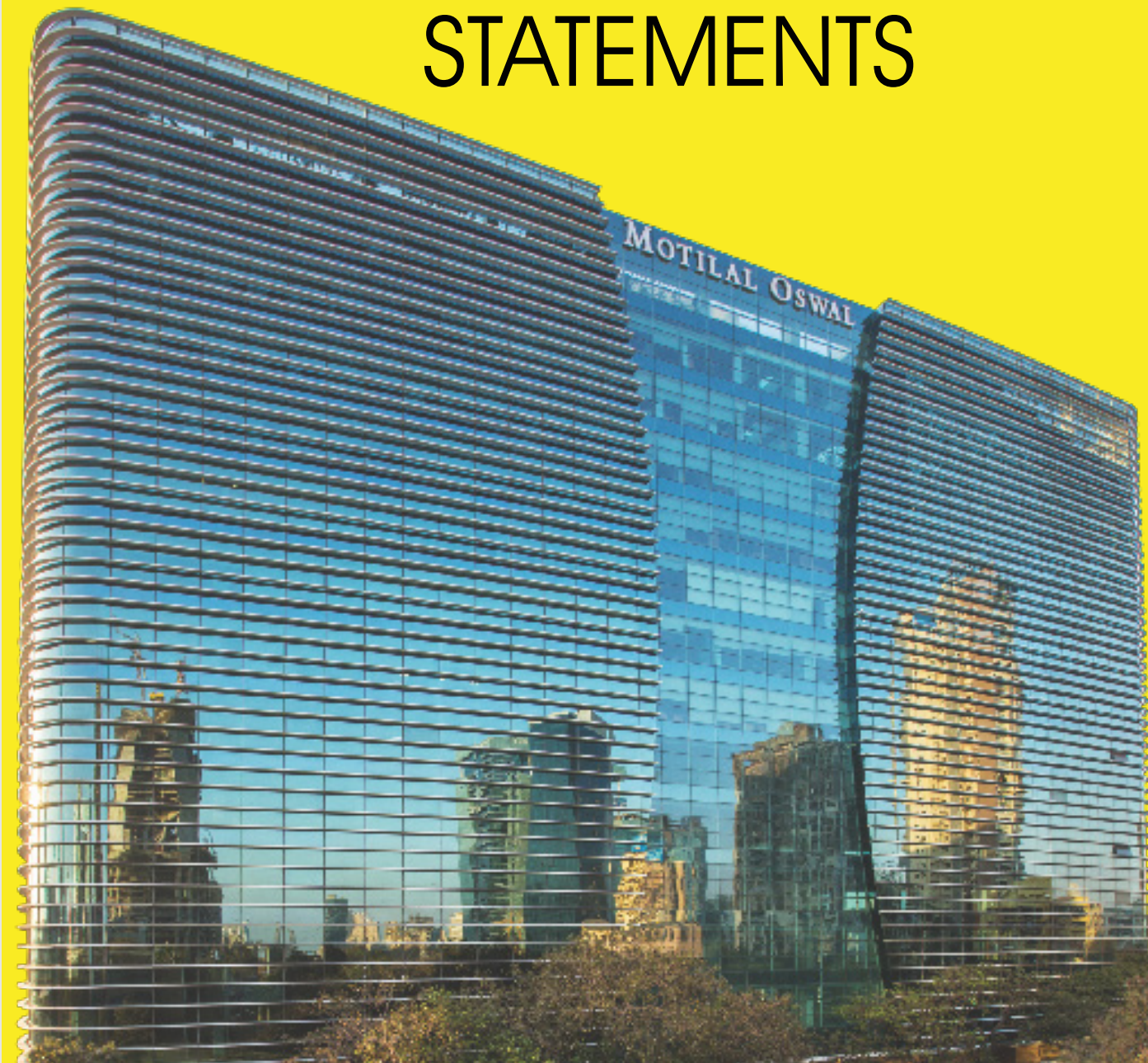
Feedback is a continuous process of our business. The Company basis inputs received from its customers/ clients regarding the service quality, it keeps on improving system on regular basis and identify scope and future opportunities to increase client value.

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

Place : Mumbai
Date : April 28, 2022

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

STANDALONE FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To

The Members of
Motilal Oswal Financial Services Limited

1. Opinion

We have audited the accompanying standalone financial statements of Motilal Oswal Financial Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements 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.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Business combination arising pursuant to the scheme of arrangement	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Read the scheme of arrangement. • Evaluated the appropriateness of 'Pooling of interest' method of accounting adopted by the management to account for the business combination. • Corroborated management's alignment of accounting policies and estimates by comparing the significant accounting policies and estimates of all the Companies which were part of the scheme of arrangement and comparing with the Company's accounting policies and estimates.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>Accounting for business combination from the appointed date 1st April, 2020, where the scheme of arrangement became effective from 30th March, 2022 between Passionate Investment Management Pvt. Ltd. (transferor Company 1) and MOPE Investment Advisors Pvt. Ltd. (the transferee Company 2 / the demerged Company / the transferor Company 3) and Motilal Oswal Real Estate Investment Advisors Pvt. Ltd. (the transferor Company 2) and Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. (the demerged Company 2 / the transferor Company 4) and MO Alternate Investment Advisors Pvt. Ltd. (the resulting Company) and Motilal Oswal Financial Services Ltd. (the transferee Company 1 / the holding Company of the resulting Company) and the respective shareholders. The Company accounted for the merger as per Appendix C of Ind AS 103 under the principles of common control. We have determined this to be a key audit matter in view of the nature of the transaction, number of Companies involved in the scheme of arrangement, complexity involved in demerging the businesses operations and getting it merged between the Company and its subsidiary Company / resulting Company, significant management judgment involved with respect to identification of uniform accounting policies, estimates & accounting for minimum alternate tax of the transferor Company and recognition of share issue related costs.</p>	<ul style="list-style-type: none"> • Assessed accounting for non-routine transaction, estimates and judgements in respect of the recognition and measurement of the minimum alternate tax of the transferor company, share issue expenses etc.. • Verified that the reserves of the transferor Companies are aggregated with the respective reserves of the transferee Company and the identity of the reserves are preserved. • Verified that the assets and liabilities of the Transferor Companies are recognised at the carrying value (as appearing in their respective books immediately prior to the appointed date) in the transferred Company. • Examined the disclosures in respect of this transaction of business combination including those disclosures related to significant accounting judgements and estimates.
2.	<p>Information Technology (IT) Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>General IT controls design, observation and operation:</p> <ul style="list-style-type: none"> ➤ Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. <p>User access controls operation:</p> <ul style="list-style-type: none"> ➤ Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. ➤ Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. <p>Application controls:</p> <ul style="list-style-type: none"> ➤ We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> ➤ For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure.
3	<p>Valuation of equity investments carried at fair value Refer note 2.6 for significant accounting policies and note 54 for financial disclosures</p> <p>As at 31 March 2022, the Company held investment in Shubham Housing Development Finance Company Private Limited amounting to Rs. 67.97 crores which represents 0.63 % of the total assets of the Company as at 31 March 2022.</p> <p>This investment is not traded in the active market. The fair valuation of this investment is determined by a management appointed independent valuation expert based on discounted cash flow method. The process of computation of fair valuation of investment includes use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of this investment, includes application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates. The valuation of this investment was considered to be one of the areas which required significant auditor attention on and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investment to the standalone financial statements and the complexity involved in the valuation of this investment.</p>	<p>Our audit procedures in relation to valuation of investment with the involvement of our valuation experts included, but were not limited to, the following:</p> <p>Design/Controls:</p> <ul style="list-style-type: none"> ➤ Obtained a detailed understanding of the management's process and controls for determining the fair valuation of this investment. 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, independent price verification performed by the management expert and model governance and valuation. <p>Substantive tests:</p> <ul style="list-style-type: none"> ➤ Assessed the appropriateness of the valuation methodology used for the of this investment in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted; ➤ Obtained the valuation report from management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; ➤ Assessed the appropriateness of the valuation model used by the management and the assumptions used relating to projected cash flows and the discounting factor. ➤ Ensured the appropriateness of the carrying value of these investments 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report on Corporate Governance (but does not include the Financial Statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report and Board's Report, Management Discussion and Analysis and Business Responsibility Report, which is expected to be made available to us after that date.

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

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

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

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

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

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

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

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

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

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

- i. Identify and assess the risks of material misstatement of the standalone 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

7. Other Matters

- i. The comparative standalone financial statements of the Company as stated in the Financial Statements for the year ended March 31, 2021, were audited by the predecessor auditor who expressed an unmodified opinion on those financial statement on April 29, 2021. Accordingly, we do not express any opinion on the figures reported in the Financial Statements for the year ended March 31, 2021.
- ii. As mentioned in note no. 64 of the standalone financial statement, figures for the year ended March 31, 2021 as shown in the financial statement are the figures which have been arrived after giving effect to the scheme of arrangement, which is based on the audited accounts of the transferor and transferee Company, which were audited by the respective auditors of that period. Hence, these merged figures are neither audited nor

INDEPENDENT AUDITOR'S REPORT (Contd..)

reviewed. The Company has given effect to the scheme of arrangement with effect from the appointed date April 1, 2020. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the financial statement for the year ended March 31, 2021.

- iii. Share of profit from investment in a limited liability partnership aggregating to Rs. 255 lakhs for the year ended March 31, 2022, included in the Statement, is based on the audited financial statements of such entity. These financial statements have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of the other auditor.

Our opinion is not modified in respect of the above matters.

8. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
 - g. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note 38 to the financial statements;

INDEPENDENT AUDITOR'S REPORT (Contd..)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022;
- iv. (a) The Management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
- (b) The Management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 23 of the standalone financial statement, the dividend declared / paid during the year and declared during the year but paid subsequent to the year-end by the Company till the date of this report, is in compliance with Section 123 of the Act. Further, as stated in note 49 of the standalone financial statement the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AIAAQD6166

Place: Mumbai

Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of Motilal Oswal Financial Services Limited

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

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

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets.
- B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- b) The Company has a program of physical verification of property, plant and equipment whereby all the items of property, plant and equipment are verified once in three years. The property, plant and equipment were physically verified during the previous year by the Management with a regular programme of verification, In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification carried out during the previous year.
- 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 included in Property, Plant and Equipment are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- e) According to the information and explanations and representation given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company's business does not involve inventory and accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) As disclosed in Note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has not obtained any sanction from financial institutions in this regard. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any material difference between the information submitted in the quarterly returns / statements filed by the Company with such banks when compared with the books of account and other relevant information provided by the Company.
- (iii) a) The Company is in the business of providing loans which are called as margin trading funding (MTF). According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. Accordingly, clause (iii)(a) is not applicable to the Company.
- b) In our opinion, having regard to the nature of the Company's business, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans are prima facie, not prejudicial to the Company's interest. Further, during the year the Company has not provided guarantees, given

INDEPENDENT AUDITOR'S REPORT (Contd..)

security and granted loans and advances in the nature of guarantees to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- c) According to the information and explanations given to us, in case of loans given in the nature of MTF, the schedule of payment of interest has been stipulated but the schedule of repayment of such loans are not stipulated. In respect of loans and advances in the nature of loans other than MTF given by the Company, the Company has stipulated the schedule of repayment of principal and payment of interest. Repayment of such other loans are regular.
 - d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date.
 - e) The Company is in the business of providing loans which are MTF. According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. Accordingly, clause (iii) (e) is not applicable to the Company.
 - f) In our opinion and according to the information and explanations given to us there are no loans/advances given during the year in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 which are repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on this clause is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments. Further, as no guarantees/security has been given towards the parties specified in section 185 clause with regard to these matters are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2022 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.
 - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - c) The details of statutory dues referred to in sub- clause (a) above which have not been deposited as on 31 March 2022, on account of disputes are given below:

INDEPENDENT AUDITOR'S REPORT (Contd..)

Name of the Statute	Nature of Due	Amount (Rs. in Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2	15.21	F.Y 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4		F.Y 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	41	20	F.Y 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	41	-	F.Y 2012-13	ITAT referred back to AO
Income Tax Act, 1961	Income Tax	140	19	F.Y 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,269	168	F.Y 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,220	92	F.Y 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,610	137	F.Y 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,720	-	F.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	553	-	F.Y 2017-18	Commissioner of Income Tax (Appeals)
	Total	8,600	451		

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

- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) The Company has not availed any term loans accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate during the year.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has raised loans during the year on the pledge of securities held in its subsidiaries as per details below. Further, the company has not defaulted in repayment of such loans raised.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Nature of loan taken	Name of lender	Amount of loan	Name of the subsidiary	Relation	Details of security pledged
Working Capital Demand Loan	Kotak Mahindra Bank Limited	7,500 Lakh	Motilal Oswal Asset Management Company	Subsidiary	Mutual Funds

- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) a) According to the information, explanation and representations given to us no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) According to the information, explanation and representations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us by the management there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable, and the details of related party transactions have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- b) The Company has not conducted any Non- Banking Financial or Housing Finance Activities without obtaining a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been a resignation of the Statutory Auditors during the year. No issues, objections or concerns were raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) There are no unspent amounts towards Corporate Social Responsibility ('CSR'). Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- b) The Company does not have any ongoing projects in accordance with the requirements of CSR guidelines and hence, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.
- (xxi) As the Company is also preparing its consolidated financial statement, reporting under paragraph 3 (xxi) is given in the consolidated audit report.

For Singhi & Co.**Chartered Accountants**

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AIAAQD6166

Place: Mumbai

Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure B to the Independent Auditor's Report of even date on the financial statements of Motilal Oswal Financial Services Limited

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

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

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Motilal Oswal Financial Services Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AIAAQD6166

Place: Mumbai

Date: April 28, 2022

STANDALONE BALANCE SHEET

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	1,03,955	57,023
(b) Bank balance other than (a) above	5	3,13,004	2,14,844
(c) Receivables			
(i) Trade receivables	6	66,621	61,611
(ii) Other receivables		1,060	160
(d) Loans	7	88,462	77,258
(e) Investments	8	4,34,651	3,94,350
(f) Other financial assets	9	34,033	66,223
Sub - total financial assets (A)		10,41,786	8,71,469
2. Non - financial assets			
(a) Current tax assets (net)	10	821	2,729
(b) Investment property	11	7,699	7,755
(c) Property, plant and equipment	12A	23,143	22,474
(d) Other intangible assets	12B	2,160	2,357
(e) Other non - financial assets	13	3,934	2,495
Sub - total non - financial assets (B)		37,757	37,810
Total assets (A+B)		10,79,543	9,09,279
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	14	3,44,641	2,79,780
(b) Debt securities	15	1,78,402	1,60,572
(c) Borrowings (Other than debt securities)	16	38,691	47,337
(d) Deposits	17	98	45
(e) Other financial liabilities	18	65,428	37,741
Sub - total financial liabilities (A)		6,27,260	5,25,475
2. Non - financial liabilities			
(a) Current tax liabilities (net)	19	1,206	-
(b) Provisions	20	15,507	10,914
(c) Deferred tax liabilities (net)	21	8,894	8,260
(d) Other non - financial liabilities	22	2,465	2,972
Sub - total non - financial liabilities (B)		28,072	22,146
3. Equity:			
(a) Equity share capital	23	1,491	1,485
(b) Other equity	24	4,22,720	3,60,173
Sub - total equity (C)		4,24,211	3,61,658
Total Liabilities and equity (A+B+C)		10,79,543	9,09,279

The accompanying notes 1 to 67 form an integral part of the financial statements

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

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

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

Particulars	Note	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Revenue from operations			
(i) Interest income	25	33,145	18,544
(ii) Dividend income	26	7,387	2,299
(iii) Rental income	27	1,891	1,888
(iv) Fees and commission income	28		
- Brokerage and fees income		1,65,667	1,24,161
- Other commission income		18,605	10,157
(v) Net gain on fair value changes	29	26,453	57,408
(vi) Other operating income	30	4,036	5,349
1) Total revenue from operations		2,57,184	2,19,806
2) Other income	31	3,960	2,656
3) Total Income (1 + 2)		2,61,144	2,22,462
Expenses			
(i) Finance cost	32	16,558	12,770
(ii) Fees and commission expense	33	75,461	52,380
(iii) Impairment on financial instruments	34	1,992	1,641
(iv) Employee benefits expense	35	52,888	38,588
(v) Depreciation, amortisation and impairment	36	3,876	3,676
(vi) Other expenses	37	23,956	16,971
4) Total expenses		1,74,731	1,26,026
5) Profit/(loss) before exceptional items and tax (3-4)		86,413	96,436
6) Exceptional Items	64	-	8,810
7) Profit before tax (5 - 6)		86,413	87,626
Tax expense	54		
(i) Current tax		14,807	8,985
(ii) Deferred tax expense		1,123	3,832
(iii) Minimum alternate tax credit entitlement		-	(0)
(iv) Excess provision for earlier years		(199)	(258)
8) Total tax expenses		15,731	12,559
9) Profit for the year (7-8)		70,682	75,066
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		(27)	163
(b) Fair value gain/(loss) of investment		2,324	27,411
(c) Tax impact on the above		(259)	(3,177)
10) Other comprehensive income		2,038	24,397
Total comprehensive income for the year (9 + 10)		72,720	99,464
Earnings per share (EPS) (Face Value Re. 1 per equity share)	41		
Basic EPS (amount in Rs.)		48.10	51.02
Diluted EPS (amount in Rs.)		47.69	50.16

The accompanying notes 1 to 67 form an integral part of the financial statements

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

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

STANDALONE CASH FLOW STATEMENT

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before taxation	86,413	87,626
Adjustment for:		
Unrealised gain	(15,981)	(46,607)
Employee stock option scheme cost	2,339	1,849
Interest expense on lease	302	360
Depreciation, amortisation and impairment	3,875	3,675
Dividend income	(7,387)	(2,299)
Profit on sale of investment - realised	(10,472)	(10,800)
Gain on partnership firm	(255)	(39)
Profit on sale property, plant and equipment	(5)	(373)
Impairment on financial instruments	1,992	1,641
Operating profit	60,821	35,033
Adjustment for working capital changes		
Increase/(decrease) in provision	4,565	3,079
Increase/(decrease) in other financial liabilities	28,466	7,745
Increase/(decrease) in trade payables	64,861	1,23,105
(Increase)/decrease in loans	(11,204)	(57,295)
(Increase)/decrease in other non financial liabilities	(508)	1,397
(Increase)/decrease in other financial assets	31,745	(52,898)
(Increase)/decrease in other non financial asset	(1,440)	1,754
(Increase)/decrease in trade receivables	(7,903)	(15,228)
(Increase)/decrease in fixed deposit	(98,163)	(1,62,204)
(Increase)/decrease in liquid investment	28,263	60,209
Cash generated/(used) from operations	99,504	(55,303)
Direct taxes paid (net)	(11,562)	(10,703)
Net cash generated/(used) from operating activities (A)	87,942	(66,006)
B. Cash flow from investing activities		
Proceeds from sale of investment	18,094	45,634
Purchase of equity shares in subsidiary company	(26,535)	(12,874)
Purchase of Investments	(30,349)	(18,832)
Purchase of property, plant and equipment	(3,664)	(4,182)
Sale of property, plant and equipment	-	2
Purchase of intangibles	(625)	(973)
Dividend Income	7,387	2,299
Net cash generated/(used) from investing activities (B)	(35,691)	11,074
C. Cash flow from financing activities		
Cash Payment of lease liability and interest	(1,081)	(1,228)
Increase in lease liabilities (net)	-	1,665
Proceeds / (repayment) of short-term borrowings	1,383	66,438
Proceeds from issuance of debt securities	7,800	30,000

STANDALONE CASH FLOW STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repayment of debt securities	-	(31,500)
Proceeds from issue of equity shares	6	23
Premium on issue of equity shares	3,185	1,416
Proceeds from deposits received	53	33
Dividend paid	(7,365)	(3,081)
Increase/(decrease) in unpaid dividend	3	-
Effect of scheme of arrangement	(9,303)	(4,626)
Buyback of shares (including buyback tax)	-	(14,853)
Net cash generated/(used) from financing activities ('C)	(5,319)	44,287
Net increase/(decrease) in cash and cash equivalents during the year (A +B +C)	46,932	(10,645)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<u>Cash and cash equivalents as at beginning of the year</u>		
Cash in hand	32	26
Scheduled bank - In current account	34,750	31,064
Bank balance acquired pursuant to merger	6	-
Fixed deposit with banks (Maturity within 3 months)	22,235	36,578
Total	57,023	67,668
<u>Cash and cash equivalents as at end of the year :</u>		
Cash in hand	32	32
Scheduled bank - In current account	65,700	34,750
Bank balance acquired pursuant to merger	-	6
Fixed deposit with banks (Maturity within 3 months)	38,223	22,235
Total	1,03,955	57,023
<u>Reconciliation of cash and cash equivalents as above with cash and bank balances</u>		
Cash and cash equivalents as at end of the year as per above	65,732	34,781
Add:- Fixed deposit with banks (Maturity within 3 months)	38,223	22,235
Total Cash and bank balances equivalents as at end of the year	1,03,954	57,017

STANDALONE CASH FLOW STATEMENT (Contd..)

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

(A) Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	2,07,910	1,42,972
Proceeds / (repayment) of short-term borrowings	1,383	66,438
Proceeds from issuance of debt securities	7,800	30,000
Repayment of debt securities	-	(31,500)
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	2,17,093	2,07,910

(B) Cashflow from operating activities includes:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest received	33,145	18,544
Interest paid	14,559	10,873

Notes :

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

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

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agarwal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(a) Equity share capital

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

Particulars	Equity share capital	
	Number of shares	Amount
As at 01 April 2020	14,80,66,718	1,481
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	14,80,66,718	1,481
Changes during the year due to exercise of Employees Stock Option Scheme	4,62,800	5
Changes during the year due to buyback of shares	(19,09,144)	(19)
Shares pending for allotment	18,68,445	19
As at 31 March 2021	14,84,88,819	1,485
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	14,84,88,819	1,485
Changes during the year due to exercise of Employees Stock Option Scheme	5,74,100	6
Changes during the year due to merger	18,68,445	19
Shares pending for allotment	(18,68,445)	(19)
As at 31 March 2022	14,90,62,919	1,491

(b) Other Equity

Particulars	Reserves and Surplus						Other comprehensive income		Total	
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment Reserve	General Reserve	Statutory Reserve	Retained Earnings	Equity instruments through other comprehensive income		Actuarial gains/(losses) on post retirement benefit plans
Balance as at 01 April 2020	71	14	64,578	3,733	18,102	-	1,81,969	6,063	403	2,74,933
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-	-
Add/(Less): On account of business combination	-	-	-	-	(5,233)	5,233	5,638	-	-	5,638
Restated balance at the beginning of the previous reporting year	71	14	64,578	3,733	12,869	5,233	1,87,607	6,063	403	2,80,571
Due to exercise of options	-	-	624	-	-	-	-	-	-	624
Additions during the year	-	-	1,416	1,849	-	-	75,067	24,275	122	1,02,729
Buyback of Shares	19	-	(12,034)	-	-	-	(2,820)	-	-	(14,835)
Dividends	-	-	-	-	-	-	(3,081)	-	-	(3,081)
Transfer to securities premium	-	-	-	(624)	-	-	-	-	-	(624)
Impact due to Merger	-	-	-	-	(1,185)	-	(4,025)	-	-	(5,210)
Balance as at 31 March 2021	90	14	54,584	4,958	11,684	5,233	2,52,748	30,338	525	3,60,174

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

Particulars	Reserves and Surplus						Other comprehensive income			Total
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment Reserve	General Reserve	Statutory Reserve	Retained Earnings	Equity instruments through other comprehensive income	Actuarial gains/(losses) on post retirement benefit plans	
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	90	14	54,584	4,958	11,684	5,233	2,52,748	30,338	525	3,60,174
Due to exercise of options	-	-	1,047	-	-	-	-	-	-	1,047
Additions during the year	-	-	3,185	2,339	945	-	70,682	2,058	(20)	79,189
Stamp duty provision during the year due to merger	-	-	-	-	-	-	(2,245)	-	-	(2,245)
Transfer to general reserve	-	-	-	-	5,233	(5,233)	-	-	-	-
Dividend	-	-	-	-	-	-	(7,365)	-	-	(7,365)
Transfer to securities premium	-	-	-	(1,047)	-	-	-	-	-	(1,047)
Impact due to Merger	-	-	-	-	-	-	(7,032)	-	-	(7,032)
Balance as at 31 March 2022 (Refer note 24)	90	14	58,816	6,250	17,862	-	3,06,788	32,396	505	4,22,721

The accompanying notes 1 to 67 form an integral part of the financial statements

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

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Nikhil Singhi

Partner

Membership Number: 061567

Place : Mumbai

Date : 28 April 2022

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Sd/-

Motilal Oswal

Managing Director and Chief executive officer

DIN : 00024503

Sd/-

Shalibhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 28 April 2022

Sd/-

Raamdeo Agarawal

Non-Executive Chairman

DIN : 00024533

Sd/-

Kailash Purohit

Company Secretary

NOTES TO FINANCIAL STATEMENT

1A. Corporate Information

Motilal Oswal Financial Services Limited ("MOFSL" or 'the Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is domiciled in India and the addresses of its registered office and principal place of business is Motilal Oswal Tower (Mumbai).

The Company is registered with Securities and Exchange Board of India ('SEBI') under the Stock brokers and sub brokers Regulations, 1992 and is a member of Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. and National Commodity and Derivatives Exchange Limited. The Company acts as a stock broker and commodities broker to execute proprietary trades and also trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. It is registered with Central Depository Services (India) Limited and National Securities Depository Limited in the capacity of Depository Participant and also registered with SEBI in capacity of Research Analyst and Investment Advisor.

The Financial statements were approved for issuance by the Company's Board of Director on 28 April 2022.

1B. Business Combination under Common Control

A common control business combination, involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes (Refer Note 60 for additional details)

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 as amended from time to time and other relevant provisions of the Act.

NOTES TO FINANCIAL STATEMENT (Contd..)

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(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

(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 (as amended), the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. 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 57.

(iv) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS which 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.

(v) 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 judgment 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.

2.2 Revenue Recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer.

NOTES TO FINANCIAL STATEMENT (Contd..)

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. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) 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) Research and advisory income

Research and advisory income is accounted for on an accrual basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(iii) Interest income

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

(iv) Dividend income

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

(v) Portfolio management commission income

Portfolio management commissions is recognised on an accrual basis in accordance with the terms of the agreement entered with asset management company.

NOTES TO FINANCIAL STATEMENT (Contd..)

(vi) Rental income

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(vii) Profit and loss from partnership firm / LLP

Profit and loss from partnership firm / LLP are accounted on accrual basis and 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 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 Statement of profit and 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 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 subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

2.4 Leases

Company as a 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 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 recognized as an operating expense in Statement of profit and loss on a straight-line basis over the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

NOTES TO FINANCIAL STATEMENT (Contd..)

Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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. Outstanding bank overdrafts are not considered integral part of the Company's cash management.

2.6 Financial instruments

Initial recognition and measurement:

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in 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 Statement of profit and loss.

Fair value of financial instruments:

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Fair value measurements under Ind AS are categorized 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 54..

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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. Investment in Subsidiaries

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

4. 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 Fair value through profit or loss (FVTPL):

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when:

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not

NOTES TO FINANCIAL STATEMENT (Contd..)

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 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.

2.7 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 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.

2.9 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

NOTES TO FINANCIAL STATEMENT (Contd..)

accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and 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 month in which the asset is first put to use, till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Building	60 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Plant and Machinery	3 to 5 years
Vehicles	8 to 10 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less.

Derecognition:

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

2.10 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
Customer rights	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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.11 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Depreciation on investment property is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act.

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 asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of 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 estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

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 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. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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 on actual basis for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid/payable to the recognised provident fund and Employee State Insurance Corporation, 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 benefits obligations

Heritage club benefit

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

2.15 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 vests 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 sale value of assets and liabilities disclosed in note 52.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

2.16 Foreign currency translation

(i) Functional and presentation currency

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

2.17 Dividends

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

2.18 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

b) Diluted earnings per share

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

2.19 Borrowing Costs

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. The difference between the discounted amount mobilised and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument using the EIR.

2.20 Rounding of amounts

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

2.21 Events after reporting date

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

2.22 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022, although early adoption is permitted. The Company has evaluated the amendment there is no impact on its financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

3. Key accounting estimates and judgements

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

- (a) **Business Model Assessment:** Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and 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. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.
- (b) **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.
- (c) **Effective Interest Rate (EIR) Method :** The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

- (d) **Allowance for impairment of financial asset:** The Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging outstanding. The Company recognises life time expected credit loss for trade receivables and has adopted simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (e) 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.
- (f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (g) Share based payment: The Company account for share based payment 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 share based compensation expense amounts in the future.
- (h) 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.
- (i) 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 2022	As at 31 March 2021
1. Cash and cash equivalents		
Cash on hand	32	32
Balance with banks		
- In current accounts	65,700	34,756
- Fixed deposit with banks (Maturity within 3 months) * (Including interest accrued on fixed deposit)	38,223	22,235
	1,03,955	57,023

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 5: Bank balance other than (4) above

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances (unpaid dividend account)	41	44
Fixed deposit with banks (with original maturity more than 3 months)*#	1,89,455	47,612
Fixed deposits (maturity more than 12 months)*#	1,23,508	1,67,188
	3,13,004	2,14,844

*Fixed deposits of Rs.64,844 lakhs are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.

Balance of fixed deposits also include interest accrued on fixed deposit

Note 6: Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Considered good - secured*	52,430	45,375
Considered good - unsecured	15,688	17,249
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	846	599
Less: Allownces for impairment losses	(2,343)	(1,612)
	66,621	61,611
Other receivables		
Rent receivables others	-	-
Receivable from subsidiary companies	1,060	160
	1,060	160

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

*Secured against securities given as collateral by the customer

Receivable ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Loss Allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	65,532	1,737	1,910	-	-	(1,497)	67,681
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Outstanding for following periods from due date of payment					Loss Allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(iii) Undisputed Trade receivables - credit impaired	119	294	434	-	-	(846)	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	65,651	2,030	2,343	-	-	(2,343)	67,681

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Loss Allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	57,632	2,834	2,319	-	-	(1,013)	61,771
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	136	254	208	-	-	(599)	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	57,769	3,088	2,527	-	-	(1,612)	61,771

Note 7: Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Loans - At amortised cost		
(A) Others		
Loans repayable on demand	14	14
Loan to employees	148	147
Margin trading facility	88,539	77,308
Total (A) Gross	88,701	77,469
Less : Impairment loss allowance	(239)	(211)
Total (A) Net	88,462	77,258

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
(B) Secured/Unsecured		
Secured by tangible asset	88,539	77,308
Unsecured	162	161
Total (B) Gross	88,701	77,469
Less : Impairment loss allowance	(239)	(211)
Total (B) Net	88,462	77,258
C) Loans in India		
Public sector	-	-
Others	88,701	77,469
Total (C) Gross	88,701	77,469
Less : Impairment loss allowance	(239)	(211)
Total (C) Net	88,462	77,258
Stage wise break up of loans		
(i) Low credit risk (Stage 1)	88,462	77,258
(ii) Significant increase in credit risk (Stage 2)	-	-
(iii) Credit impaired (Stage 3)	-	-
Total	88,462	77,258

No Loans have been given to Promoters, Directors, Key Management people (KMPs), and related parties either jointly or separately with any of the said person that are

- Repayable on demand
- Without stating any conditions or duration of repayment

Note 8: Investments

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
1) Investment at amortised cost					
(a) Investment in subsidiaries					
Motilal Oswal Finvest Limited	Subsidiary	7,61,94,142	5,89,28,703	91,769	67,035
Motilal Oswal Securities International Private Limited	Subsidiary	45,69,200	45,69,200	457	457
Motilal Oswal Wealth Management Limited	Subsidiary	8,13,200	8,13,200	1,521	1,521
Motilal Oswal Asset Management Company Limited	Subsidiary	67,73,87,883	66,81,63,624	16,667	13,981
Motilal Oswal Trustee Company Limited	Subsidiary	1,00,000	1,00,000	10	10

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Motilal Oswal Capital Markets (Honkong) Private Limited	Subsidiary	60,00,000	60,00,000	412	412
Motilal Oswal Capital Markets (Singapore) Pte. Limited*	Subsidiary	1,69,382	13,61,111	130	1,041
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)	Subsidiary	4,83,62,67,917	4,83,62,67,897	56,633	56,633
Motilal Oswal Commodities Brokers Private Limited	Subsidiary	4,10,044	4,10,044	90	90
Motilal Oswal Investment Advisors Limited	Subsidiary	10,00,000	10,00,000	4,137	4,137
MO Alternate Investment Advisors Private Limited (formely known as Motilal Oswal Fincap Private Limited)	Subsidiary	30,00,000	30,00,000	313	313
Glide Tech Investment Advisory Private Limited	Subsidiary	70,00,000	40,00,000	700	400
TM Investment Technologies Pvt Ltd	Subsidiary	57,44,705	57,44,705	574	574
Motilal Oswal Finsec IFSC Ltd	Subsidiary	1,20,00,000	24,00,000	1,200	240
Total				1,74,614	1,46,844
(b) Investment in equity shares					
Central Depository Services India Limited	Others	100	100	0	0
Total				0	0
2) Investment at fair value through other comprehensive income					
a) Investment in equity shares					
AU Finance (India) Limited	Others	32,81,796	32,81,796	40,899	40,296
Investment through Portfolio Management Services (PMS)					
Next Trillion Dollar Opportunity Strategy					
ICICI Bank Ltd	Others	1,35,963	97,402	993	567
State Bank of India	Others	67,267	67,267	332	245
J&k Bank	Others	-	-	-	-
Kotak Mahindra Bank Ltd.	Others	61,827	61,827	1,084	1,084
Max Financial Service Ltd.	Others	62,453	62,453	471	537
Colgate Palmolive (India) Limited	Others	-	14,203	-	221
Emami Limited	Others	51,147	51,147	229	249

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Vedant Fashion Ltd	Others	20,174	-	195	-
Page Industries Ltd.	Others	1,416	1,416	612	429
Godrej Indus	Others	49,711	49,711	231	271
Voltas Ltd	Others	1,14,731	1,14,731	671	1,150
Gland Pharma Ltd.	Others	15,398	15,398	504	382
Alkem Laboratories Ltd.	Others	5,274	5,274	191	146
Ipca lab Ltd.	Others	39,170	19,585	417	373
Bharat Forge Ltd.	Others	31,470	31,470	220	188
Bosch Ltd.	Others	1,582	1,582	228	223
Eicher Motors Ltd.	Others	15,830	15,830	389	412
L&T technology Services Ltd.	Others	19,835	19,835	1,013	526
Tech Mahindra Limited	Others	34,954	34,954	524	347
Tata Consultancy Services Ltd.	Others	5,833	5,833	218	185
Larsen & Tourbro Infotech Ltd.	Others	4,511	4,511	278	183
AEGIS Logistics Limited	Others	76,167	76,167	157	227
Hindustan Petroleum Corporation Ltd.	Others	73,780	73,780	199	173
Container Corporation of India Ltd.	Others	38,560	38,560	259	231
Bayer Cropscience Limited	Others	3,126	3,126	155	167
Birla Corporation Ltd.	Others	13,397	13,397	158	128
Cummins India Ltd.	Others	22,498	22,498	252	207
Larsen & Turbo Ltd.	Others	8,371	8,371	148	119
ITC Ltd.	Others	1,26,203	78,918	316	172
Clean Science and Technology Limited	Others	14,776	-	294	-
Cash & Cash Equivalent	Others	-	-	21	48
b) Business Opportunity Fund					
Eicher Motors Ltd	Others	3,108	3,086	76	80
Maruti Suzuki India Ltd	Others	7,192	949	75	65
ICICI Bank Ltd	Others	29,412	29,232	215	170
HDFC Bank Ltd	Others	10,724	10,657	158	159
Kotak Mahindra Bank	Others	7,968	7,916	140	139
Blue Star Ltd	Others	7,371	7,337	78	69
Hindustan Unilever Ltd	Others	-	3,177	-	77
Asian Paints Ltd.	Others	-	2,423	-	61
Tata Consultancy Services Ltd	Others	4,942	4,942	182	157
Larsen & Toubro Infotech Ltd	Others	2,528	2,625	156	106
MAX Financial Services Ltd	Others	23,997	23,854	181	205

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
HDFC Life Insurance Company Ltd	Others	14,690	14,540	79	101
Safari Industries (India) Ltd.	Others	7,823	7,440	76	45
Phoenix Mills Ltd	Others	9,341	5,057	103	39
Axis Bank Ltd.	Others	13,446	-	102	-
Cash & Cash Equivalents	Others	-	-	11	9
Total				53,290	50,968
3) Investment at fair value through profit and loss					
(a) Investments in real estate funds					
India Realty Excellence Fund II LLP	Others	-	-	2,033	3,077
India Realty Excellence Fund III	Others	68,48,065	91,99,429	8,543	10,901
India Realty Excellence Fund IV	Others	3,60,000	3,00,000	381	334
India Realty Excellence Fund V	Others	5,00,000	-	144	-
Total				11,101	14,312
(b) Investment in equity shares					
Shubham Housing Development Finance Company Private Limited	Others	21,377	21,377	601	518
Shriram New Horizons Limited	Others	7,50,000	7,50,000	1,013	1,013
Bundl Technologies Pvt Ltd	Others	2,030	-	9,996	-
Total				11,610	1,531
(c) Investment in preference shares					
Compulsory Convertible preference shares of Shubham Housing Development Finance Company Private Limited	Others	2,20,260	2,20,260	6,197	5,346
Total				6,197	5,346
(d) Investment in units of mutual funds					
Motilal Oswal Most Focused 25 Fund	Others	4,11,08,111	4,11,08,111	14,470	13,534
Most Focused 30 Fund	Others	7,41,14,633	7,41,14,633	36,777	26,297
Most Shares N100 ETF	Others	1,83,300	18,330	213	171

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Most Focused Multicap 35 Fund Growth	Others	9,40,48,178	9,40,48,178	32,699	31,654
Most Shares M50 ETF	Others	59,499	59,499	103	86
Most Shares Midcap 100 ETF	Others	5,07,650	5,07,650	159	130
Most Focused Long Term Fund	Others	1,90,816	1,90,816	53	46
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	Others	3,53,715	3,53,715	70	56
Motilal Oswal Nifty 500 Fund - Direct Growth Option	Others	92,658	92,658	16	13
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	Others	22,044	22,044	3	3
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	Others	19,498	19,498	4	3
Motilal Oswal Nifty 50 Index Fund - Direct Growth Option	Others	2,00,704	2,00,704	29	24
Motilal Oswal Nifty Next 50 Index Fund - Direct Growth Option	Others	69,847	69,847	10	8
Motilal Oswal Large and Midcap Fund - Direct Growth	Others	6,22,70,790	-	10,195	-
Axis Consumption ETF	Others	41,776	-	29	-
Motilal Oswal S&P BSE Low Volatility ETF	Others	88,459	-	97	-
Motilal Oswal S&P BSE Low Volatility Index Fund	Others	9,99,950	-	100	-
Axis Technology ETF	Others	-	1,94,160	-	500
Total				95,027	72,525
(e) Investment in alternative investment funds					
Motilal Oswal Focused Growth Opportunities Fund	Others	49,99,750	49,99,750	598	500
Motilal Oswal Growth Opportunities Fund Series II (Class X)	Others	9,99,950	-	103	-
Motilal Oswal Focused Multicap Opportunities Fund	Others	-	1,01,72,664	-	1,257

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	Others	-	82,500	-	10
Motilal Oswal Focused Business Advantage Fund	Others	1,00,00,000	1,00,00,000	1,769	1,665
Motilal Oswal Focused Business Advantage Fund (Carry units)	Others	1,00,000	1,00,000	325	32
Motilal Oswal Focused Emergence Fund	Others	-	1,02,67,557	-	1,121
Motilal Oswal Business Advantage Fund Series-II	Others	60,30,942	45,49,882	830	533
Motilal Oswal Business Advantage Fund - SERIES-II (Class X)	Others	13,01,485		137	-
Motilal Oswal Multicap Equity Fund	Others	9,99,950	9,99,950	1,336	1,193
Motilal Oswal Rising India Fund	Others	-	97,49,870	-	1,555
Motilal Oswal Select Opportunities Fund Series II	Others	86,26,104	96,26,104	1,253	1,190
Motilal Oswal Select Opportunities fund-Series II (Class X)	Others	14,04,659	-	144	-
Motilal Oswal Select Opportunities Fund – Series III	Others	85,82,269	-	940	-
Motilal Oswal Select Opportunities Fund – Series III (Class X)	Others	9,99,950	-	99	-
Motilal Oswal India Excellence Fund II	Others	50,83,659	-	491	-
Motilal Oswal India Excellence Fund II (Class CX)	Others	9,99,950	-	95	-
Motilal Oswal Equity Opportunities Fund Series II	Others	70,59,413	29,99,850	987	360
Motilal Oswal Equity Opportunities Fund-series II (Class X)	Others	13,16,273	-	141	-
Motilal Oswal Equity Opportunities Fund Series III	Others	49,99,750	-	500	-
Motilal Oswal Hedged Equity Multi Factor Strategy	Others	1,49,99,250	-	1,501	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Next Trillion Dollar Opportunity Strategy	Others	1,59,99,200	-	1,577	-
Motilal Oswal Equity Opportunities Fund (Class X)	Others	14,97,185	-	174	-
Motilal Oswal Equity Opportunities Fund	Others	92,34,936	1,02,34,936	1,437	1,424
Total				14,437	10,840
(f) Investment in private equity funds					
India Business Excellence Fund I	Others	475	475	943	5,698
India Business Excellence Fund II	Others	8,18,000	8,18,000	15,811	13,388
India Business Excellence Fund II (Carry units)	Others	1,022	1,022	10	10
India Business Excellence Fund III	Others	12,68,496	12,68,496	26,070	20,422
India Business Excellence Fund IV	Others	50,000	-	50	-
Contrarian Vriddhi Fund I LLP	Others	625	625	206	178
Total				43,090	39,696
Total (I)				4,09,366	3,42,062
(g) Investment in units of liquid mutual funds					
UTI money market fund - Direct Growth	Others	2,12,741	2,12,741	5,299	5,096
Aditya Birla Sun life Money Manager Fund-Direct Growth	Others	35,50,214	35,50,214	10,612	10,195
Invesco India Money Market Fund Direct Plan Growth	Others	-	1,03,851	-	2,539
Kotak Money Market Fund	Others	2,93,548	2,93,548	10,569	10,177
Nippon India Money Market Fund - Direct Growth Plan Growth Option	Others	-	3,95,589	-	12,741
SBI Savings Fund Direct Plan Growth	Others	-	3,72,42,641	-	12,735
Total (II)				26,480	53,483
Total (I+II) (A)				4,35,846	3,95,545
Investment in India				4,35,304	3,94,092
Investment Outside India				542	1,453

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Others	Shares / Units		Amount as at	
		As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
		Number	Number		
Total	(B)			4,35,846	3,95,545
Less Allowance for impairment loss				1,195	1,195
Total				4,34,651	3,94,350

*Pursuant to Articles of Association of the Company (Motilal Oswal Capital Markets (Singapore) Pte. Limited) and Section 78B of Companies Act (Cap.50), the Company (Motilal Oswal Capital Markets (Singapore) Pte. Limited) does reduce its share Capital by cancelling and extinguishing issued and paid-up ordinary shares.

Note 9: Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Electricity and other deposits	1,470	1,293
Deposits with exchange	32,286	64,482
Receivable from exchanges	277	448
	34,033	66,223

Note 10: Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax (Net of provision) (net of provision for tax of Rs.Nil (Previous year: Rs. 46,093 lakhs)	821	2,729
	821	2,729

Note 11: Investment Property

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,755	7,813
Addition during the year	-	-
Deduction during the year	-	-
Depreciation for the year	(57)	(58)
	7,699	7,755

Fair value of Investment property

Particulars	As at 31 March 2022	As at 31 March 2021
Building	28,105	42,856

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Estimation of fair value

The fair value of investment property have been determined by an registered valuer, who has professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for commercial property. The resultant fair value estimates for investment property is included in level 2.

Amounts recognised in the statement of profit and loss in relation to investment

Particulars	As at 31 March 2022	As at 31 March 2021
Rental Income from investment property (Refer note 27)	1,891	1,888
Direct operating expenses arising from investment property that generated rental income during the year	-	-
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-

Note 12 : Property Plant and Equipments

Current year

Particulars	Gross block			Accumulated depreciation/amortization			Net block			
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 31 March 2021	Balance as at 31 March 2022
Property, plant and equipment										
Land	2,667	-	-	2,667	-	-	-	-	2,667	2,667
Buildings	20,619	1,322	-	21,941	7,543	803	-	8,346	13,076	13,595
Plant and machinery	9,371	1,748	-	11,119	6,850	938	-	7,788	2,521	3,331
Furniture and fixtures	2,623	71	-	2,694	1,880	102	-	1,982	743	713
Vehicles	958	284	-	1,242	646	84	-	730	312	512
Office equipments	4,204	239	-	4,443	3,709	255	-	3,964	495	479
Right of use (Office Premise)	4,846	-	-	4,846	2,186	815	-	3,001	2,660	1,846
Total (A)	45,288	3,664	-	48,952	22,814	2,997	-	25,811	22,474	23,143
Intangible assets										
Goodwill	90	-	-	90	90	-	-	90	-	-
Computer software	6,409	625	-	7,034	4,388	742	-	5,130	2,021	1,904
BSE/MCX Cards	648	-	-	648	648	-	-	648	-	-
Customer rights	1,108	-	-	1,108	772	80	-	852	336	256
Total (B)	8,255	625	-	8,880	5,898	822	-	6,721	2,357	2,160
Total (A) + (B)	53,543	4,289	-	57,832	28,712	3,819	-	32,532	24,831	25,303

Previous year

Particulars	Gross block			Accumulated depreciation/amortization			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										
Land	2,667	-	-	2,667	-	-	-	-	2,667	2,667

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gross block				Accumulated depreciation/amortization				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
Buildings	19,550	1,069	-	20,619	6,917	626	-	7,543	12,633	13,076
Plant and machinery	7,953	1,422	4	9,371	6,199	653	2	6,850	1,754	2,521
Furniture and fixtures	2,549	74	-	2,623	1,781	99	-	1,880	768	743
Vehicles	857	101	-	958	595	51	-	646	261	312
Office equipments	4,004	200	-	4,204	3,474	235	-	3,709	530	495
Right of use (Office Premise)	3,181	1,665	-	4,846	1,010	1,176	-	2,186	2,171	2,660
Total (A)	40,761	4,531	4	45,288	19,976	2,840	2	22,814	20,785	22,474
Intangible assets										
Goodwill	90	-	-	90	90	-	-	90	-	-
Computer software	5,436	973	-	6,409	3,714	674	-	4,388	1,722	2,021
BSE/MCX Cards	648	-	-	648	648	-	-	648	-	-
Custom Right	1,108	-	-	1,108	691	81	-	772	417	336
Total (B)	7,282	973	-	8,255	5,143	755	-	5,898	2,139	2,357
Total (A) + (B)	48,043	5,504	4	53,543	25,119	3,595	2	28,712	22,924	24,831

Note:

- There have been no acquisitions through business combinations and no revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2022 and 31 March 2021.
- The company does not hold any immovable property whose title deeds are not held in the name of the company. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

Note 13: Other non - financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	1,024	473
For supply of services	1,167	999
Prepaid expenses	1,636	650
Others	107	373
	3,934	2,495

Note 14: Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
(i) total outstanding dues of micro enterprise and small enterprise (Refer note no. 45)	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	3,44,641	2,79,780
	3,44,641	2,79,780

* Trade payables also includes balances due to parties other than clients which are highly insignificant in terms of value

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Trade Payable ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,44,641	-	-	-	3,44,641
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,79,780	-	-	-	2,79,780
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 15: Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised cost		
Commercial paper (Unsecured)		
(i) from banks	-	-
(ii) from other parties#	1,40,602	1,30,572
Others (Secured)		
Redeemable non-convertible debenture*	30,000	30,000
Market Linked Debenture**	7,800	-
Total (A)	1,78,402	1,60,572
Debt securities in India	1,78,402	1,60,572
Debt securities outside India	-	-
Total (B)	1,78,402	1,60,572

*Redeemable non-convertible debenture

Series B/ F.Y.21/ F.Y.24 - 10500 Lakhs, Redemption date - 05th February 2024, Coupon rate - 7.25% PA

Series A/ F.Y.21/ F.Y.24 - 19500 Lakhs, Redemption date - 06th November 2023, Coupon rate - 7.60% PA

Assets Cover available in case of Non Convertible Debt Securities :

Pari - passu charge on all present and future trade receivables and or Margin trading facility receivables of the Company with a minimum cover of 1.05 times of NCD's outstanding and Interest/Coupon due on the NCD's.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

**Market Linked Debenture (MLD)

Series M-1/ F.Y.22/ F.Y.24 - 7800 Lakhs, Redemption date – 14th March 2024, XIRR - 7.25% PA

Coupon rate is linked to performance of underlying/reference index (NIFTY 50 Index)

Assets Cover available in case of Market Linked Debenture :

The Debentures will be secured by first pari - passu charge on all present and future Margin trading facility receivables of the Company with a minimum cover of 1.00 times of the MLD outstanding and Interest/ coupon due on the MLDs

#Commercial Paper

Rate of interest is ranging from 4.85%-6.03% for commercial paper outstanding.

Note 16: Borrowings (Other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised cost		
Demand loans		
(i) from banks (Secured)*	28,296	47,237
(ii) from related parties(Unsecured)	10,395	100
	38,691	47,337
Borrowing in India	38,691	47,337
Borrowing outside India	-	-
	38,691	47,337

* Demand loans from banks and other parties are secured against the property, plant and equipment and trade receivables of the company respectively.

Note:

During the year under audit, company had made quarterly submissions to banks & other lenders, same are in line with amounts reported in books of accounts.

Note 17: Deposits

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit (against premises given on lease)	98	45
	98	45

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 18: Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money	53,202	29,423
Interest accrued but not due on borrowings	1,261	788
Unpaid dividend	41	44
Accrued salaries and benefits	68	123
Other payables (includes payable to vendors)	4,266	3,499
Other provisions (includes provision for expenses)	4,222	664
Book overdraft	-	53
Lease liability (Refer note 43)	2,368	3,147
	65,428	37,741

Note 19: Current tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income taxes (net of advance tax of Rs.60,315 lakhs Previous year: Nil)	1,206	-
	1,206	-

Note 20: Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences (Refer note 42)	758	592
Gratuity and heritage obligation (Refer note 42)	2,216	1,917
Service charges	21	21
ExGratia /Incentive payable (Refer note 42)	12,512	8,384
	15,507	10,914

Note 21: Deferred tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (Net) (Refer note 53)	8,894	8,260
	8,894	8,260

Note 22: Other non - financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from customers	584	818
Withholding and other taxes payables	840	1,504
Prepaid brokerage	1,041	650
	2,465	2,972

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 23: Share capital

Particulars	As at 31 March 2022 Number of shares	As at 31 March 2022 In Rupees	As at 31 March 2021 Number of shares	As at 31 March 2021 In Rupees
Authorised				
Equity shares of Re. 1 each (Previous year Re. 1 each)	1,12,00,00,000	11,200	92,50,00,000	9,250
Preference shares of Re. 100 (Previous year Rs. 100 each)	62,00,000	6,200	56,50,000	5,650
	1,12,62,00,000	17,400	93,06,50,000	14,900
Issued, subscribed and paid up				
Equity shares of Re.1 each fully paid up (Previous year Re. 1 each)	14,90,62,919	1,491	14,66,20,374	1,466
Shares pending for allotment				
Equity shares of Re.1 each, pending for allotment (Pursuant to the Scheme, 18,68,445 equity shares of Rs. 1 each to the share holders of MORE II and MOPE)	-	-	18,68,445	19
	14,90,62,919	1,491	14,84,88,819	1,485

'Pursuant to the Order dated March 11, 2022 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), the Scheme of Arrangement between Passionate Investment Management Private Limited ("the Transferor Company 1" or "PIMPL") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3" or "MOPE") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2" or "MORE") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4" or "MORE II") and MO Alternate Investment Advisors Private Limited ("the Resulting Company" or "MO Alternate") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "MOFSL") and their respective Shareholders ("the Scheme") was made effective on March 30, 2022. Further, the Company had allotted new 18,68,445 equity shares to the shareholders of the transferor Companies on March 30, 2022. The said shares are pending for listing and are forming part of Public category.

Issued capital is net off of buyback of shares, shares acquired and cancelled in the scheme of arrangement and re-issuance of shares.

23.1 Terms/rights attached to shares

Equity shares :

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

During the year ended 31 March 2022, dividend recognized as distribution to equity shareholders was Rs. 12.00 per share consisting of final dividend of Rs. 5.00 per share for previous year ended 31 March 2021 and interim dividend of Rs. 7 per share for year ended 31 March 2022. The total dividend appropriated amounts to Rs. 7,365 lakhs (Previous Year: Rs. 3,081 lakhs)

Preference shares :

The Company has only one class of preference shares having a par value of Rs. 100 each and there are no preference shares issued and subscribed as on 31 March 2022 and 31 March 2021.

23.2 Reconciliation of number of shares outstanding

Particulars	As at	As at	As at	As at
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Number of shares	In Rupees	Number of shares	In Rupees
At beginning of the year	14,84,88,819	1,485	14,80,66,718	1,481
Share of MOFSL acquired through PIMPL	8,63,74,063	864	-	-
Share allotted to Promoter in view of cancellation	(8,63,74,063)	864	-	-
Shares are issued to Minority shareholder's of MORE II and MOPE	-	-	18,68,445	19
Stock options exercised under the ESOS	5,74,100	6	4,62,800	5
Buyback	-	-	(19,09,144)	(19)
	14,90,62,919	1,491	14,84,88,819	1,485

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Family Trust	4,33,41,158	29.08%	4,29,49,711	28.92%
Mr. Raamdeo Agarawal**	4,03,69,047	27.08%	4,04,59,859	27.25%
Mr. Motilal Oswal **	77,87,622	5.22%	81,91,072	5.52%
Mr. Navin Agrawal	77,04,010	5.17%	77,04,010	5.19%

** The Promoter shareholding for financial year 20-21 has been restated /recasted pursuant to scheme of amalgamation.

23.4 Shareholding of promoters in the Company

Particulars	As at 31 March 2022		As at 31 March 2021		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
Motilal Oswal Family Trust	4,33,41,158	29.08%	4,29,49,711	28.92%	0.91%
Mr. Raamdeo Agarawal	4,03,69,047	27.08%	4,04,59,859	27.25%	-0.22%
Mr. Motilal Oswal	77,87,622	5.22%	81,91,072	5.52%	-4.93%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022		As at 31 March 2021		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
Raamdeo Agarawal HUF	45,35,574	3.04%	45,00,355	3.03%	0.78%
Ms. Suneeta Agrawal	64,27,605	4.31%	63,72,022	4.29%	0.87%
Mr. Vaibhav Agrawal	2,54,479	0.17%	2,54,479	0.17%	-
Ms. Vimla Oswal	1,25,987	0.08%	1,25,980	0.08%	0.01%
Mr. Karoon Ramgopal Agarawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Suman Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Vedika Karnani	1,00,000	0.07%	1,00,000	0.07%	-
Mr. Vinay R. Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Anita Anandmurthy Agrawal	80,000	0.05%	80,000	0.05%	-
Mr. Sukhdeo Ramgopal Agarawal	78,500	0.05%	78,500	0.05%	-
Mr. Satish Agrawal	78,020	0.05%	78,020	0.05%	-
Mr. Govinddeo R Agarawal	55,770	0.04%	55,770	0.04%	-
Mr. Rajendra Gopilal Oswal	54,996	0.04%	55,000	0.04%	-0.01%
Mr. Pratik Mehta	12,000	0.01%	-	0.00%	100.00%
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	867	0.00%	860	0.00%	0.81%
OSAG Enterprises LLP	2,000	0.00%	2,000	0.00%	-

Particulars	As at 31 March 2022		As at 31 March 2021		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
Passionate Investment Management Pvt Ltd	-	-	8,49,21,363	57.35%	-100.00%
Motilal Oswal Family Trust	4,29,49,711	28.92%	-	-	100.00%
Mr. Raamdeo Agarawal	4,04,59,859	27.25%	79,27,265	5.35%	410.39%
Mr. Motilal Oswal	81,91,072	5.52%	85,25,972	5.76%	-3.93%
Raamdeo Agarawal HUF	45,00,355	3.03%	6,50,000	0.44%	592.36%
Ms. Suneeta Agrawal	63,72,022	4.29%	2,95,400	0.20%	2057.08%
Mr. Vaibhav Agrawal	2,54,479	0.17%	1,00,000	0.07%	154.48%
Ms. Vimla Oswal	1,25,980	0.08%	1,25,240	0.08%	0.59%
Mr. Karoon Ramgopal Agarawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Suman Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Vedika Karnani	1,00,000	0.07%	1,00,000	0.07%	-
Mr. Vinay R. Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Anita Anandmurthy Agrawal	80,000	0.05%	80,000	0.05%	-
Mr. Sukhdeo Ramgopal Agarawal	78,500	0.05%	78,500	0.05%	-
Mr. Satish Agrawal	78,020	0.05%	78,020	0.05%	-
Mr. Govinddeo R Agarawal	55,770	0.04%	55,770	0.04%	-
Mr. Rajendra Gopilal Oswal	55,000	0.04%	55,000	0.04%	-
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	860	0.00%	120	0.00%	616.67%
OSAG Enterprises LLP	2,000	0.00%	2,000	0.00%	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

23.5 In the financial year 2020-21 the Company has bought back 19,09,144 fully paid-up shares by capitalisation of securities premium. Further, 18,68,445 shares were allotted for consideration other than cash and also 8,63,74,063 shares were reissued pursuant to the Scheme of Arrangement (refer note 65).

Note 24: Reserve & surplus

Particulars	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve		
Balance at the beginning of the reporting year	90	71
Add: Buyback of Shares	-	19
Balance at the end of the reporting year	90	90
Capital reserve		
Balance at the beginning of the reporting year	14	14
Balance at the end of the reporting year	14	14
Securities premium		
Balance at the beginning of the year	54,584	64,578
Add: On account of share issue	3,185	1,416
Add: Transfer from share based payment reserve	1,047	624
Less: Buyback of shares	-	(12,034)
Balance as at end of the reporting year	58,816	54,584
Share based payment reserve		
Balance at the beginning of the reporting year	4,958	3,733
Transfer to securities premium	(1,047)	(624)
Option granted during the year (Refer note 52)	2,339	1,849
Balance at the end of the reporting year	6,250	4,958
General reserve		
Balance at the beginning of the reporting year	11,684	18,102
Transfer from statutory reserve due to merger	5,233	(5,233)
Impact due to scheme of arrangement	945	(1,185)
Balance at the end of the reporting year	17,862	11,684
Statutory reserve		
Balance at the beginning of the reporting year	5,233	-
Acquired pursuant to scheme of arrangement	-	5,233
Transfer to general reserve due to scheme of arrangement##	(5,233)	-
Balance at the end of the reporting year	-	5,233

Statutory Reserve of Rs.5,233 lakhs (acquired from PIMPL on account of merger), has been transferred to general reserve after taking appropriate board approval, as the same was not required to be maintained at MOFSL as per RBI regulations.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Balance at the beginning of the reporting year	2,52,746	1,87,606
Transfer from Statement of Profit and Loss	70,682	75,066
Interim dividend	(6,023)	(3,081)
Final dividend	(1,342)	-
Impact due to scheme of arrangement	(7,032)	(4,025)
Provision for Stamp duty (Net of Tax impact)#	(2,245)	-
Buyback Transaction cost	-	(2,820)
Balance at the end of the reporting year	3,06,787	2,52,746

#As per Para 78 of scheme of arrangement, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing Part B of the Scheme and matters incidental thereto shall be borne by the Promoters of the Transferor Company 1 i.e. Passionate Investment Management Private Limited/Transferor Company 1 and no cost shall be incurred by public shareholders of the Transferee Company 1 i.e.; Motilal Oswal Financial Services Limited.

In line with above paragraph, Transferor Company 1 has created a provision for stamp duty payable of Rs 3,000 lakhs on the transfer of shareholding from PIMPL to its shareholders and simultaneously claiming Deferred tax benefit of Rs 755 lakhs thereon. The said expense has not been routed through Profit and Loss statement but utilized from reserves of PIMPL and corresponding FD has been created to give the effect. Thus there is no impact on the profit and loss account of the merged entity and is cashflow neutral to the shareholders of the transferor and transferee company with respect to the retrospective accounting.

Thus, Transferor Company 1 (PIMPL) has created sufficient Free Reserve pursuant to scheme of merger against which the Stamp duty net of taxes of Rs. 2,245 lakhs can be reduced to that extent.

Particulars	As at 31 March 2022	As at 31 March 2021
Other comprehensive income		
Balance at the beginning of the reporting year	30,863	6,466
Add : Other comprehensive income for the year	2,038	24,397
Balance at the end of the reporting year	32,901	30,863
	4,22,720	3,60,173

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.

Capital reserve

It has been created during the Business Combinations in earlier periods.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Share based payment reserve

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

General reserve

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

Statutory Reserve

These reserve represent the identity of reserves transferred on merger from PIMPL

Retained earnings

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

Other comprehensive income

Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans, gain /(loss) of equity instruments carried through FVTOCI.

Note 25: Interest Income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
On financial assets measured at amortised cost		
Interest on loans	30	185
Interest on deposits with banks	12,936	6,298
Other interest income on :		
Margin funding	11,160	4,362
Delayed payment by customers	9,019	7,699
Total	33,145	18,544

Note 26: Dividend Income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Dividend income		
From investments	110	61
From subsidiary companies	7,277	2,238
Total	7,387	2,299

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 27: Rent income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Rent income from operating leases	1,891	1,888
Total	1,891	1,888

Note 28: Fees and Commission income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Brokerage and fees income		
Brokerage income	1,58,070	1,18,433
Research and advisory fees	1,070	1,269
Depository income	6,527	4,459
Total	1,65,667	1,24,161
Other commission income		
Portfolio management fees and commission	18,605	10,157
Total	18,605	10,157

Note 29: Net gain on fair value changes

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Net gain /(loss) on financial instruments at fair value through profit or loss		
Realised	10,472	10,832
Unrealised gain/ (loss)	15,981	46,576
Total	26,453	57,408

Note 30: Other operating income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Partnership gain from private equity fund		
From Fund	255	44
Other operating revenue		
Others	3,781	5,305
Total	4,036	5,349

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 31: Other income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest on staff loans	7	2
Profit/(loss) on sale of fixed assets	5	372
Business support and other miscellaneous income (Refer note 46)	3,948	2,282
Total	3,960	2,656

Note 32: Finance cost

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
On instruments measured at amortized cost		
Interest on borrowings	5,459	4,007
Interest on debt securities	9,100	6,866
Other borrowing cost	1,697	1,537
Interest on lease liabilities (Refer note 43)	302	360
Total	16,558	12,770

Note 33 : Fees and commission expense

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Brokerage sharing with intermediaries	73,570	51,004
Depository charges	1,202	945
Advisory and other fees	689	431
Total	75,461	52,380

Note 34: Impairment on financial instruments

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
ECL on trade receivables	731	508
ECL on loans	28	144
Bad debts	1,233	989
Total	1,992	1,641

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 35 : Employee benefits expense

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Salary, bonus and allowances	48,738	35,607
Share based payments (Refer note 52)	1,264	1,262
Contribution to provident and other funds (Refer note 50)	1,578	1,045
Gratuity and other long term benefits (Refer note 50)	481	375
Staff welfare expenses	827	299
Total	52,888	38,588

Note 36: Depreciation and amortization expenses

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Depreciation on Property, plant & equipment	2,182	1,871
Amortisation on other intangible assets	822	571
Depreciation on investment property	57	58
Depreciation on lease (Refer note 43)	815	1,176
Total	3,876	3,676

Note 37 : Other expenses

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Rent	922	534
Business Support	1,276	1,276
Rates and taxes	231	233
Insurance	567	377
Legal and professional fees	1,881	1,329
Remuneration to auditors (Refer note 40)	32	34
Advertisement expenses	1,040	441
Marketing and brand promotion	8,176	4,442
Printing and Stationary	481	359
Communication and data charges	2,291	2,002
Travelling, lodging and boarding expenses	1,194	932
Repairs - building	73	110
Repairs and maintenance - others	272	260
Computer maintenance and software charges	1,847	1,227
Power and fuel	709	553
Foreign exchange (gain)/loss	(159)	4
Service charges	546	485
Expenditure on Corporate Social Responsibility (Refer note 61)	684	870
Donations	8	19

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Miscellaneous expenses	1,885	1,484
Total	23,956	16,971

Note 38: Contingent liability and commitment (to the extent not provided for)

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent liabilities:		
(i) Guarantees / securities given (Refer note a)	1,28,258	1,02,429
(ii) Demand in respect of income tax matters for which appeal is pending (Refer note b)	2,982	2,761
(iii) Claim against the company (Refer note c)	725	1,060
Capital & other commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	2,123	2,470
(ii) Uncalled liability on shares and other investments partly paid:		
1) India Business Excellence Fund III	381	1,129
2) India Realty Excellence Fund IV	140	200
3) India Business Excellence Fund IV	450	-
4) India Realty Excellence Fund V	365	-

(a) Gurantees and securities given

- 1) The Company has given Corporate Guarantees of Rs. Nil (Previous year: Rs. 74,339 lakhs) to Banks and NCD holders for its subsidiary Motilal Oswal Home Finance Limited.
- 2) The Company has provided bank guarantees aggregating to Rs 1,28,258 lakhs (Previous year : Rs.28,090) as on 31 March 2022 for the following purposes to:
 - i) National Stock exchange - Rs.1,26,668 lakhs (Previous year : Rs. 12,500 lakhs) for meeting margin requirements.
 - ii) Bombay Stock exchange - Nil (Previous year: Rs.10,000 lakhs) for meeting margin requirements.
 - iii) MCX - Nil(Previous year: Rs.4,000 lakhs) for meeting margin requirements.
 - iv) Unique Identification Authority - Rs.25 lakhs (Previous year: Rs. 25 lakhs) for security deposit.
 - v) Hindalco Industries Limited - Rs.1,500 lakhs(Previous year: Rs. 1,500 lakhs) for margin deposit.
 - vi) Municipal Corporation of Greater Mumbai - Rs. 5 lakhs(Previous year: Rs.5 lakhs) for security deposit.
 - vii) Bombay High Court - Rs. 55 lakhs (Previous year: Rs.55 lakhs) for security deposit.
 - viii) Bank of Maharashtra - Rs. 5 lakhs(Previous year: Rs.5 lakhs) for security deposit.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The Company has pledged fixed deposits with banks aggregating of Rs 64,844 lakhs (Previous year Rs. 14,868 lakhs) for obtaining bank guarantee and for meeting margin requirements.

- (b) Demand in respect of income tax matters for which appeal is pending is Rs.2,982 lakhs (Previous year Rs. 2,761 lakhs). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid demand by way of deposit of Rs. 451 lakhs (Previous year Rs. 484 lakhs) till date. Above liability does not include interest u/s 234B and 234C as the same depends on the outcome of the demand.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellat 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.

(c) Claims against the Company:

Pending against forum	Number of cases as on 31 March 2022	As at 31 March 2022	Number of cases as on 31 March 2021	As at 31 March 2021
Civil cases	21	725	25	1,060
Total	21	725	25	1,060

Note :

The proceedings/ Appeals held at Supreme court/ High court/District court are considered as "Civil cases".

- (d) The Hon'ble Supreme Court has in its recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

Note 39: 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 40: Remuneration to auditors (exclusive of taxes)

Particulars	As at 31 March 2022	As at 31 March 2021
As Auditors:*		
Statutory audit	30	28
Tax audit	-	-
In other capacity:*		
Out of pocket expenses	-	-
Certification	2	6
Total	32	34

* This is inclusive of remuneration paid to previous auditors

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 41: Earnings per equity share:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit attributable to equity shareholders for calculation of Basic EPS [A] (Rs in lakhs)	70,682	75,069
Weighted average number of equity shares issued [B] (Face value of Re. 1 each) (In numbers)	14,69,36,417	14,71,31,648
Basic earnings per share [A/B] (Rs.)	48.10	51.02
Net profit attributable to equity shareholders for calculation of diluted EPS [C] (Rs in lakhs)	70,682	75,069
Weighted average of equity shares issued (Face value of Re. 1 each) (In numbers) [D]	14,69,36,417	14,71,31,648
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [E]	12,66,328	25,40,785
Weighted number of equity shares outstanding for diluted EPS (In numbers) [F=E+D]	14,82,02,745	14,96,72,433
Diluted earnings per share [C/F] (Rs.)	47.69	50.16

Note 42: Provisions made for the year ended 31 March 2022 comprises of:

Particulars	Opening balance as at 01 April 2021	Provided during the year	Provision reversed /paid during the year	Closing balance as at 31 March 2022
ExGratia /Incentive	8,384	12,512	8,384	12,512
Provision for gratuity	1,786	490	177	2,099
Heritage benefits	131	-	14	117
Compensated absences	592	758	592	758
Total	10,893	13,760	9,167	15,486

Particulars	Opening balance as at 01 April 2020	Provided during the year	Provision reversed /paid during the year	Closing balance as at 31 March 2021
ExGratia /Incentive	5,760	8,384	5,760	8,384
Provision for gratuity	1,612	251	77	1,786
Heritage benefits	143	-	12	131
Compensated absences	462	592	462	592
Total	7,977	9,227	6,311	10,893

Note 43: Lease

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 106 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:

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(A) Right of use assets

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at 1 April	2,660	2,171
Adjustment on transition to Ind AS 116	-	-
Movement during the year	-	1,665
Depreciation on Right-Of-Use (ROU) assets	(815)	(1,176)
Balance as at 31 March	1,846	2,660

(B) Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at 1 April	3,147	2,350
Adjustment on transition to In AS 116	-	-
Movement during the year	-	1,665
Add: Interest cost accrued during the period	302	360
Less: Payment of lease liabilities	(1,081)	(1,228)
Balance as at 31 March	2,368	3,147

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

Particulars	As at 31 March 2022	As at 31 March 2021
Less than three months	242	298
Three to twelve months	560	740
One to five years	1,170	1,645
More than five years	396	464
Total	2,368	3,147

(D) Amount recognised in statement of profit & loss

Particulars	As at 31 March 2022	As at 31 March 2021
Interest cost on lease liabilities	302	360
Depreciation on right of use assets	815	1,176
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	922	534

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(E) Amount recognised in statement of cash flows for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Cash payments for the principal & interest portion of the lease liability within financing activities	(1,081)	(1,228)
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.	922	534

Note 44: Ratings assigned by credit rating agencies

Rating Agency	Instrument Type	Rating / Outlook	
		As at 31 March 2022	As at 31 March 2021
India Ratings & Research Pvt Ltd.	Principal protected market linked debentures	IND PP-MLD Aaemr/ Stable	-
	Non- Convertible Debenture	IND AA/Stable	-
	Commercial Paper	IND A1+	IND A1+
CRISIL	Commercial Paper	CRISIL A1+	CRISIL A1+
ICRA	Commercial Paper	[ICRA]A1+	-
	Non- Convertible Debenture	[ICRA]AA (Stable)	[ICRA]AA (Stable)
	Unallocated Bank Lines	[ICRA]AA (Stable)	-
	Principal protected market linked debentures	PP-MLD[ICRA] (Stable)	PP-MLD [ICRA]AA/Stable

Note 45: Due to Micro and small enterprises

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2022
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
The balance of MSMED parties as at the year end	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 46: 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 47: Foreign currency transactions:

(i) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling lodging and boarding expenses	7	19
Marketing & Advertisement commission/ Expense	150	3
Membership fees	34	12
Computer maintenance and software charges	332	294
Lodging and boarding expenses	0	0
Advisory and other fees	394	282
Total	917	610

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Research and advisory fees	1,070	1,093
Total	1,070	1,093

Note 48: Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	USD (USA Dollar)	1.13	0.43
	INR (Indian Rupees)	86.14	31.23
	GBP (Pound Sterling)	0.10	0.00
	INR (Indian Rupees)	10.36	0.15
	EUR (EURO Dollar)	0.04	-
	INR (Indian Rupees)	3.57	-
	SGD (Singapore Dollar)	2.01	1.91
	INR (Indian Rupees)	112.10	104.25

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	1.13	0.43
	INR (Indian Rupees)	86.14	31.23
	GBP (Pound Sterling)	0.10	0.00
	INR (Indian Rupees)	10.36	0.15
	EUR(EURO Dollar)	0.04	-
	INR (Indian Rupees)	3.57	-
	SGD (Singapore Dollar)	2.01	1.91
	INR (Indian Rupees)	112.10	104.25
Unhedged foreign currency exposure	USD (USA Dollar)	1.13	0.43
	INR (Indian Rupees)	86.14	31.23
	GBP (Pound Sterling)	0.10	0.00
	INR (Indian Rupees)	10.36	0.15
	EUR(EURO Dollar)	0.04	-
	INR (Indian Rupees)	3.57	-
	SGD (Singapore Dollar)	2.01	1.91
	INR (Indian Rupees)	112.10	104.25

b) Payables

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	USD (USA Dollar)	0.45	0.29
	INR (Indian Rupees)	34.03	21.48
	HKD (Hongkong Dollar)	3.69	4.31
	INR (Indian Rupees)	35.62	40.60
	SGD (Singapore Dollar)	2.70	2.91
	INR (Indian Rupees)	150.98	158.68
Foreign currency payable in next 5 years including interest	USD (USA Dollar)	0.45	0.29
	INR (Indian Rupees)	34.03	21.48
	HKD (Hongkong Dollar)	3.69	4.31
	INR (Indian Rupees)	35.62	40.60
	SGD (Singapore Dollar)	2.70	2.91
	INR (Indian Rupees)	150.98	158.68
Unhedged foreign currency exposure	USD (USA Dollar)	0.45	0.29
	INR (Indian Rupees)	34.03	21.48
	HKD (Hongkong Dollar)	3.69	4.31
	INR (Indian Rupees)	35.62	40.60
	SGD (Singapore Dollar)	2.70	2.91
	INR (Indian Rupees)	150.98	158.68

NOTES TO FINANCIAL STATEMENT (Contd..)

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

c) Investments

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	2.80	22.50
	INR (Indian Rupees)	129.53	1,040.88
Foreign currency exposure in next 5 years including interest	HKD (Hongkong Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
	SGD (Singapore Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	2.80	22.50
	INR (Indian Rupees)	129.53	1,040.88

Source for conversion rate as on 31 March : Oanda.com

Note 49: Subsequent events:

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:

The Board of Directors at its meeting held on 28 April 2022 has declared a final dividend of Rs. 3/- per equity share (on face value of Rs.1/- per equity share) for the financial year 2021-22. Payment of the final dividend is subject to its approval by the shareholders, in the ensuing Annual General Meeting of the Company.

Note 50 : 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 2022	Year ended 31 March 2021
Employers' contribution to provident fund	1,578	1,045

Defined benefit plan:

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

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, 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.

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 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
I) Actuarial assumptions				
Mortality	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate
Discount Rate (per annum)	4.57%	3.93%	3.92%	3.93%
Rate of escalation in salary (per annum)	6.49%	9.70%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 42.43%	PS: 0 to 40 : 54.43%	PS: 0 to 37 : 54.43%	PS: 0 to 40 : 54.43%
Expected average remaining service	1.35	0.84	1.35	0.84
I) Changes in present value of obligations (PVO)				
Present value of obligation at beginning of period	1,786	1,612	131	143
Interest cost	53	60	-	-
Current service cost	442	416	(14)	(12)
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Transfer In-Liability	9	11	-	-
Transfer Out-Liability	(41)	(74)	-	-
Benefits paid	(177)	(77)	-	-
Contributions by plan participants	-	-	-	-
Business Combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (Gain)/Loss on obligation	27	(163)	-	-
Present value of obligation at end of period	2,099	1,786	117	131
II) Interest expense				
Interest cost	53	60	-	-
III) Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning	-	-	-	-
Interest income	-	-	-	-
IV) Net Liability				
Present value of obligation at beginning of period	1,786	1,612	-	-

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 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Fair Value of the Assets at beginning report	-	-	-	-
Net Liability	1,786	1,612	-	-
V) Net Interest				
Interest Expenses	53	60	-	-
Interest Income	-	-	-	-
Net Interest	53	60	-	-
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	81	(36)	-	-
Due to Financial Assumption	(114)	9	-	-
Due to Experience	59	(136)	-	-
Total Actuarial (Gain)/Loss	27	(163)	-	-
VIII) 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	177	77	-	-
Contributions by Employee	-	-	-	-
Benefits Paid	(177)	(77)	-	-
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	-	-	-	-

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 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Unrecognised Past Service Cost- non vested benefits	-	-	-	-
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
Present value of obligation at end of period	2,099	1,786	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(2,099)	(1,786)	-	-
Net Asset/(Liability) recognized in the balance sheet	(2,099)	(1,786)	-	-
XI) Expense recognised in the statement of profit and loss				
Current service cost	442	416	(14)	(12)
Net Interest	53	60	-	-
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	495	476	(14)	(12)
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	27	(163)	-	-
Asset limit effect	-	-	-	-
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	27	(163)	-	-
XIII) Movement in liability recognized in balance sheet				
Opening net liability	1,786	1,612	131	143

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 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Adjustment to opening balance	-	-	-	-
Transfer In-Liability	9	11	-	-
Transfer Out-Liability	(41)	(74)	-	-
Expenses as above	495	476	(14)	(12)
Contribution paid	(177)	(77)	-	-
Other Comprehensive Income(OCI)	27	(163)	-	-
Closing net liability	2,099	1,786	117	131
XIV) Projected Service Cost 31 Mar 2023	501	442	-	-
XV) Asset Information				
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund	-	-	-	-
Debt Security - Government Bond	-	-	-	-
Equity Securities - Corporate debt securities	-	-	-	-
Other Insurance contracts	-	-	-	-
Property	-	-	-	-
Total Itemized Assets	-	-	-	-
XVI) Sensitivity Analysis				
	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR +1%	PVO ER +1%	PVO ER +1%
Present value of obligation	2,059	2,140	2,125	2,073

XVII) Expected Pay-out

Year	Expected Outgo First year	Expected Outgo Second year	Expected Outgo Third year	Expected Outgo Fourth year	Expected Outgo Fifth year	Outgo Six to ten years
Pay-outs	836	535	341	225	145	206
XVIII) Asset Liability Comparisons						
Year	31-03-2018	31-03-2019	31-03-2020	31-03-2021	31-03-2022	
PVO at End of period	77	1,367	1,612	1,786	2,099	
Plan Assets	-	-	-	-	-	
Surplus / (Deficit)	(77)	(1,367)	(1,612)	(1,786)	(2,099)	
Experience adjustments on plan assets						

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 51 : Related Party Disclosure :

I. Names of Related Parties :- (As certified by Management of the Company)

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

Passionate Investment Management Private Limited - Holding Company (merged with Motilal Oswal Financial Services Limited w.e.f. 01/04/2020 being appointed date of merger)

a) Subsidiary / Step-down subsidiaries companies

- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Wealth Management Limited
- MO Alternate Investment Advisors Private Limited (formerly known as Motilal Oswal Fincap Private Limited)
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Capital Market (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)
- India Business Excellence Management Company
- Motilal Oswal Capital Limited
- Motilal Oswal Finsec IFSC Limited
- Glide Tech Investment Advisory Private Limited
- TM Investment Technologies Private Limited

b) Associate

- India Realty Excellence Fund II LLP

c) Joint Venture

- India Business Excellence Fund III (Till 29 September 2020)

d) Key management personnel

- | | |
|------------------------|---|
| - Mr. Motilal Oswal | Managing Director and Chief executive officer |
| - Mr. Raamdeo Agarawal | Non-Executive Chairman |
| - Mr. Navin Agarwal | Non-Executive Director (Managing Director till July 30, 2020) |
| - Mr. Ajay Menon | Whole-time Director |
| - Mr. Rajat Rajgarhia | Whole-time Director |

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- Mr. Shalibhadra Shah	Chief Financial Officer
- Mr. Kailash Purohit	Company Secretary & Compliance Officer
- Mr. Praveen Tripathi	Independent Director (Till July 30, 2020)
- Mr. Vivek Paranjpe	Independent Director (Till July 30, 2020)
- Mrs. Rekha Utsav Shah	Independent Director (Till October 01, 2020)
- Mrs. Sharda Agarwal	Independent Director (Till July 30, 2020)
- Mr. Chitradurga Narasimha Murthy	Independent Director (Appointed from July 01, 2020)
- Mr. Pankaj Bhansali	Independent Director (Appointed from July 01, 2020)
- Mrs. Divya Sameer Momaya	Independent Director (Appointed from July 01, 2020)
- Mr. Chandrashekhar Anant Karnik	Independent Director (Appointed from September 16, 2020)
- Mrs. Swanubhuti Jain	Independent Director (Appointed from December 24, 2020)

e) Relatives of Key management personnel

- Ms. Vimla Oswal	Spouse of Mr. Motilal Oswal
- Mr. Pratik Oswal	Son of Mr. Motilal Oswal
- Ms. Vimladevi Salecha	Sister of Mr. Motilal Oswal
- Mr. Rajendra Gopilal Oswal	Brother of Mr. Motilal Oswal
- Mr. Pratik Mehta	Son-in-law of Mr. Motilal Oswal
- Ms. Suneeta Agarawal	Spouse of Mr. Raamdeo Agarawal
- Mr. Vaibhav Agarawal	Son of Mr. Raamdeo Agarawal
- Ms. Vedika Karnani	Daughter-in-law of Mr. Raamdeo Agarawal
- Dr. Karoon Ramgopal Agarawal	Brother of Mr. Raamdeo Agarawal
- Mr. Vinay R. Agarawal	Brother of Mr. Raamdeo Agarawal
- Mr. Sukhdeo Ramgopal Agarawal	Brother of Mr. Raamdeo Agarawal
- Mr. Govinddeo R. Agarawal	Brother of Mr. Raamdeo Agarawal
- Mr. Satish Agrawal	Brother of Mr. Raamdeo Agarawal
- Ms. Suman Agrawal	Sister of Mr. Raamdeo Agarawal
- Ms. Anita Anandmurthy Agrawal	Sister of Mr. Raamdeo Agarawal
- Ms. Chanda Agarawal	Mother of Mr. Navin Agarawal
- Ms. Asha Menon	Sister of Mr. Ajay Menon
- Ms. Kamalam Menon	Mother of Mr. Ajay Menon
- Ms. Priti Shah	Spouse of Mr. Shalibhadra Shah

f) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP

g) Enterprises in which Key Managerial Personnel and their relatives exercise significant influence

- Raamdeo Agarawal HUF
- Textile Exports Private Limited
- Motilal Oswal Foundation
- Motilal Oswal HUF
- Motilal Oswal Family Trust
- Boundless Media Private Limited
- Shalibhadra N Shah HUF
- Like Minded Wealth Creation Trust
- Agarawal Portfolios
- Navshital Consultants LLP
- Gracious Advisors LLP
- Opuleny Advisors and Consultants LLP

NOTES TO FINANCIAL STATEMENT (Contd..)

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

II. Transactions with related parties

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel /associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest (Income)/ Expense	Motilal Oswal Wealth Management Limited	-	-	-	-	-	-
	Motilal Oswal Home Finance Limited	(28)	(9)	-	-	(28)	(9)
	Motilal Oswal Wealth Management Limited	654	60	-	-	654	60
	Motilal Oswal Asset Management Company Limited	442	87	-	-	442	87
	Motilal Oswal Home Finance Limited	1,051	830	-	-	1,051	830
	Motilal Oswal Finvest Limited	-	(176)	-	-	-	(176)
	Motilal Oswal Finvest Limited	-	899	-	-	-	899
	MO Alternate investment Advisors Private Limited	75	-	-	-	75	-
	TM Investment Technologies Private Limited	(1)	-	-	-	(1)	-
Total interest received		(29)	(185)	-	-	(29)	(185)
Total interest paid		2,222	1,876	-	-	2,222	1,876
Managerial remuneration paid**	Mr.Motilal Oswal	-	-	241	241	241	241
	Mr.Navin Agarwal	-	-	-	75	-	75
	Mr. Ajay Menon	-	-	903	297	903	297
	Mr. Rajat Rajgarhia	-	-	607	318	607	318
	Mr. Shalibhadra Shah	-	-	207	125	207	125
	Mr. Kailash Purohit	-	-	34	27	34	27
Total managerial remuneration paid		-	-	1,991	1,083	1,991	1,083
Director sitting fees	Mr. Praveen Tripathi	-	-	-	1	-	1
	Mr. Vivek Paranjpe	-	-	-	0	-	0
	Mrs. Rekha Utsav Shah	-	-	-	1	-	1
	Mrs. Sharda Agarwal	-	-	-	0	-	0
	Mr. Chitradurga Narasimha Murthy	-	-	2	2	2	2
	Mr. Pankaj Bhansali	-	-	2	2	2	2
	Mrs. Divya Sameer Momaya	-	-	2	2	2	2
	Mr. Chandrashekhar Anant Karnik	-	-	2	1	2	1
	Mrs. Swanubhuti Jain	-	-	1	0	1	0
Total director sitting fees paid		-	-	9	9	9	9
Director Commission	Mr.Raamdeo Agarawal	-	-	12	12	12	12
	Mr. Chitradurga Narasimha Murthy	-	-	5	3	5	3
	Mr. Pankaj Bhansali	-	-	3	3	3	3
	Mrs. Divya Sameer Momaya	-	-	3	3	3	3
	Mr. Chandrashekhar Anant Karnik	-	-	3	3	3	3
	Mrs. Swanubhuti Jain	-	-	1	3	1	3
Total director commission paid		-	-	27	27	27	27
Referral fees/ advisory fees (received)		-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel /associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
	MO Alternate investment Advisors Private Limited	(31)	(31)	-	-	(31)	(31)
	Motilal Oswal Capital Markets (Hongkong) Pte Limited	(5)	-	-	-	(5)	-
Referral fees/ advisory fees paid	Motilal Oswal Securities International Private Limited	223	92	-	-	223	92
	Motilal Oswal Home Finance Limited	-	392	-	-	-	392
	TM Investment Technologies Private Limited	108	-	-	-	108	-
	Motilal Oswal Capital Market (Singapore) Pte Limited	351	263	-	-	351	263
Total referral fees/ advisory fees (received)		(36)	(31)	-	-	(36)	(31)
Total referral fees/ advisory fees paid		682	747	-	-	682	747
Placement /Trail / Set up Fees	MO Alternate investment Advisors Private Limited	(2,488)	(374)	-	-	(2,488)	(374)
Total placement/ Trail/Set up fees (received)		(2,488)	(374)	-	-	(2,488)	(374)
Business support service (received)/ paid	OSAG Enterprises LLP	-	-	-	(1)	-	(1)
	OSAG Enterprises LLP	-	-	-	-	-	-
	Motilal Oswal Securities International Private Limited	(2)	(2)	-	-	(2)	(2)
	Motilal Oswal Wealth Management Limited	(564)	(588)	-	-	(564)	(588)
	Motilal Oswal Home Finance Limited	(219)	(219)	-	-	(219)	(219)
	Motilal Oswal Asset Management Company Limited	(954)	(582)	-	-	(954)	(582)
	Motilal Oswal Investment Advisors Limited	(18)	(240)	-	-	(18)	(240)
	MO Alternate investment Advisors Private Limited	(329)	(329)	-	-	(329)	(329)
	Motilal Oswal Finvest Limited	(24)	(24)	-	-	(24)	(24)
	Glide Tech Investment Advisory Private Limited	(8)	(8)	-	-	(8)	(8)
	Motilal Oswal Finsec IFSC Limited	-	(22)	-	-	-	(22)
	TM Investment Technologies Pvt Ltd	(2)	(1)	-	-	(2)	(1)
	Motilal Oswal Finvest Limited	1,276	1,276	-	-	1,276	1,276
Total Business support service (received)		(2,120)	(2,015)	-	(1)	(2,120)	(2,016)
Total Business support service paid		1,276	1,276	-	-	1,276	1,276
Training fees	MO Alternate investment Advisors Private Limited	70	67	-	-	70	67

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel /associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Training fees (paid)		70	67	-	-	70	67
Brokerage sharing	Motilal Oswal Wealth Management Limited	2,370	1,698	-	-	2,370	1,698
	Mr. Sukhdeo Ramgopal Agarawal	-	-	4	32	4	32
	Agarawal Portfolios	-	-	49	-	49	-
Total Brokerage sharing		2,370	1,698	53	32	2,423	1,730
Marketing commission	Motilal Oswal Wealth Management Limited	-	(14)	-	-	-	(14)
Total Marketing commission		-	(14)	-	-	-	(14)
Portfolio management service distribution fees	Motilal Oswal Asset Management Company Limited	(4,101)	(3,976)	-	-	(4,101)	(3,976)
Total Portfolio management service distribution fees		(4,101)	(3,976)	-	-	(4,101)	(3,976)
Alternate Investment fund income	Motilal Oswal Asset Management Company Limited	(3,475)	(1,587)	-	-	(3,475)	(1,587)
Total Alternate Investment fund income		(3,475)	(1,587)	-	-	(3,475)	(1,587)
Rent (received)/ paid	Motilal Oswal Investment Advisors Limited	(210)	(210)	-	-	(210)	(210)
	Motilal Oswal Asset Management Company Limited	(585)	(585)	-	-	(585)	(585)
	MO Alternate investment Advisors Private Limited	(292)	(292)	-	-	(292)	(292)
	Motilal Oswal Wealth Management Limited	110	110	-	-	110	110
	Motilal Oswal Home Finance Limited	(169)	(169)	-	-	(169)	(169)
	Motilal Oswal Wealth Management Limited	(575)	(575)	-	-	(575)	(575)
	Glide Tech Investment Advisory Private Limited	(8)	(8)	-	-	(8)	(8)
	Textile Exports Private limited	16	16	-	-	16	16
	Motilal Oswal Securities International Private Limited	(7)	(7)	-	-	(7)	(7)
	Motilal Oswal Home Finance Limited	22	11	-	-	22	11
	TM Investment Technologies Pvt Ltd	(2)	(1)	-	-	(2)	(1)
	Motilal Oswal Finvest Limited	(25)	(24)	-	-	(25)	(24)
Total rent (received)		(1,873)	(1,871)	-	-	(1,873)	(1,872)
Total rent paid		148	137	-	-	148	137

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel /associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage and depository income	Mr. Motilal Oswal	-	-	1	3	1	3
	Mr. Raamdeo Agarawal	-	-	1	1	1	1
	Mr. Navin Agarwal	-	-	0	0	0	0
	Mr. Ajay Menon	-	-	1	0	1	0
	Mr. Rajat Rajgarhia	-	-	1	-	1	-
	Mr. Shalibhadra Shah	-	-	1	0	1	0
	Mr. Kailash Purohit	-	-	0	0	0	0
	Mr. Vaibhav Agarwal	-	-	-	1	-	1
	Ms. Vimla Oswal	-	-	0	5	0	5
	Mr. Pratik Oswal	-	-	0	-	0	-
	Ms. Natasha Oswal	-	-	0	-	0	-
	Mr. Pratik Mehta	-	-	0	0	0	0
	Ms. Vimladevi Salecha	-	-	0	0	0	0
	Mr. Rajendra Oswal	-	-	0	0	0	0
	Motilal Oswal Family Trust	-	-	11	2	11	2
	India Reality Excellence Fund II LLP	-	-	0	0	0	0
	OSAG Enterprises LLP	-	-	0	-	0	-
	Ms. Vedika Agarwal	-	-	0	0	0	0
	Dr. Karoon Ramgopal Agarawal	-	-	1	0	1	0
	Mr. Vinay R. Agarawal	-	-	0	0	0	0
	Mr. Sukhdeo Ramgopal Agarawal	-	-	3	2	3	2
	Mr. Govinddeo R. Agarawal	-	-	0	0	0	0
	Mr. Satish Agarawal	-	-	0	0	0	0
	Ms. Suman Agarawal	-	-	-	0	-	0
	Ms. Anita Anandmurthy Agrawal	-	-	0	0	0	0
	Raamdeo Agarawal HUF	-	-	9	-	9	-
	Motilal Oswal HUF	-	-	-	5	-	5
	Navshital Consultants LLP	-	-	0	-	0	-
	Gracious Advisors LLP	-	-	0	-	0	-
	Opuleny Advisors and Consultants LLP	-	-	0	-	0	-
Kamalam Menon	-	-	0	-	0	-	
Asha Menon	-	-	3	0	3	0	
Priti Shah	-	-	0	0	0	0	
Shalibhadra N Shah HUF	-	-	0	0	0	0	
Total Brokerage		-	-	32	19	32	19
Reimbursement of expenses	Motilal Oswal Wealth Management Limited	(63)	(47)	-	-	(63)	(47)
	Motilal Oswal Investment Advisors Limited	(23)	(17)	-	-	(23)	(17)
	MO Alternate investment Advisors Private Limited	(32)	(23)	-	-	(32)	(23)
	Motilal Oswal Asset Management Company Limited	(64)	(48)	-	-	(64)	(48)
	Motilal Oswal Home Finance Limited	(18)	(14)	-	-	(18)	(14)
	Glide Tech Investment Advisory Private Limited	(1)	(1)	-	-	(1)	(1)
	Motilal Oswal Finvest Limited	(3)	(2)	-	-	(3)	(2)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel /associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Total reimbursement of expenses (received)		(204)	(152)	-	-	(204)	(152)
Total reimbursement of expenses paid		-	-	-	-	-	-
Partnership gain accrued	India Realty Excellence Fund II LLP	-	-	(95)	(36)	(95)	(36)
Total partnership gain accrued		-	-	(95)	(36)	(95)	(36)
Gain on sale of investment	India Realty Excellence Fund II LLP	-	-	(261)	-	(261)	-
Total Gain on sale of investment		-	-	(261)	-	(261)	-
Donation	Motilal Oswal Foundation (Trust)	-	-	684	788	684	788
Total donation paid		-	-	684	788	684	788
Commission for Pledge/Bank Gurantee	Motilal Oswal Asset Management Company Limited	89	68	-	-	89	68
	Motilal Oswal Finvest Limited	113	-	-	-	113	-
	Motilal Oswal Home Finance Limited	(164)	(201)	-	-	(164)	(201)
Total Commission for Pledge/ Bank Gurantee (received)		(164)	(201)	-	-	(164)	(201)
Total Commission for Pledge/Bank Gurantee paid		202	68	-	-	202	68
Other borrowing Cost	Motilal Oswal Wealth Management Limited	-	79	-	-	-	79
Total Other borrowing cost paid		-	79	-	-	-	79
Dividend (received)/paid	Mr. Motilal Oswal	-	-	981	426	981	426
	Mr. Raamdeo Agarawal	-	-	909	396	909	396
	Motilal Oswal HUF	-	-	0	0	0	0
	Raamdeo Agarawal HUF	-	-	78	33	78	33
	Ms. Suneeta Agarawal	-	-	35	15	35	15
	Ms. Vimla Oswal	-	-	15	6	15	6
	Mr. Rajendra Gopilal Oswal	-	-	7	3	7	3
	Dr. Karoon Ramgopal Agarawal	-	-	12	5	12	5
	Mr. Vinay R. Agarawal	-	-	12	5	12	5
	Mr. Sukhdeo Ramgopal Agarawal	-	-	9	4	9	4
	Mr. Govinddeo R. Agarawal	-	-	7	3	7	3
	Ms. Suman Agrawal	-	-	12	5	12	5
	Mr. Satish Agrawal	-	-	10	4	10	4
	Ms. Anita Anandmurthy Agrawal	-	-	10	4	10	4
	Ms. Vimladevi Salecha	-	-	0	0	0	0
	Ms. Vedika Karnani	-	-	12	5	12	5

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/ relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
	Mr. Vaibhav Raamdeo Agarawal	-	-	31	5	31	5
	Motilal Oswal Family Trust	-	-	19	-	19	-
	Mr. Navin Agarwal	-	-	924	385	924	385
	Mr. Ajay Menon	-	-	46	20	46	20
	Mr. Rajat Rajgarhia	-	-	209	87	209	87
	Mr. Shalibhadra Shah	-	-	4	1	4	1
	Osag Enterprises LLP	-	-	0	0	0	0
	MO Alternate investment Advisors Private Limited	(6,115)	(87)	-	-	(6,115)	(87)
	Motilal Oswal Asset Management Company Limited	(1,010)	-	-	-	(1,010)	-
	Motilal Oswal Finvest Limited	(152)	(118)	-	-	(152)	(118)
	Motilal Oswal Wealth Management Limited	-	(2,033)	-	-	-	(2,033)
Total dividend (received)		(7,277)	(2,238)	-	-	(7,277)	(2,238)
Total dividend paid		-	-	3,342	1,412	3,342	1,412

** Managerial remuneration does not include provision for gratuity and Insurance premiums for medical and life.

Note: Income/Liability figures are shown in brackets.

II. Transactions with related parties

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2020	For the year ended 31 March 2022	For the year ended 31 March 2021
Subscription/ purchase of equity shares	TM Investment Technologies Pvt Ltd	-	574	-	-	-	574
	Motilal Oswal Finvest Private Limited	23,500	12,000	-	-	23,500	12,000
	Motilal Oswal Wealth Management Limited	-	-	-	-	-	-
	Motilal Oswal Asset Management Company Limited	2,686	-	-	-	2,686	-
	MO Alternate investment Advisors Private Limited	-	-	-	-	-	-
	Glide Tech Investment Advisory Private Limited	300	300	-	-	300	300
	Motilal Oswal Finsec IFSC Limited	960	-	-	-	960	-
Total		27,446	12,874	-	-	27,446	12,874

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2020	For the year ended 31 March 2022	For the year ended 31 March 2021
Loans given / (received)	TM Investment Technologies Pvt Ltd	11	-	-	-	11	-
	Motilal Oswal Asset Management Company Limited	(54,450)	(21,000)	-	-	(54,450)	(21,000)
	Motilal Oswal Finvest Limited	-	(9,83,510)	-	-	-	(9,83,510)
	MO Alternate investment Advisors Private Limited	(8,600)	-	-	-	(8,600)	-
	Motilal Oswal Wealth Management Limited	(4,25,601)	(5,750)	-	-	(4,25,601)	(5,750)
	Motilal Oswal Home Finance Limited	(5,63,631)	(1,40,580)	-	-	(5,63,631)	(1,40,580)
Total Loans (received)		(10,52,282)	(11,50,840)	-	-	(10,52,282)	(11,50,840)
Total Loans given		11	-			11	-
Loans repayment given / (received)	Motilal Oswal Asset Management Company Limited	52,155	21,000	-	-	52,155	21,000
	Motilal Oswal Finvest Limited	-	9,91,890	-	-	-	9,91,890
	MO Alternate investment Advisors Private Limited	8,600	-	-	-	8,600	-
	TM Investment Technologies Pvt Ltd	(11)	-	-	-	(11)	-
	Motilal Oswal Wealth Management Limited	4,17,601	5,650	-	-	4,17,601	5,650
	Motilal Oswal Home Finance Limited	5,63,631	1,40,580	-	-	5,63,631	1,40,580
Total loans repayment (received)		(11)	-	-	-	(11)	-
Total loans repayment given		10,41,987	11,59,120	-	-	10,41,987	11,59,120

Outstanding balances:

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Loans/Advances	Motilal Oswal Asset Management Company Limited	(2,330)	(13)	-	-	(2,330)	(13)
	Motilal Oswal Finvest Limited	-	0	-	-	-	0
	Motilal Oswal Wealth Management Limited	(8,302)	(113)	-	-	(8,302)	(113)
	MO Alternate investment Advisors Private Limited	(15)	-	-	-	(15)	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Total loans and advances (payable)		(10,647)	(126)	-	-	(10,647)	(126)
Total loans and advances receivable		-	0	-	-	-	0
Other receivables / (payable)	Motilal Oswal Investment Advisors Limited	17	33	-	-	17	33
	Motilal Oswal Wealth Management Limited	(116)	(352)	-	-	(116)	(352)
	Motilal Oswal Commodities Broker Private Limited	34	34	-	-	34	34
	Motilal Oswal Asset Management Company Limited	1,356	980	-	-	1,356	980
	Motilal Oswal Finvest Limited	(152)	(115)	-	-	(152)	(115)
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	112	104	-	-	112	104
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	(145)	(153)	-	-	(145)	(153)
	Motilal Oswal Capital Markets (Hongkong) Private Limited	(36)	(41)	-	-	(36)	(41)
	MO Alternate investment Advisors Private Limited	264	161	-	-	264	(19)
	Glide Tech Investment Advisory Private Limited	18	10	-	-	18	10
	Motilal Oswal Securities International Private Limited	(107)	(2)	-	-	(107)	(2)
	OSAG Enterprises LLP	-	-	2	34	2	34
	Motilal Oswal Finsec IFSC Limited	-	19	-	-	-	19
	TM Investment Technologies Pvt Ltd	(66)	1	-	-	(66)	1
	Motilal Oswal Home Finance Limited	(131)	(619)	-	-	(131)	(619)
Total others (payables)		(753)	(1,302)	-	-	(753)	(1,302)
Total others receivables		1,801	1,362	2	34	1,803	1,396
Corporate guarantee given (to the extent of outstanding amount)	Motilal Oswal Home Finance Limited	-	74,339	-	-	-	74,339
Total corporate guarantees		-	74,339	-	-	-	74,339
Rent deposits (liabilities) / assets	Motilal Oswal Wealth Management Limited	55	55	-	-	55	55
Total rent deposits assets		55	55	-	-	55	55

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Outstanding balance in respect of investments in related parties

Nature of transaction	Name of the related party	Subsidiaries / step-down		Key managerial personnel/relative of key managerial personnel / associates/JV		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Investments	Motilal Oswal Commodities Broker Private Limited	90	90	-	-	90	90
	Motilal Oswal Investment Advisors Limited	4,137	4,137	-	-	4,137	4,137
	MO Alternate investment Advisors Private Limited	131	131	-	-	131	131
	Motilal Oswal Home Finance Limited	56,633	56,633	-	-	56,633	56,633
	Motilal Oswal Finvest Limited	91,769	67,035	-	-	91,769	67,035
	Motilal Oswal Securities International Private Limited	457	457	-	-	457	457
	Motilal Oswal Wealth Management Limited	1,521	1,521	-	-	1,521	1,521
	Motilal Oswal Asset Management Company Limited	16,667	13,981	-	-	16,667	13,981
	Motilal Oswal Trustee Company Limited	10	10	-	-	10	10
	Motilal Oswal Capital Markets (Honkong) Private Limited	412	412	-	-	412	412
	Glide Tech Investment Advisory Private Limited	700	400	-	-	700	400
	Motilal Oswal Finsec IFSC Limited	1,200	240	-	-	1,200	240
	Motilal Oswal Capital Markets (Singapore) Pte Limited	130	1,041	-	-	130	1,041
	TM Investment Technologies Pvt Ltd	574	574	-	-	574	574
	India Business Excellence Fund III #	-	-	-	20,422	-	20,422
	India Realty Excellence Fund II LLP	-	-	2,033	3,077	2,033	3,077

India Business Excellence Fund III was associate till 29 September 2020 only and therefore no amount is disclosed for the current year ended 31 March 2022.

Note 52 : Disclosure relating to Employee Stock Option Purchase Plan

Details of stock options : The Company has four employees stock option schemes

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -V (ESOS-V)

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VI (ESOS-VI)

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of Re. 1 each

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VII (ESOS-VII)

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VIII (ESOS-VIII)

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -IX (ESOS-IX)

The Scheme was approved by Board of Directors on 29 April 2021 and by the shareholders in AGM dated 09 August 2021 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of Re. 1 each

The activity in the (ESOS-V),(ESOS-VI), ESOS (VII), ESOS (VIII) and ESOS (IX) during the year ended 31 March 2022 and 31 March 2021 is set below:

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	In Numbers	Weighted Average Exercise Price (In Rs.)	In Numbers	Weighted Average Exercise Price (In Rs.)
ESOP-V : (Face value of Re. 1 each)				
Option outstanding as at beginning of the year	94,900	478.80	1,48,000	382.18
Add Granted	-	-	-	-
Less: Exercised	59,500	539.43	49,500	183.10
Less: Forfeited	-	-	-	-
Less: Lapsed	15,400	307.82	3,600	572.30
Option outstanding as at end of the year	20,000	430.10	94,900	478.80
Exercisable at the end of the year	20,000	430.10	64,500	434.73
ESOP-VI : (Face value of Re. 1 each)				
Option outstanding as at beginning of the year	45,385	572.75	45,385	572.75
Add Granted	35,000	700.00	-	-
Less: Exercised	22,000	572.30	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding as at end of the year	58,385	649.20	45,385	572.75
Exercisable at the end of the year	23,385	572.30	12,385	572.75
ESOP-VII : (Face value of Re. 1 each)				
Option outstanding as at beginning of the year	4,52,900	559.96	8,62,200	472.56
Add Granted	2,20,000	700.00	-	-
Less: Exercised	2,16,400	555.35	3,70,800	355.40
Less: Forfeited	-	-	-	-
Less: Lapsed	64,950	596.94	38,500	572.75
Option outstanding as at end of the year	3,91,550	635.06	4,52,900	559.96

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	In Numbers	Weighted Average Exercise Price (In Rs.)	In Numbers	Weighted Average Exercise Price (In Rs.)
Exercisable at the end of the year	1,92,550	565.49	2,56,440	550.16
The (ESOP-VIII) : (Face value of Re. 1/- each)				
Option outstanding, beginning of the Year.	28,04,900	720.58	19,66,500	729.85
Add Granted	2,40,000	700.00	9,82,000	678.26
Less: Exercised	2,76,200	557.96	42,500	29
Less: Forfeited	-	-	-	-
Less: Lapsed	3,24,650	691.90	1,01,100	780.50
Option outstanding as at end of the year	24,44,050	740.74	28,04,900	720.58
Exercisable at the end of the year	4,14,200	796.60	3,48,900	826.1
The (ESOP-IX) : (Face value of Re. 1/- each)				
Option outstanding, beginning of the Year.	-	-	-	-
Add Granted	26,59,172	691.70	-	-
Less: Exercised	-	-	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding as at end of the year	26,59,172	691.70	-	-
Exercisable at the end of the year	-	-	-	-

Employees' Stock Options Scheme (ESOS) :

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX
Date of grant	Various Dates	Various Dates	Various Dates	Various Dates	28-Oct-2021
Date of board approval	Various Dates	Various Dates	Various Dates	Various Dates	29-Apr-2021
Date of Shareholder's approval	4 December 2007	8 July 2008	22 August 2014	27 July 2017	9-Aug-2021
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity Shares
Vesting period	1 year to 5 years	1 year to 5 years	1 year to 7 years	1 year to 4 years	1 Years to 5 Years
Weighted average remaining contractual life (Vesting period)					
Granted but not vested	0 years (Previous year 3.51 years)	5.67 years (Previous year 3.51 years)	5.67 years (Previous year 3.51 years)	4.75 years (Previous year 5.23 years)	0.13 Years (Previous year. NA)
Vested but not exercised	0 years (Previous year 1.62 years)	1.62 years (Previous year 2.51 years)	1.14 years (Previous year 2.03 years)	0.35 years (Previous year 2.20 years)	0 years (Previous year. NA)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX
Weighted average share price at the date of exercise for stock options exercised during the year	Rs. 539.43 (Previous year Rs. 654.01)	Rs. 572.3 (Previous year - NA)	Rs. 555.35 (Previous year 644.81)	Rs. 557.96 (Previous year Rs. 610.85)	NA (Previous year. NA)
Exercise period	Within 1 to 3 years of vesting of options				
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 (granted but not vested) as on grant date	NIL (Previous year Rs. 246.22)	Rs. 196.08 (Previous year Rs. 246.41)	Rs. 195.83 (Previous year Rs. 246.41)	Rs. 250.22 (Previous year Rs. 260.74)	Rs 776.71 (Previous year. NA)

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 are as under:

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX
Range of Risk free interest rate	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	6.18% - 7.37%	5.63% - 6.18%
Dividend yield	1%	1%	1%	0.5% - 1.38%	0.5% - 1.38%
Expected volatility	40%	40%	40%	40%	40%

Exercise Pricing Formula

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions.

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Scheme IX

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Other Information regarding employee share based payment plan is as below :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expense arising from employee share based payment plans	1,264	1,262
Total carrying amount at the end of the period of Share based payment reserve	6,250	4,958

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	For the year ended 31 March 2022	For the year ended 31 March 2021
(+)5%	(222)	(62)
(-)5%	222	78

Note 53: Tax Expense

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expense		
Current tax for the year	14,608	8,727
Total current tax expense	14,608	8,727

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred taxes		
Change in deferred tax liabilities	1,123	3,832
Net deferred tax expense	1,123	3,832
	15,731	12,559

Tax recognised through other comprehensive income:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement of defined benefit plan	(7)	41
Equity instruments through other comprehensive income	266	3,136
Total	259	3,177

Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit/(loss) before income tax expense	86,413	87,626
Tax at the rate of 25.168%	21,749	22,054
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt Income	(2,333)	(1,535)
Change due to deferred tax	(3,684)	(7,960)
Income tax expense	15,731	12,559

Applicable tax rate

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Tax rate	25.168%	25.168%

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 effective income tax rate for financial year is 25.168%.

Net Deferred Tax

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,554	1,490
Loss on private equity investment	5	5
Deferred tax on IND AS adjustments	9,549	7,977

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total deferred tax liabilities (A)	11,108	9,472
Deferred tax assets on account of:		
Expenses allowable u/s. 43B on payment basis	532	468
Allowance on impairment	650	459
Sec 35 DD Amalgamation Expense	754	8
Provision for impairment of non-current investments	278	278
Total deferred tax assets (B)	2,214	1,213
Net deferred tax Liability/ (Assets) (A-B)	8,895	8,259

Deferred tax related to the following:

Particulars	As at 31 March 2022	Recognised through Retained Earnings	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2021	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 01 April 2020
Deferred tax liabilities on account of:								
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,554	-	64	-	1,490	95	-	1,395
Loss on private equity investment	5	-	-	-	5	-	-	5
Deferred tax on IND AS adjustments	9,549	-	1,313	259	7,977	3,970	3,177	742
Total deferred tax liabilities	11,108	-	1,377	259	9,472	4,065	3,177	2,142
Deferred tax assets on account of:								
Expenses allowable u/s. 43B on payment basis	532	-	64	-	468	59	-	409
Amalgamation Expense Sec 35DD	754	746	-	-	8	8	-	-
Allowance on impairment	650	-	191	-	459	165	-	294
Provision for impairment of non-current investments	278	-	-	-	278	-	-	278
Total deferred tax assets	2,214	746	254	-	1,213	232	-	981
Total deferred tax Assets/liability (net)	8,895	(746)	1,123	259	8,259	3,832	3,177	1,161

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 54: Fair value measurement

I. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Carrying amount				Fair value				
	31-Mar-2022	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	1,03,955	1,03,955	-	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	3,13,004	3,13,004	-	-	-	-	-
Receivables									
(I) Trade receivables	-	-	66,621	66,621	-	-	-	-	-
(II) Other receivables	-	-	1,060	1,060	-	-	-	-	-
Loans	-	-	88,462	88,462	-	-	-	-	-
Investments	2,06,929	53,290	1,74,432	4,34,651	1,74,797	14,437	70,985	2,60,219	
Other financial assets	-	-	34,033	34,033					
Total financial assets	2,06,929	53,290	7,81,567	10,41,786	1,74,797	14,437	70,985	2,60,219	
Financial liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,44,641	3,44,641	-	-	-	-	-
Debt securities	-	-	1,78,402	1,78,402	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	38,691	38,691	-	-	-	-	-
Deposits	-	-	98	98	-	-	-	-	-
Other financial liabilities	-	-	65,428	65,428	-	-	-	-	-
Total financial liabilities	-	-	6,27,259	6,27,259	-	-	-	-	

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows:

Particulars	Carrying amount				Fair value				
	31-Mar-2021	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	57,023	57,023	-	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	2,14,844	2,14,844	-	-	-	-	-
Receivables									
(I) Trade receivables	-	-	61,611	61,611	-	-	-	-	-
(II) Other receivables	-	-	160	160	-	-	-	-	-
Loans	-	-	77,258	77,258	-	-	-	-	-
Investments	1,96,720	50,968	1,46,662	3,94,350	1,76,976	10,840	59,872	2,47,688	
Other financial assets	-	-	66,223	66,223	-	-	-	-	-
Total financial assets	1,96,720	50,968	6,23,781	8,71,468	1,76,976	10,840	59,872	2,47,688	
Financial liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,79,780	2,79,780	-	-	-	-	
Debt securities	-	-	1,60,572	1,60,572	-	-	-	-	
Borrowings (Other than debt securities)	-	-	47,337	47,337	-	-	-	-	
Deposits	-	-	45	45	-	-	-	-	
Other financial liabilities	-	-	37,741	37,741	-	-	-	-	
Total financial liabilities	-	-	5,25,475	5,25,475	-	-	-	-	

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, 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 and investment in private equity funds, real estate funds.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - price multiples of comparable companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- 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. 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.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

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 2022 and 31 March 2021:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Unquoted Shares	Total
As at March 31, 2020	28,062	22,281	3,197	53,540
Additions	9,235	2,212	-	11,447
Disposals	(16,260)	(8,530)	-	(24,790)
Gains/(losses) recognised in statement of profit and loss	18,660	(1,651)	2,666	19,675
As at March 31, 2021	39,697	14,312	5,863	59,872
Additions	1,868	231	9,996	12,095
Disposals	(433)	(3,737)	-	(4,170)
Gains/(losses) recognised in statement of profit and loss	1,960	294	934	3,188
As at March 31, 2022	43,092	11,100	16,793	70,986

Valuation inputs and relationships to fair value

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

Particulars	As at March 31 2022	As at March 31 2021
Fair value of PE funds	54,192	54,009
Significant unobservable inputs		
NAV of the fund at Fair value		
- increase by 100 bps	542	540
- decrease by 100 bps	(542)	(540)
Fair value of Unquoted shares	16,793	5,863
Significant unobservable inputs		
Price Multiple		
- increase by 10 %	1,679	586
- decrease by 10 %	(1,679)	(586)

Note 55: 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 on-going 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. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

A. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.

Deposits 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.

Investments primarily include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Following provides exposure to credit risk for trade receivables and margin trading facility loans

Particulars	As at March 31 2022	As at March 31 2021
Trade Receivables (Net of impairment)	66,621	61,611
Margin trading facility loans (Net of impairment)	88,318	77,115

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost such as trade receivables and loans.

Trade Receivables :

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

A simplified approach has been considered for measuring expected credit losses (ECLs) of 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 trade receivables. 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.

Based on the Industry practices and business environment in which the entity operates, Management considers unsecured receivables as default if the payment is overdue for more than 90 days for direct customer. For franchisee customers, Aggregate of unsecured receivables as reduced by Franchisee deposit/ future brokerages are considered as default. Management would also consider balance in client's family accounts and collaterals in form other than the securities while considering the secured position of the client. Management would also consider impairment on client balance which are unsecured and overdue for less than 90 days on case to case basis, based on their scope of recoverability. For litigation cases, management could provide enhanced provision if the probability of outflow of economic resource is higher. If there are specific cases which are overdue for more than 90 days and the management is very confident of its recovery in near future, impairment loss would not be provided for such cases based on the approval of business head for each reporting period. Probability of default (PD) on these receivables is considered at 100% and treated as credit impaired.

Loans :

Loans includes Margin Trading Facility(MTF), Loans to staff and loans to subsidiaries for which staged approach is taken into consideration for determination of ECL.

Stage 1.

All positions in the MTF loan book are considered as stage 1 asset for computation of expected credit loss. For exposures where there has not been a significant increase in credit risk since initial recognition and that is not credit impaired upon origination. Margin trading facility, Loans to subsidiaries and loans to staff are considered in stage 1 for determination of ECL. Exposure to credit risk in stage 1 is computed considering historical probability of default, market movements and macro-economic environment.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Stage 2.

Exposures under stage 2 include overdues up to 90 days pertaining to principal amount, interest and any other charges on the MTF loan book which are unsecured. While arriving at the secured position of the client, management would also consider balance in client's family accounts, securities in other segment and collaterals in form other than the securities while considering the secured position of the client.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3.

Exposures under stage 3 include overdues past 90 days pertaining to principal amount, interest and any other charges on MTF loan book which are unsecured.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

Following table provide information about exposure to credit risk and ECL on Margin Trading Facility loans.

Stage	As at March 31 2022		As at March 31 2021	
	Carrying value	ECL	Carrying value	ECL
Stage 1	88,462	221	77,258	193
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of trade receivables is as follows

Particulars	Carrying amount	Carrying amount
	As at March 31 2022	As at March 31 2021
Opening balance	1,612	1,103
Impairment loss recognised	731	509
Closing balance	2,343	1,612

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer Note 57 For analysis of maturities of financial assets and financial liabilities.

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 objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(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.

Foreign currency risk management

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The company's exposure to foreign currency risk at the end of reporting period is shown in note 49

(ii) Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.

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 March 2022	As at 31 March 2021
Loans:		
Loans	88,318	77,115
Total Loans	88,318	77,115

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings:		
Variable rate borrowing	28,296	47,337
Fixed rate borrowing	1,88,797	1,60,572
Total Borrowing	2,17,093	2,07,909

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	As at 31 March 2022	As at 31 March 2021
Loans:		
Interest rates – increase by 1%	883	771
Interest rates – decrease by 1%	(883)	(771)
Borrowings:		
Interest rates – increase by 1%	(209)	(350)
Interest rates – decrease by 1%	209	350

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

Particulars	As at 31 March 2022	As at 31 March 2021
Exposure to price risk	2,60,219	2,47,688

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:

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on profit before tax for 10% increase in NAV/price	26,022	24,769
Impact on profit before tax for 10% decrease in NAV/price	(26,022)	(24,769)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 56: 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.

The capital composition is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Gross debt*	2,17,093	2,07,910
Less: Cash and bank balances	1,03,955	57,023
Net debt (A)	1,13,138	1,50,887
Total equity (B)	4,24,211	3,61,658
Gearing ratio (A / B)	26.67%	41.72%

*Debt includes debt securities as well as borrowings.

Note 57: 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 March 31 2022			As at March 31 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,03,955	-	1,03,955	57,023	-	57,023
Bank balance other than cash and cash equivalent above	1,89,496	1,23,508	3,13,004	47,656	1,67,188	2,14,844
Trade receivables	66,621	-	66,621	61,611	-	61,611
Other receivables	1,060	-	1,060	160	-	160
Loans	88,462	-	88,462	77,258	-	77,258
Investments	26,480	4,08,171	4,34,651	53,483	3,40,867	3,94,350
Other financial assets	-	34,033	34,033	-	66,223	66,223
	4,76,074	5,65,712	10,41,786	2,97,191	5,74,278	8,71,469
Non-Financial assets						
Current Tax assets	-	821	821	-	2,729	2,729
Investment Property	-	7,699	7,699	-	7,755	7,755
Property, plant and equipment	-	23,143	23,143	-	22,474	22,474
Other Intangible assets	-	2,160	2,160	-	2,357	2,357
Other non-financial assets	3,934	-	3,934	2,495	-	2,495
	3,934	33,823	37,757	2,495	35,315	37,810
Total Assets	4,80,008	5,99,535	10,79,543	2,99,686	6,09,593	9,09,279

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at March 31 2022			As at March 31 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	3,44,641	-	3,44,641	2,79,780	-	2,79,780
Debts	1,40,602	37,800	1,78,402	1,30,572	30,000	1,60,572
Borrowings	38,691	-	38,691	47,337	-	47,337
Deposits	-	98	98	-	45	45
Other financial liabilities	63,862	1,566	65,428	35,632	2,109	37,741
	5,87,796	39,464	6,27,260	4,93,321	32,154	5,25,475
Non Financial Liabilities						
Current tax liabilities (net)	1,206	-	1,206	-	-	-
Provisions	13,447	2,060	15,507	9,389	1,525	10,914
Deferred tax liabilities	-	8,894	8,894	-	8,260	8,260
Other non financial liabilities	2,465	-	2,465	2,972	-	2,972
	17,118	10,954	28,072	12,361	9,785	22,146
Total Liabilities	6,04,914	50,418	6,55,332	5,05,682	41,939	5,47,621

Note 58: Revenue from contract with customers

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the Portfolio management fees and commission income and Interest income .

Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2022 and 31 March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

- Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.
- Portfolio management fees and commission income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.
- Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. 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.
- Depository Income - Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2. Disaggregate revenue information

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Operating segment :		
Brokerage income	1,58,070	1,18,433
Portfolio management fees and commission income	18,605	10,157
Interest income	33,145	18,544
Depository income	6,527	4,459

3. Nature, timing of satisfaction of the performance obligation and significant payment terms.

- (i) Income from services rendered as a broker is recognised upon rendering of the services.
- (ii) Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.
- (iii) Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- (iv) Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.
- (v) 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.
- (vi) Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

Note 59 : Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at March 31 2022	As at March 31 2021
Financial assets		
First charge		
Receivables		
Trade receivables	52,200	24,325
Loans		
Margin trading facility	40,800	33,000
Floating charge		

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at March 31 2022	As at March 31 2021
Investments	-	560
Non-financial assets		
First charge		
Property, plant and equipment	39,864	52,209
Total assets pledged as security	1,32,864	1,10,094

Terms and conditions:

- Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
- The margin of two times cover is provided against the loan facilities for pledge of MF/Shares/PMS Investments and 1.33 times for Trade receivables and Property, plant and equipment.

Notes:

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

Note 60 : Business Combinations

Compliance with approved Scheme of Arrangements

- The Board of Directors of the Company at its Meeting held on 24 December 2020 has, inter-alia, subject to approval of shareholders of the Company and other applicable statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), approved the Scheme of Arrangement between Passionate Investment Management Private Limited (Ultimate Holding Company of Motilal Oswal Financial Services Limited) ("the Transferor Company 1") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("the Resulting Company") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges and the Company has filed an application with Hon'ble NCLT. Pursuant to the directions issued by Hon'ble NCLT, the Meeting of equity shareholders was scheduled on 16 December 2021 and the Scheme was approved by shareholders with requisite majority. Consequently, the Hon'ble NCLT approved the Scheme of Arrangement vide order dated 11 March 2022. The effect of the said Scheme was given on 30 March 2022 from the appointed date of 01 April 2020 by restating the financial statement for the year ended 31 March 2021.
- The accounting treatment of the said Scheme given in the books of accounts is in accordance with the Scheme and in conformity with the accounting standards prescribed under section 133 of the Companies Act, 2013. Further, figures for the year ended 31 March 2021 as shown above are the restated figures based on the audited accounts of the Transferor, Transferee and Resulting Company.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Accounting treatment given in the books for the Scheme:

1. Amalgamation And Vesting Of Assets And Liabilities And Entire Business Of The Transferor Company 1

- 1.1 The Transferee Company 1 shall give effect to the amalgamation in its books of accounts as per the applicable accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, as may be amended from time to time and on the date determined in accordance with applicable Ind AS.
- 1.2 Upon effectiveness of the Scheme, the net assets of the Transferor Company 1 (excluding shares of the Transferee Company 1 held by the Transferor Company 1 which shall get cancelled) will be reflected at fair value as at the Effective Date.
- 1.3 The inter-company deposits/ inter-company loans and advances, if any, in the books of accounts of the Transferee Company 1 and the Transferor Company 1 shall stand cancelled as at the Effective Date.
- 1.4 The difference, if any, being excess or deficit arising pursuant to the amalgamation, after giving effect to the above adjustments, shall be accounted based on generally adopted accounting principles under Ind AS.
- 1.5 The Transferee Company 1 shall without any application or deed, issue and allot equity shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 1 and whose name appear in the register of members of the Transferor Company 1 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company 1/ the Transferee Company 1.

2. Amalgamation And Vesting Of Assets And Liabilities And Entire Business Of The Transferor Company 2

The Transferee Company 2 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS) 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 2.1 The Transferee Company 2 shall record the assets and liabilities of the Transferor Company 2, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 2 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 2.2 The Transferee Company 2 shall preserve the identity of the reserves of the Transferor Company 2 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 2 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 2.
- 2.3 The shares held by the Transferee Company 2 in the Transferor Company 2 on the Effective Date shall be cancelled.
- 2.4 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 2 and the Transferee Company 2 will stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 2.5 The difference between the net assets transferred to the Transferee Company 2 pursuant to Clause 2.1 as reduced by Reserves recorded in the Transferee Company 2 pursuant to Clause 2.2 and after giving effect Clause 2.3 and 2.4, the difference shall be adjusted against Capital Reserve of the Transferee Company 2.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.6 In case of any difference in accounting policy between the Transferor Company 2 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 2 reflects the financial position on the basis of consistent accounting policy.

2.7 The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company 2 and therefore on amalgamation of the Transferor Company 2 into the Transferee Company 2 there shall be no issue of shares by the Transferee Company 2 in this regard as consideration."

3. Demerger of The Fund Management Undertaking 1 From The Demerged Company 1 Into The Resulting Company

3.1 The Demerged Company 1 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company 1

3.1.1 The Demerged Company 1 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 1, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.

3.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 1 and the Resulting Company relating to the Fund Management Undertaking 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

3.1.3 The Demerged Company 1, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 1 ("Transferred Reserves").

3.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 3.1.1 and after giving effect to clause 3.1.2 and clause 3.1.3 above shall be adjusted to the other equity of the Demerged Company 1.

Accounting treatment in the books of the Holding Company of the Resulting Company

3.1.5 The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued and corresponding debit shall be made to Investment in Resulting Company Account.

4. Amalgamation Of The Transferor Company 3 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

4.1 The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 3, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 3 in accordance with Para 9(iii) of Appendix C of Ind AS 103.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 4.2 The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 3 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 3 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 4.3 The shares held by the Transferee Company 1 in the Transferor Company 3 on the Effective Date shall be cancelled.
- 4.4 The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 3.
- 4.5 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 3 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 4.5.1 The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 4.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 4.2 and after giving effect to Clause 4.3 to 4.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1.
- 4.6 In case of any difference in accounting policy between the Transferor Company 3 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 4.7 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 3 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 3 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 3 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company.
- 5. Demerger Of The Fund Management Undertaking 2 From The Demerged Company 2 Into The Resulting Company**
- 5.1. The Demerged Company 2 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:
- Accounting treatment in the books of the Demerged Company 2**
- 5.1.1 The Demerged Company 2 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 5.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 3 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 5.1.3 The Demerged Company 2, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 2 ("Transferred Reserves").
- 5.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 5.1.1 and after giving effect to clause 5.1.2 and clause 5.1.3 above shall be adjusted to the other equity of the Demerged Company 2.
- 5.2 The Holding Company of the Resulting Company shall account for the Scheme in its respective books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Holding Company of the Resulting Company

The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued pursuant to Clause 52 of this Scheme and corresponding debit shall be made to Investment in Resulting Company Account.

- 5.3 Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Demerged Company 2 will become a subsidiary of the Holding Company of the Resulting Company.

Upon the Scheme becoming effective and upon the demerger of the Fund Management Undertaking 2 of the Demerged Company 2 into the Resulting Company in terms of this Scheme, the Holding Company of the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company 2 (except shares held by the Holding Company of the Resulting Company) and whose name appear in the register of members of the Demerged Company 2 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company 2/ the Holding Company of the Resulting Company."

6. Amalgamation Of The Transferor Company 4 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS) 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 6.1. The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 4, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 4 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 6.2. The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 4 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 4 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 6.3. The shares held by the Transferee Company 1 in the Transferor Company 4 on the Effective Date shall be cancelled.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 6.4. The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 4 pursuant to Clause 62 of this Scheme.
- 6.5. Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 4 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 6.6. The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 6.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 5.6 and after giving effect to Clause 6.3 to 6.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1."
- 6.7. In case of any difference in accounting policy between the Transferor Company 4 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 6.8. Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Transferor Company 4 will become a subsidiary of the Transferee Company 1.

Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 4 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 4 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 4 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company 1."

Additional disclosures

c) Voting interest acquired

- Amalgamation of Passionate Investment Management Private Limited (PIMPL) with Motilal Oswal Financial Services Limited ("the Company") and consequently equity shares were issued by the Company to the shareholders of PIMPL.
- Post the demerger of MOPE Investment Advisors Private Limited (MOPE) it got merged with the Company and consequently equity shares were issued by the Company to the shareholders of MOPE
- Post the demerger of Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II) it got merged with the Company and consequently equity shares were issued by the Company to the shareholders of MORE II.

d) Reason for business combination

- Business Combination will lead to clear cut and straight forward shareholding structure and eliminating needless layers of shareholding tiers and at the same time demonstrate the Promoter Group's direct commitment and engagement and improve the confidence of all shareholders.
- Concentrated management focus on the business in a more professional manner.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- Develop combined long-term corporate strategies and financial policies.
- Operational rationalization, organizational efficiency and optimal utilization of resources.
- From a governance perspective and keeping in mind amendments as per Section 2(87) and Section 186 of the Companies Act, 2013, group intends to reduce the three-layers and simplify the corporate structure.
- Reduced layer of entities shall enhance flexibility to incorporate subsidiaries and/or acquire companies or any other body corporates with controlling stake as per their business strategies.

e) Acquisition date & date of control:- 01 April 2020

f) Consideration transferred

- To the shareholders of the Passionate Investment Management Private Limited –
8,49,21,363 fully paid up equity shares of the face value of Re. 1/- each of Motilal Oswal Financial Services Limited shall be issued and allotted to the equity shareholders of the Passionate Investment Management Private Limited in the proportion of their holding in the Company.
- To the shareholders of the MOPE Investment Advisors Private Limited –
14,72,445 fully paid up equity shares at Rs.636.10/- each of the Company shall be issued and allotted to the equity shareholders of MOPE Investment Advisors Private Limited
- To the shareholders of the Motilal Oswal Real Estate Investment Advisors II Private Limited –
3,96,000 fully paid up equity shares at Rs.636.10/- each of Motilal Oswal Financial Services Limited shall be issued and allotted to the equity shareholders of Motilal Oswal Real Estate Investment Advisors II Private Limited

g) Identifiable assets acquired and liabilities assumed

Particulars	As at March 31 2021	Adjustments on account of amalgamation			As at April 01 2021
	As per signed annual report				(Restated)
		PIMPL	MORE II	MOPE	
Assets					
Financial Assets					
Cash and Cash Equivalent	57,017	6	-	-	57,023
Bank balance other than cash and cash equivalent above	2,14,745	99	-	-	2,14,844
Trade Receivables	61,197	14	150	250	61,611
Investments	3,86,310	-	2,415	5,625	3,94,350
Other Financial Assets	66,192	31	-	-	66,223
Non Financial Assets					
Current Tax Asset	2,355	374	-	-	2,729

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at March 31 2021	Adjustments on account of amalgamation			As at April 01 2021
	As per signed annual report				(Restated)
		PIMPL	MORE II	MOPE	
Other Non Financial Assets	2,494	1	-	-	2,495
Liabilities					
Financial Liabilities					
Other Financial Liabilities	37,739	2	-	-	37,741
Non Finance Liabilities					
Deffered tax Liability (net)	7,812	(21)	127	341	8,260
Other Non Financial Liabilities	2,976	(4)	-	-	2,972
Equity					
Equity Share Capital	1,466	19	-	-	1,485
Other Equity	3,51,673	548	2,438	5,515	3,60,173

h) Acquisition-related costs

i) Recognised as an expense in the statement of P&L

Nature of Expense	Year ended 31 March 2022	Year ended 31 March 2021"	Expense head	Note number reference
Legal and Professional Fees	-	33	Other Expense	Note 37
Filing and Listing Fees	-	8	Other Expense	Note 37

ii) Not recognised as an expense in the statement of P&L

Transferor Company 1 i.e. Provision for stamp duty amounting to Rs. 3,000 lakhs towards the issuance of shares to the shareholders of PIMPL (i.e. promoters) has been adjusted (net of income tax benefit of Rs. 2,245 lakhs) from the free reserves of the Company. This treatment has been carried out in the financial statements as per the requirement of para 37 of Ind AS 32 "Financial Instruments: Presentation", which states that the transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit).

i) Non-controlling interest

Amount of Non-controlling interest in the acquiree at the acquisition date is Rs.11,885 lakhs. The Discounted Cash Flow (DCF) technique was used for valuation of Non controlling interest. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

j) Revenue & Profit or loss of the acquiree included in P&L

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
Transferor Company 1 - PIMPL	102	58	307	482
Demerged Company 1 - MOPE	1,349	1,201	2,615	2,363
Demerged Company 2 - MORE II	514	455	1,110	983

NOTES TO FINANCIAL STATEMENT (Contd..)

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

k) Combined Revenue & Profit or loss of the merged entity

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
Holding Company - MOFSL	2,61,144	70,682	2,22,462	75,067

l) Nature of business of the combining entities

Name of combining entities	General nature of business of combining entities
Transferor Company 1 - PIMPL	Stock Broking services
Demerged Company 1 - MOPE	Investment Manager of Private Equity funds
Demerged Company 2 - MORE II	Investment Manager of Real Estate funds

m) Description and number of shares issued, together with the % of each entity's equity shares exchanged to effect the business combination

Name of combining entities	Description of shares issued	Number of shares issued	% of entity's equity share exchanged to extent of business combination
Shareholders of Transferor Company 1 - PIMPL	Equity Shares	8,63,74,063	57.94%
Demerged Company 1 - MOPE	Equity Shares	9,06,120	0.61%
Transferor Company 3 - MOPE	Equity Shares	5,66,325	0.38%
Demerged Company 2 - MORE II	Equity Shares	3,72,000	0.25%
Transferor Company 4 - MORE II	Equity Shares	24,000	0.02%

n) The amount of any difference between the consideration and the value of net identifiable assets acquired and the treatment thereof : Nil

Note 61 : Corporate social responsibility

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Total amount required to be spent during the year	684	813
(b) Total amount of expenditure incurred during the year	684	870
(c) Shortfall at the end of the year	-	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	Refer Note 1	
(g) Details of related party transactions	Refer Note 3	
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

Notes:

- The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

NOTES TO FINANCIAL STATEMENT (Contd..)

- a. Promoting education, including special education and employment enhancing vocational skills, especially among children, women, and elderly, contribution to COVID relief program, PM cares fund;
 - b. Promotion of health care, including preventive health care and sanitation;
 - c. Measures for the benefit of armed forces veterans, war widows, and their dependents;
 - d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.
2. Amount of Rs. Nil (Previous Year : Rs.400 lakhs) has been spent by the Company for the construction/ acquisition of a new asset.
 3. Contribution of Rs. 616 lakhs (Previous year Rs. 788 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- " Related Party Disclosures"

Note 62. The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

Note 63: Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Note 64: Negative price settlement of Futures April West Texas Intermediate(WTI) Contract

Exceptional item in the year ended 31 March 2021 comprises of bad debts of Rs. 8,810 Lakhs on account of outstanding dues from client towards settlement obligation. MCX vide its circular dated 21 April 2020 has considered the negative price for settlement of futures contract on expiry. Thus the customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering into the contract, the customers were required to pay only the margin as was required by the exchange including mark to market losses. Since MCX has effected the settlement of such contract upon expiry at negative price, the client's account was debited with above amount as settlement obligation on account of negative price settlement in respect of its outstanding contract. Since the client have defaulted to honour the settlement obligation required by MCX, Company has paid the said amount to MCX on behalf of its clients. For recovering the said amount from client, Company has filed an arbitration claim for recovery of outstanding dues, against the clients before Arbitral Tribunal of MCX, and the Company has received arbitration awards amounting to Rs. 8,676 Lakhs in its favour. However the clients have filed an appellate arbitrations before Appellate Arbitral Tribunal of MCX, challenging the awards passed in favour of the Company. Client's appeal has been dismissed vide order dated 25 October 2021. The client has filed an application u/s 34 of Arbitration Act to challenge the Award of Appellate Arbitral Tribunal and the same is currently pending. Further, the Company has filed petition u/s 9 of Arbitration Act before the courts and the courts have directed the clients not to dispose of their assets till the next date of hearing.

Note 65: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 66: The amounts reflected as "0" in the financial information are values with less than rupees fifty thousands.

Note 67: Previous year figures have been regrouped/reclassified wherever necessary.

As per our attached report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 28 April 2022

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

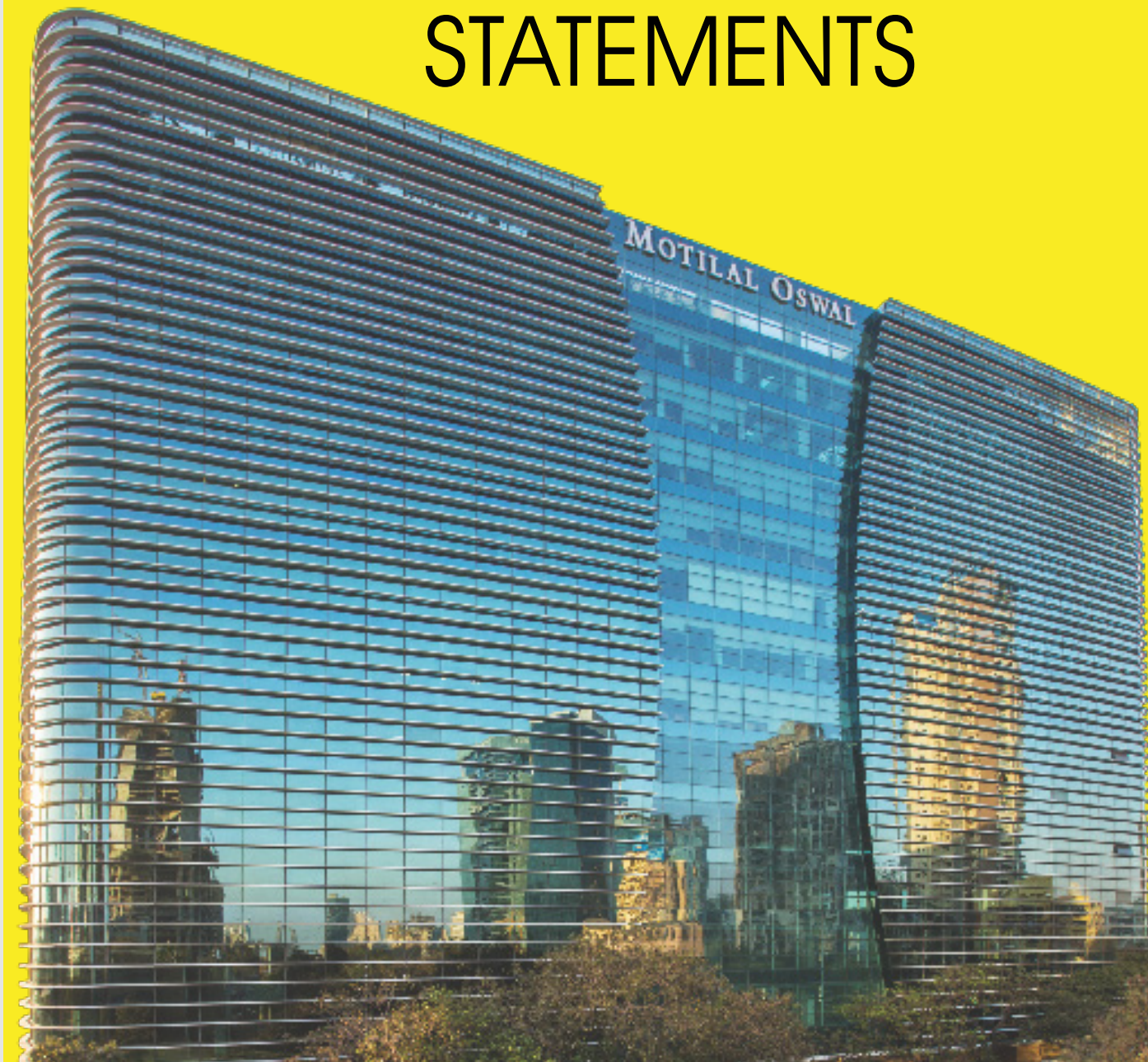
Sd/-
Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To

The Members of
Motilal Oswal Financial Services Limited

Opinion

1. We have audited the accompanying consolidated financial statements of Motilal Oswal Financial Services Limited (the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as the "Group") and its associate for the year ended March 31, 2022 attached herewith, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 and based on the consideration of reports of the other auditors on separate audited financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA's) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statement section of our report. We are Independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 2013 ("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 evidences obtain by us and by other auditor in terms of their reports referred to in the paragraph 18 of other matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 42 of the consolidated financial results, as regards the management's assessment of the financial impact due to restrictions and conditions related to COVID-19 pandemic situation in respect of one of the subsidiary Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd..)

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Impairment of loans and advances to customers</p> <p>Refer to the accounting policies in "Note 2.9 (ii) to the financial statements: Impairment", "Note 3 (b) to the consolidated Financial Statements: Significant Accounting Policies - use of estimates and judgement" and "Note 7 to the consolidated Financial Statements: Loans"</p> <p>As at March 31, 2022, Motilal Oswal Home Finance Limited ('MOHFL') has reported the carrying value of loan assets measured at amortised cost, aggregated Rs. 3,43,455 lakhs (net of allowance of ECL Rs. 8,533 lakhs).</p> <p>The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <p>a) Data inputs - The application of ECL model requires several data inputs.</p> <p>b) Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are</p> <p>c) considered the most significant judgmental aspect of the Company's modelling approach.</p> <p>d) Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.</p> <p>e) Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from ongoing COVID-19 pandemic.</p> <p>f) Adjustments to model driven ECL results to address emerging trends.</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p> <ul style="list-style-type: none"> ➤ key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. ➤ key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. ➤ management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. <p>b) Also, for a sample of ECL allowance on loan assets tested:</p> <ul style="list-style-type: none"> ➤ Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied. ➤ we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and ➤ we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. <p>c) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee.</p> <p>d) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI.</p> <p>e) Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays.</p> <p>f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
		g) The reasonableness of the Company's considerations of the impact of the current ongoing economic environment due to COVID-19 on the ECL determination. h) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and Ind AS 109.
2.	<p>Information Technology (IT) Systems and Controls</p> <p>The Motilal Oswal Financial Services Limited and Motilal Oswal Home Finance Limited key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>General IT controls design, observation and operation:</p> <ul style="list-style-type: none"> ➤ Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. <p>User access controls operation:</p> <ul style="list-style-type: none"> ➤ Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. ➤ Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. <p>Application controls:</p> <ul style="list-style-type: none"> ➤ We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. ➤ For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure.
3.	<p>Valuation of equity investments carried at fair value Refer note 2.6 for significant accounting policies and note 54 for financial disclosures</p> <p>As at 31 March 2022, the Company held investment in Shubham Housing Development Finance Company Private Limited amounting to Rs. 67.97 crores which represents 0.63 % of the total assets of the Company as at 31 March 2022.</p> <p>This investment is not traded in the active market. The fair valuation of this investment is determined by a management appointed independent valuation expert based on discounted cash flow method. The process of computation of fair valuation of investment includes use of unobservable inputs and management judgements and estimates which are complex.</p>	<p>Our audit procedures in relation to valuation of investment with the involvement of our valuation experts included, but were not limited to, the following:</p> <p>Design/Controls:</p> <ul style="list-style-type: none"> ➤ Obtained a detailed understanding of the management's process and controls for determining the fair valuation of this investment. 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, independent price verification performed by the management expert and model governance and valuation.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>The key assumptions underpinning management's assessment of fair value of this investment, includes application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates. The valuation of this investment was considered to be one of the areas which required significant auditor attention on and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investment to the standalone financial statements and the complexity involved in the valuation of this investment.</p>	<p>Substantive tests:</p> <ul style="list-style-type: none"> ➤ Assessed the appropriateness of the valuation methodology used for the of this investment in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted; ➤ Obtained the valuation report from management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; ➤ Assessed the appropriateness of the valuation model used by the management and the assumptions used relating to projected cash flows and the discounting factor. ➤ Ensured the appropriateness of the carrying value of these investments 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.

7. The auditors Aneel Lasod and Associates, Chartered Accountants, of Motilal Oswal Commodities Broker Private Limited (MOCBPL) vide their audit report dated April 25, 2022, have expressed an unmodified opinion on the financial statements. Based on consideration of their report and information submitted by them, we have reproduced the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters	Audit Procedures performed
<p>Legal & Regulatory Risk:</p> <p>Refer Note 6 point 3 of the Consolidated financial statements</p>	<p>Following are the areas where risks are assessed & procedures were followed.</p> <ul style="list-style-type: none"> • Recording of Receivables & Dues - NSEL: After scrutinising the books of accounts and discussion with the management it has been found that the amounts receivable from NSEL (Exchange) and 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. • Impact of SEBI order on the MOCBPL business: The Company has already ceased its Commodity Broking business from April 2018. 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matters	Audit Procedures performed
<p>Following default at National Spot Exchange Limited ('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 Motilal Oswal Commodities Broker Private Limited (MOCBPL).</p> <p>In this manner, SEBI has issued Show Cause Notice to MOCBPL in financial year i.e. 2017-18 relating to NSEL Scam, for which management has replied accordingly.</p> <p>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.</p>	<ul style="list-style-type: none"> • MOCBPL may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts. <p>Our procedures with respect to approaching the KAM:</p> <ul style="list-style-type: none"> - Enquiring with Accounts and Finance Team: We have discussed with Finance team, Management and have scrutinised books of account. - Assessing management's conclusions and ensuring that updates regarding the manner are informed to us on timely basis. <p>Our results: Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.</p>

8. The auditors Shah & Savla LLP Chartered Accountants, of Motilal Oswal Finvest Limited vide their audit report dated April 27, 2022, have expressed an unmodified opinion on the financial statements. Based on consideration of their report and information submitted by them, we have reproduced the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Principal audit procedures performed
<p>1. Information Technology system for the financial reporting process</p> <p>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Interest income, Loan Balance, Non Performing Assets amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Accordingly, since our audit strategy has focused on key IT systems and controls due to pervasive impact on the financial statements and performing testing of automated process controls and General controls; we have determined the same as a key audit matter for current year audit.</p>	<p>Our key audit procedures were relying on the work carried out by the IT specialists audit team, but were not limited to, the following:</p> <ul style="list-style-type: none"> • 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; For deficiencies identified if any by the IT specialist, specialist team tested compensating controls or performed alternative procedures.

INDEPENDENT AUDITOR'S REPORT (Contd..)

	Key Audit Matter	Principal audit procedures performed
2.	<p>Impairment of loans</p> <p>Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters:</p> <p>a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section. Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.</p> <p>b) Staging of loans and estimation of behavioral life.</p> <p>c) Estimation of expected loss from historical observations.</p> <p>d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.</p> <p>Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility and restructuring facility for eligible customers, this area required significant auditor attention to test such complex accounting estimates. Therefore, we have determined this to be a key audit matter for the current year audit</p>	<p>Principal audit procedures performed</p> <p>a) Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment</p> <p>b) Assessed the critical assumptions used by the management for expected credit losses as at 31 March 2021.</p> <p>c) 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.</p> <p>d) Understood and checked the key data sources and assumptions for data used in the ECL model used by the Company to determine impairment provisions.</p> <p>e) On sample basis tested the completeness and accuracy of the input data used and agreed the data with the underlying books of accounts and records.</p> <p>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</p>
3.	<p>Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are</p>	<p>We examined Board Policy that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matter	Principal audit procedures performed
a) Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars,	We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register as on that date.
b) The segmentation of financial assets when their ECL is assessed on a collective basis	We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.
c) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and	
d) Assessment of qualitative factors having an impact on the credit risk.	

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

9. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report on Corporate Governance (but does not include the Consolidated Financial Statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report and Board's Report, Management Discussion and Analysis and Business Responsibility Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated 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 Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

10. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with regard to the preparation and presentation of these consolidated financial statement that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITOR'S REPORT (Contd..)

11. In preparing of these consolidated financial statements, the respective Board of Directors/ Management of the companies included in the Group and of its associate are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
12. Those respective Board of Directors/Management included in the Group and of its associate are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
14. As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 consolidated 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 Group and its associate to cease to continue as a going concern.
 - v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the

INDEPENDENT AUDITOR'S REPORT (Contd..)

financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the consolidated financial statement.
16. 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.
17. 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.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated 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.

Other Matters

19. We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets of Rs. 3,27,428 lakhs as at March 31, 2022, total revenue of Rs. 58,699 lakhs, total net profit after tax of Rs. 23,678 lakhs for the year ended March 31, 2022 respectively, total comprehensive income of Rs. 25,647 lakhs for the year ended March 31, 2022, as considered in the consolidated financial Statements. The consolidated financial Statements also includes the Group's share of the net profit after tax and total comprehensive income of Rs. 178 lakhs for the year ended March 31, 2022, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit report have been furnished to us by the management, and our opinion in so far as it relates to the amount and disclosures included in respect of those subsidiaries/associate is based solely on the audit report of such other auditors, and the procedure performed by us as stated in the paragraph 3 above.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

20. The consolidated financial statement includes the consolidated financial statements of four subsidiaries which have not been audited, whose annual financial statement reflect total assets of Rs. 4,003 lakhs as at March 31, 2022, total revenue of Rs. 12,241 lakhs, total net profit after tax and total comprehensive income of Rs. 8,013 lakhs for the year ended March 31, 2022 respectively. These financial statements have been furnished to us by the Holding Company's management. Our opinion is so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion, and accordance to the information and explanation given to us by the management, are not material to the Group. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

INDEPENDENT AUDITOR'S REPORT (Contd..)

21. As mentioned in note no. 62 of the consolidated financial statement, figures for the year ended March 31, 2021 as shown in the consolidated financial statement are the figures which have been arrived after giving effect to the scheme of arrangement, which is based on the audited accounts of the transferor and transferee Company, which were audited by the respective auditors of that period. Hence, these merged figures are neither audited nor reviewed. The Company has given effect to the scheme of arrangement with effect from the appointed date April 1, 2020. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the financial statement for the year ended March 31, 2021.

Report on Other Legal and Regulatory Requirements

22. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.

23. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph 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 aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Group and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Group to their directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other

INDEPENDENT AUDITOR'S REPORT (Contd..)

auditors on separate financial statements as also the other financial information of the subsidiaries and associate:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and associate, in its consolidated financial statements – refer note 39 to the consolidated financial statements;
- ii. The Group and associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended 31 March 2022;
- iv. (a) The respective managements of the Group and associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Group and associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared or paid during the year and subsequent to the year- end by the Group and associate is in compliance with Section 123 of the Act.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AHZZXQ5333

Place: Mumbai

Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT (Contd..)

Independent Auditors' Report of even date on the financial statements of Motilal Oswal Financial Services Limited

Annexure A referred to in paragraph 21 under Report on Other Legal and Regulatory Requirements of our report of even date

According to information and explanations given to us, out of the companies incorporated in India, following companies are also included in consolidated financial statements, have certain remarks included in their reports under Companies (Auditors Report) Order, 2020 ("CARO") which have been reproduced as per the requirement of the Guidance Note on CARO:

Sr. No.	Name	CIN	Holding Company/ Subsidiary	Clause number of the CARO report
1	Motilal Oswal Financial Services Limited	L67190MH2005PLC153397	Holding	3 (vii)(c)
2	Motilal Oswal Home Finance Limited	U65923MH2013PLC248741	Subsidiary	3 (vii)(c)
3	Motilal Oswal Asset Management Company Limited	U67120MH2008PLC188186	Subsidiary	3 (vii)(c)

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AHZZXQ5333

Place: Mumbai

Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT (Contd..)

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Motilal Oswal Financial Services Limited

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

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

In conjunction with our audit of the consolidated financial statements of Motilal Oswal Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to consolidated financial statements

A Company's internal financial control over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

INDEPENDENT AUDITOR'S REPORT (Contd..)

of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Group covered under the Act, have 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the eight subsidiaries which are audited by other auditors, is based on the corresponding reports of the auditors of such subsidiaries. Further as associate is a Limited Liability Partnership (LLP) firm, hence report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls is not applicable to it.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567AHZZXQ5333

Place: Mumbai

Date: April 28, 2022

CONSOLIDATED BALANCE SHEET

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

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I. ASSETS :			
1 Financial assets			
(a) Cash and cash equivalents	4	2,13,754	1,29,208
(b) Bank balance other than (a) above	5	3,17,771	2,20,570
(c) Receivables			
(i) Trade receivables	6	1,00,309	91,123
(ii) Other receivables	6	23	60
(d) Loans	7	4,90,452	4,52,035
(e) Investments	8	4,68,491	3,92,235
(f) Other financial assets	9	35,594	68,162
Total financial assets (A)		16,26,394	13,53,393
2 Non-financial asset			
(a) Current tax assets (net)	10	3,381	4,094
(b) Deferred tax assets (net)	11	6,353	7,542
(c) Property, plant and equipment	12(a)	32,367	31,593
(d) Other Intangible assets	12(b)	3,299	3,440
(e) Other non-financial assets	13	20,540	11,621
Total non-financial assets (B)		65,940	58,290
Total Assets (A+B)		16,92,334	14,11,683
II. LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	14	-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	14	3,70,086	3,02,567
(b) Debt securities	15	3,96,880	3,49,724
(c) Borrowings (Other than Debt securities)	16	2,18,271	2,19,560
(d) Deposits	17	98	45
(e) Other financial liabilities	18	83,800	53,671
Total financial liabilities (A)		10,69,135	9,25,567
2 Non - financial liabilities			
(a) Current tax liabilities (net)	19	3,166	1,694
(b) Provisions	20	24,422	17,672
(c) Deferred tax liabilities (net)	21	18,797	13,076
(d) Other non - financial liabilities	22	6,749	4,306
Total non-financial liabilities (B)		53,134	36,748
3 Equity			
(a) Equity share capital	23	1,491	1,485
(b) Other equity	24	5,65,946	4,44,657
(c) Non-controlling interests		2,628	3,227
Total equity (C)		5,70,065	4,49,368
Total Liabilities and Equity (A+B+C)		16,92,334	14,11,683
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-67		

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

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

Sd/-
Nikhil Singhi
Partner
Membership No: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agrawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
1) Income :			
(a) Revenue from operations			
(a) Interest income	25	1,03,425	75,312
(b) Dividend income	26	10,211	153
(c) Rental income	27	17	17
(d) Fees and commission income	28	2,60,730	1,94,948
(e) Net gain on fair value changes	29	49,593	85,988
(f) Other operating income	30	5,707	6,094
Total revenue from operations		4,29,683	3,62,512
(b) Other income	31	2,300	900
Total income (a+b) (1)		4,31,983	3,63,412
2) Expenses :			
(a) Finance costs	32	47,819	43,028
(b) Fees and commission expense	33	89,285	63,585
(c) Impairment on financial instruments	34	9,466	9,761
(d) Employee benefits expense	35	86,758	64,358
(e) Depreciation and amortization expense	36	4,826	4,752
(f) Other expenses	37	32,248	23,276
Total expenses (2)		2,70,402	2,08,760
3) Profit before taxation and before extraordinary items		1,61,581	1,54,652
(3) = (1) - (2)			
4) Exceptional Items Income/(Expense) (4)	60	-	(8,810)
5) Profit before taxation and after extraordinary items (5) = (3) - (4)		1,61,581	1,45,842
6) Tax expenses/ (credit)	38		
(a) Current tax		23,588	15,849
(b) Deferred tax expenses / (credit)		7,109	10,914
(c) Short/(excess) provision for earlier years		(189)	(1,217)
Total tax expenses (6)		30,508	25,546
7) Profit after tax (7) = (5) - (6)		1,31,072	1,20,296
8) Share of profit from associates (net of taxes)		172	6,177
9) Profit after tax and share in profit of associates (9) = (7)+(8)		1,31,245	1,26,473
10) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of the post retirement benefit plans		176	311
- Fair value gain/(loss) of investment held through fair value through other comprehensive income		4,488	32,706
(b) Income tax relating to items that will not be reclassified to profit or loss		(558)	(3,825)
Total other comprehensive income, net of tax (10)		4,106	29,192
11) Total comprehensive income (11) = (9)+(10)		1,35,351	1,55,665
12) Net profit attributable to:			
Owners of parent		1,30,978	1,26,044
Non-controlling interests		266	428

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
13) Other comprehensive income/ (loss) attributable to:			
Owners of parent		4,103	29,189
Non-controlling interests		3	3
14) Total comprehensive income attributable to: (14) = (12)+(13)			
Owners of parent		1,35,081	1,55,233
Non-controlling interests		269	431
15) Earning per share (Re. 1 each)	44		
Basic (amount in Rs.)		89.14	85.67
Diluted (amount in Rs.)		88.38	83.70
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-66		

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

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

Sd/-
Nikhil Singhi
Partner
Membership No: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agrawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
A. Cash flows from operating activities		
Profit before taxation	1,61,581	1,45,842
Adjustments for:		
Add:		
Impairment on financial instruments	9,466	9,761
Depreciation and amortisation expense	4,826	4,752
Bad debts written off	(0)	0
Provision for gratuity	857	807
Employee stock option expenditure	2,404	1,986
Profit from partnership gain and joint venture	241	6,928
Less :		
Net loss/(gain) on fair value change	(49,593)	(85,988)
Profit on sale of property, plant and equipment (Net)	(5)	(373)
Interest income	(122)	(81)
Dividend income	(10,211)	(153)
Foreign Currency Translation Reserve	177	(644)
Interest Expense pertaining to lease liability	412	452
Operating profit	1,20,032	83,289
Adjustment for working capital changes:		
(Increase) / Decrease in trade receivables	(11,203)	(18,104)
(Increase) / Decrease in other receivables	37	84
(Increase) / Decrease in other financial assets	32,568	(53,237)
(Increase) / Decrease in other non financial assets	(8,920)	5,951
(Increase) / Decrease in loans	(45,865)	(52,316)
Investment in Fixed deposit having maturity more than 3 months (Net of maturity)	(97,204)	(1,67,127)
(Increase) / Decrease in liquid investments	27,444	56,803
Increase in trade payables	67,518	1,22,769
Increase in Deposit	53	33
Increase / (Decrease) in other financial liabilities	30,129	16,207
Increase / (Decrease) in other non financial liabilities	2,443	1,682
Increase / (Decrease) in Provision	6,068	4,639
Cash generated from operations	1,23,100	673
Direct taxes paid net (including MAT credit utilised)	(22,034)	(14,541)
Net cash generated from Operating activities (A)	1,01,066	(13,868)
B. Cash flow from investing activities		
Purchase of Property, plant and equipment	(5,454)	(6,467)
Purchase of Investments	(1,11,254)	(58,778)
Sale of Investments	61,636	37,284
Sale of Property, plant and equipment	-	389
Interest received	122	81
Dividend received	10,211	153
Net cash used in/generated from Investing activities (B)	(44,739)	(27,338)
C. Cash flow from financing activities		
Issue of Share capital including Securities premium	3,398	1,514
Buyback of shares	-	(14,853)
Proceeds from issue of debentures	37,800	1,02,602
Repayment of debentures	(70,305)	(88,894)
Proceeds from/(Repayment) of commercial paper	79,661	53,690
Proceeds from borrowing other than bank	1,00,296	62,768
Repayment from borrowing other than bank	(84,589)	(52,499)

CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
Proceeds from/(Repayment) of other borrowings	(16,996)	28,936
Payment of Dividend	(8,673)	(2,894)
Increase/ (Decrease) in unpaid dividend	3	-
Cash payment of lease liability and interest	(412)	(452)
Effect of scheme of arrangement	(9,279)	(4,180)
Investment by/ (purchase) from non controlling interest	(2,686)	325
Net cash used in/generated from Financing activities (C)	28,219	86,062
Net increase / (Decrease) in cash and cash equivalents during the year (A+B+C)	84,546	44,857
Cash on hand	237	76
Schedule bank - In Current accounts	1,06,668	47,666
Cheques in hand	35	-
Fixed Deposit with original maturity within 3 months	22,267	36,610
Cash and cash equivalents as at beginning of the year	1,29,208	84,352
Cash & Cash Equivalents comprise of as at end of the year		
Cash on hand	269	237
Schedule bank - In Current accounts	1,35,210	1,06,668
Cheques in hand	20	35
Fixed Deposit with original maturity within 3 months	78,255	22,267
Cash and cash equivalents as at end of the year	2,13,754	1,29,208
Changes in liabilities arising from financing activities:		
Opening balance of debt securities and borrowings (other than debt securities)	5,69,284	4,62,682
Proceeds from issue of debentures	37,800	1,02,602
Repayment of debentures	(70,305)	(88,894)
Proceeds from/(Repayment) of commercial paper	79,661	53,690
Proceeds from borrowing other than bank	1,00,296	62,768
Repayment from borrowing other than bank	(84,589)	(52,499)
Proceeds from/(Repayment) of other borrowings	(16,996)	28,936
Closing balance of debt securities and borrowings (other than debt securities)	6,15,151	5,69,284
Cashflow from operating activities includes:		
Interest received	1,03,425	75,312
Interest paid	47,819	43,028

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 in the Companies (Indian Accounting Standard) Rules, 2015.
- (ii) Figures in brackets indicate cash outflows.

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

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

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

Sd/-
Nikhil Singhi
Partner
Membership No: 061567

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Raamdeo Agrawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Shalibhadra Shah
Chief Financial Officer

Sd/-
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 28 April 2022

Place : Mumbai
Date : 28 April 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(a) Equity share capital

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

Particulars	Number	Amount
As at 01 April 2020	14,80,66,718	1,481
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2020	14,80,66,718	1,481
Stock options exercised under the Employee Stock Option Scheme	4,62,800	5
Shares pending for allotment	18,68,445	19
Buyback	(19,09,144)	(19)
As at 31 March 2021	14,84,88,819	1,485
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2021	14,84,88,819	1,485
Stock options exercised under the Employee Stock Option Scheme	5,74,100	6
As at 31 March 2022	14,90,62,919	1,491

(b) Other Equity

Particulars	Reserves and surplus							Items of other comprehensive income	Total other equity	Non-controlling interest	Total			
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Foreign currency translation reserve					Impairment reserve	Retained earnings	Equity instruments through other comprehensive income
Balance as at 01 April 2020	4,594	2,504	56,493	4,396	5,084	18,656	441	62	2,02,212	12,086	621	3,07,150	3,659	3,10,809
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add/Less: Impact due to merger	5,233	-	-	-	-	(5,233)	-	-	423	-	-	423	(1,254)	-
Restated balance as at 01 April 2020	9,827	2,504	56,493	4,396	5,084	13,424	441	62	2,02,634	12,086	621	3,07,573	2,404	3,10,809
Total comprehensive income for the year	-	-	-	-	-	-	-	-	1,25,060	28,964	228	1,54,253	431	1,54,683
Dividends paid	-	-	-	-	-	-	-	-	(2,894)	-	-	(2,894)	-	(2,894)
Transfer to capital redemption reserve	-	19	-	-	-	-	-	-	-	-	-	19	-	19
Transfer from Employee stock option reserve	-	-	624	-	-	-	-	-	-	-	-	624	-	624
Transfer to statutory reserves	659	-	-	-	-	-	-	-	(659)	-	-	-	-	-
Buyback of shares	-	-	(12,034)	-	-	-	-	-	(2,820)	-	-	(14,854)	-	(14,854)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

Particulars	Reserves and surplus							Retained earnings	Items of other comprehensive income	Total other equity	Non-controlling interest	Total
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Foreign currency translation reserve					
Transfer to Securities premium	-	-	-	(624)	-	-	-	-	-	(624)	-	(624)
Impact due to merger	-	-	-	-	-	(577)	-	(1,647)	-	(2,224)	-	(2,224)
Addition during the year on account of share issue	-	-	1,529	-	-	-	-	-	-	1,529	-	1,529
Additions/ (deduction) during the year	-	-	-	1,986	-	-	(644)	-	-	1,342	-	1,342
Fresh shares issued due to Scheme of arrangement	-	-	-	-	-	-	-	(19)	-	(19)	-	(19)
Investment by/(purchased from) minority	-	-	-	-	-	-	-	-	-	-	325	325
Transfer to minorities	-	-	-	-	-	-	-	(67)	-	(67)	67	-
Balance as at 31 March 2021	10,486	2,523	46,612	5,758	5,084	12,847	(203)	3,19,589	41,050	4,44,658	3,227	4,48,716
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01 April 2021	10,486	2,523	46,612	5,758	5,084	12,847	(203)	3,19,589	41,050	4,44,658	3,227	4,48,716
Total comprehensive income for the year	-	-	-	-	-	-	-	1,30,974	3,975	1,35,080	269	1,35,349
Dividends paid	-	-	-	-	-	-	-	(8,673)	-	(8,673)	-	(8,673)
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Employee stock option reserve	-	-	1,047	-	-	-	-	-	-	1,047	-	1,047
Transfer to statutory reserves	2,729	-	-	-	-	-	-	(2,729)	-	-	-	-
Transfer from statutory reserves	(5,233)	-	-	-	-	5,233	-	-	-	-	-	-
Transfer to Securities premium	-	-	-	(1,047)	-	-	-	-	-	(1,047)	-	(1,047)
Stamp duty due to merger*	-	-	-	-	-	-	-	(2,245)	-	(2,245)	-	(2,245)
Impact due to merger	-	-	-	-	-	-	-	(7,034)	-	(7,034)	-	(7,034)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

Particulars	Reserves and surplus							Items of other comprehensive income			Total other equity	Non-controlling interest	Total		
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Foreign currency translation reserve	Impairment reserve	Retained earnings	Equity instruments through other comprehensive income				Remeasurements of defined benefit plans	
Transfer to impairment reserve	-	-	-	-	-	-	-	28	(28)	-	-	-	-	-	-
Addition during the year on account of share issue	-	-	3,392	-	-	-	-	-	-	-	-	3,392	-	-	3,392
Additions/ (deduction) during the year	-	-	-	2,404	(1,675)	-	177	-	-	-	-	905	-	-	905
Investment by/(purchased from) minority	-	-	-	-	-	-	-	-	-	-	-	-	(1,005)	(1,005)	(1,005)
Transfer to minorities	-	-	-	-	-	-	-	-	(137)	-	-	(137)	137	-	-
Balance as at 31 March 2022	7,982	2,523	51,051	7,115	3,409	18,079	(26)	90	4,29,718	45,025	980	5,65,946	2,628	5,69,406	

*Refer note 62 and 61 on the Scheme of Arrangement

The accompanying notes are integral part of these financial statements.

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

For Singh & Co.

Chartered Accountants

Firm Registration No.: 302049E

Sd/-

Nikhil Singhi

Partner

Membership No: 061567

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Sd/-

Motilal Oswal

Managing Director and Chief Executive Officer

DIN : 00024503

Sd/-

Raamdeo Agrawal

Non-Executive Chairman

DIN : 00024533

Sd/-

Shailbhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 28 April 2022

Sd/-

Kailash Purohit

Company Secretary

Place : Mumbai

Date : 28 April 2022

NOTES TO FINANCIAL STATEMENT (Contd..)

1A. Corporate information

Motilal Oswal Financial Services Limited ("MOFSL" or 'the Holding Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Holding Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Motilal Oswal Financial Services Limited, its subsidiaries and associate entity (collectively, the Group) are engaged in stock broking, asset management and mutual funds, private equity, investment banking, home finance, wealth management services, distribution of financial products, proprietary investments and other activities in financial services.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on 28 April 2022.

Information on the Group's structure is provided in note 58.

1B. Business Combination under Common Control

A common control business combination, involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes (Refer Note 61 for additional details)

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.1. Basis of preparation

(i) Compliance with Ind AS

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

The Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss and disclosures are presented in the format prescribed under Division III of Schedule III of the companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

(ii) Historical cost convention

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

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

(iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Group 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 24 October 2018 and as amended on 24 March 2021, the Holding 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 54.

(iv) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS which 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 consolidated 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 Group 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.2. Principles of consolidation and equity accounting

(i) Subsidiaries

The consolidated financial statement has comprised financial statements of the Company and its subsidiaries. Subsidiaries are all the entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO FINANCIAL STATEMENT (Contd..)

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.3. Revenue Recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Group 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 Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers: 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.
- Identification of the separate 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.
- Determination of 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.
- Allocation of transaction price to the separate performance obligations: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

- 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 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) 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:

- Processing fees is recognized on upfront basis in the year of receipt;
- Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;
- 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.

(iv) 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.

(v) Private equity fund management fee income

Performance obligations are satisfied over a period of time and private equity fund management fee is recognized on monthly basis in accordance with Private Placement Memorandum based on capital commitment / capital contribution of the Fund.

NOTES TO FINANCIAL STATEMENT (Contd..)

(vi) 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.

(vii) 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.

(viii) Research and 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.

(ix) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Group'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. Distribution cost

Portfolio Management Services

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

Alternate Investment Fund Services

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

Fund related expenses

New fund offer expenses

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

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund till 22nd October 2019 are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.5. 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 liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred 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 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 Group 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.

2.6. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment property is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.7. Leases

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

Measurement and recognition of leases as a lessee

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

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

2.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Outstanding bank overdrafts are not considered integral part of the Company's cash management.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.9. 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 Group commits to purchase or sell the asset.

At initial recognition, the Group 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 Group 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 Group'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 55.

Financial assets

- (i) Classification and subsequent measurement

The Group 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group 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 Group 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 Group 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

However, financial assets that are written off could still be subject to enforcement activities under the Group'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 Group 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 Group has transferred an asset, the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group 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.

2.10. Offsetting financial instruments

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

2.11. Derivative Financial Instruments and Hedge Accounting:

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

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

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

2.12. 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.

2.13. 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

NOTES TO FINANCIAL STATEMENT (Contd..)

Group 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 Group provides pro-rata depreciation from the month of installation till the date assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Building	60 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers and Network Equipments	3 to 6 years
Plant and Machinery	15 years
Electrical Equipments	10 years
Vehicles	8 to 10 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less.

Derecognition:

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

2.14. Intangible assets

Measurement at initial recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group 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 Group 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 Group provides pro-rata amortization from the day the asset is put to use.

Assets	Useful life
Computer Software	5 years
Licences	Over the license period
Customer rights	5 years

NOTES TO FINANCIAL STATEMENT (Contd..)

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

2.15. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its value in use or 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 the current market assessment of 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 estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

2.16. Expected credit loss (ECL) model:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

2.17.Provisions and contingencies:

Provisions are recognised when the Group 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 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.18. 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 Group recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Compensated absences

The Group does not have a policy of encashment of unavailed leaves for its employees but are permitted to be carried forward subject to some prescribed maximum days. Provision is made on actual basis of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(ii) Post-employment obligations

Defined contribution plan:

Contribution 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.

National Pension Scheme and Employee State Insurance Corporation

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

(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.

NOTES TO FINANCIAL STATEMENT (Contd..)

2.19.Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Group. The Scheme provides that employees are granted an option to subscribe to equity share of the Group 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 options disclosed in note 51.

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.

2.20.Foreign currency translation

(i) Functional and presentation currency

Items included in consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group'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 recognized in profit or loss.

2.21.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.

2.22.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 Group 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 (excluding other comprehensive income) 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

NOTES TO FINANCIAL STATEMENT (Contd..)

where the results are anti-dilutive. Further, when a subsidiary issue the potential ordinary shares that are convertible into the ordinary shares of the subsidiary, to parties other than the parent and if these potential ordinary shares of the subsidiary have a dilutive effect on the basic earnings per share of the reporting entity, they are included in the calculation of diluted earnings per share.

2.23. Borrowing Costs

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. The difference between the discounted amount mobilised and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument using the EIR.

2.24. Segment Reporting

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

The power to assess the financial performance and position of the Group 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 Group comprises of "Capital market", "Fund based activities", "Asset Management and Advisory" and "Home Finance". 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. Capital market activities includes Broking services to clients, research and advisory services, financial product distribution, depository services and investment banking. Fund based activities include investment activities (Investment in securities and property) and financing activity. Asset management and advisory includes fee based services for management of assets. Home Finance represents interest and other related income from affordable housing finance business.

2.25. Rounding of amounts

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

2.26. 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 consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.27. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

NOTES TO FINANCIAL STATEMENT (Contd..)

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022, although early adoption is permitted. The Company has evaluated the amendment there is no impact on its financial statements.

3. Key accounting estimates and judgements

The preparation of consolidated 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, Group reviews pending cases, claims by third parties and other contingencies. Contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated 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. All assumptions are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (e) Share based payment – The Group account for share based payment 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 Group 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 Group'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 share 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 Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (g) Leases - The Group evaluates if an arrangement qualifies to be a lease as per IND AS 116.
- The Group 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 2022	As at 31 March 2021
Cash on hand	269	237
Balances with banks		
In current accounts	1,35,210	1,06,668
Cheques in hand	20	35
Fixed deposit with bank (maturity within 3 months) (Including interest accrued on fixed deposit)	78,255	22,267
	2,13,754	1,29,208

Note 5 : Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed Deposit with original maturity more than 3 months but less than 12 months*	1,90,190	48,226
Fixed Deposit with original maturity more than 12 months*	1,27,530	1,72,290
Accrued interest on fixed deposits (maturity more than 12 months)	10	10
Unpaid dividend account	41	44
	3,17,771	2,20,570

*Fixed deposits of Rs. 64,839 lakhs (Previous year: Rs.16,719 lakhs) are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively. Further, Fixed deposits of Rs. 2,520 lakhs (Previous year: Nil) are held as cash collateral for securitisation of receivables.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 6: Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Trade receivables		
a) Secured, considered good *	52,430	45,410
b) Unsecured, considered good	49,436	46,782
c) Credit impaired	846	599
Less : Allowances for impairment losses	(2,403)	(1,668)
	1,00,309	91,123
(ii) Other receivables		
a) Other	23	60
	23	60
	1,00,332	91,183

* Secured against securities given as collateral by the customers

- Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Group 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 Group 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 profit and loss statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Group's historical experience, and after consideration of current credit exposures, the Group has recognised Rs. 735 lakhs (Previous year: Rs. 510 lakhs) as the ECL provision for the current year.
- No trade or other receivable are due from directors or other officers of the Group 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.
- Trade receivables in case of the Group includes Rs. 24,994 Lakhs (Previous year Rs. 24,994 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at Rs. 24,576 Lakhs (Previous year Rs.24,576 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 6 (i) : Receivable ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Unbilled	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	-	72,648	1,789	1,965	24	461	(1,552)	75,335
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	2	-	-	5	-	(5)	2
(iii) Undisputed Trade receivables - credit impaired	-	119	294	434	-	-	(846)	0
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	24,994	-	24,994
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	72,769	2,083	2,398	29	25,456	(2,403)	1,00,332

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Unbilled	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	-	61,481	2,834	2,377	-	461	(1,069)	66,084
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	3	27	70	5	-	-	105
(iii) Undisputed Trade receivables - credit impaired	-	136	254	208	-	-	(599)	-0
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	24,995	-	24,995
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	61,620	3,115	2,655	5	25,456	(1,668)	91,184

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 7: Loans

Particulars	As at 31 March 2022	As at 31 March 2021
(A) Loans- At amortised cost		
Home loans	3,51,989	3,53,024
Term loans	744	2,003
Loans repayable on demand	57,537	26,507
Loans to employees	570	555
Margin trading facility	88,539	77,308
Total (A) Gross	4,99,380	4,59,397
Less : Impairment loss allowance	(8,928)	(7,362)
Total (A) Net	4,90,452	4,52,035
(B) Secured by tangible assets	4,48,797	4,41,179
Secured by intangible assets	-	-
Unsecured	50,583	18,218
Total (B) Gross	4,99,380	4,59,397
Less : Impairment loss allowance:		
Secured by tangible assets	(8,817)	(7,325)
Secured by intangible assets	-	-
Unsecured	(110)	(36)
Total (B) Net	4,90,452	4,52,035
(C) Loans in India		
Public sector	-	-
Others	4,99,380	4,59,397
Total (C) Gross	4,99,380	4,59,397
Less : Impairment loss allowance	(8,928)	(7,362)
Total (C) Net	4,90,452	4,52,035
(D) Loans made to related parties		
Loan repayable on demand:		
Promoters	-	-
Directors	-	-
Key managerial personnel	2,001	-
Other related parties	18	91
	2,019	91
% of total loans:		
Promoters	-	-
Directors	-	-
Key managerial personnel	0%	-
Other related parties	0%	0%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Loan book and ECL Movement Notes (Gross):

1(a) Loan book movement

Particulars	As at 31 March 2022	As at 31 March 2021
Opening	4,59,397	4,12,389
Origination of new loan	1,49,55,690	17,60,220
Write-offs/sold during the year	(16,545)	(11,355)
Repayments received during the year	(1,48,99,162)	(17,01,857)
Closing	4,99,380	4,59,397

1(b) Break - up of loans under various stages

Particulars	As at 31 March 2022	As at 31 March 2021
Low credit risk (Stage1)	4,81,346	4,28,967
Significant increase in credit risk (Stage2)	12,215	22,763
Credit impaired (Stage3)	5,818	7,667
Closing	4,99,380	4,59,397

1(c) ECL movement

Particulars	As at 31 March 2022	As at 31 March 2021
Opening	7,362	4,442
ECL impact due to Write-offs	(3,516)	(5,308)
Addition during the year	5,082	8,227
Closing	8,929	7,362

1(d) Break - up of ECL under

Particulars	As at 31 March 2022	As at 31 March 2021
Low credit risk (Stage1)	4,628	2,669
Significant increase in credit risk (Stage2)	1,716	2,278
Credit impaired (Stage3)	2,584	2,415
Closing	8,928	7,362

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 8: Investments

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
I	Investments at amortised cost				
(a)	Equity Instruments - Unquoted - Fully paid-up				
	MF Utilities India Private Limited	5,00,000	5	5,00,000	5
	AMC Repo Clearing Limited	99,300	10	-	-
	Total (a)		15		5
(b)	Investment in Non-Convertible Debenture				
	Shriprop Projects Private Limited - 16.25%	25	250	25	250
	Casagranda Millenia Private Limited - 15.40% & 16.80%	200	538	120	569
	Terrapolis Assets Private Limited - 14.00%	30	300	-	-
	Radiance Realty Developer India Limited - 12.00%	40	400	-	-
	Rajapushpa Properties Private Limited - 14.40%	80	800	-	-
	Total (b)		2,288		819
	Total (I)		2,303		824
II.	Investments at fair value through profit and loss account (FVTPL)				
(a)	Equity Instruments - Unquoted - Fully paid-up				
	Shriram New Horizons Limited	7,50,000	1,013	7,50,000	1,013
	Less : Impairment allowance on investment		(1,013)		(1,013)
	Shubham Housing Development Finance Company Private Limited	21,377	601	21,377	518
	Bundl Technologies Private Limited	2,030	9,996	-	-
	National Stock Exchange Limited	5,00,000	16,252	-	-
	Fincare Small Finance Bank Limited	11,94,369	2,024	-	-
	Fincare Business Services Limited	12,81,767	1,128	-	-
	Total (a)		30,001		518
(b)	Preference Shares - Unquoted - Fully paid-up				
	Compulsory Convertible shares of Shubham Housing Development Finance Co. Private Limited	2,20,260	6,197	2,20,260	5,346
	Total (b)		6,197		5,346
(c)	Mutual Funds (Equity) - Quoted - Fully paid-up				
	MOST Shares M100 ETF	7,35,753	230	7,35,570	186
	MOST Shares NASDAQ 100 ETF	5,62,001	304	3,96,531	247
	Motilal Oswal Nasdaq Q 50 ETF	76,620	44		
	Most Shares M50 ETF	60,153	104	59,499	86
	Kotak Mahindra MF - Kotak Banking ETF	17,889	66	17,889	60
	Motilal Oswal 5 Year G-SEC ETF	1,12,501	54	1,12,401	54
	Axis Consumption ETF	41,776	29	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Axis Technology ETF	-	-	1,94,160	500
	Motilal Oswal Nifty 200 Momentum 30 ETF	24,716	50		
	Motilal Oswal S&P BSE Low Volatility ETF	3,09,606	348	-	-
	Nippon India ETF GOLD BEES	67,500	30	67,500	26
	SBI-ETF Nifty Next 50	44,978	80	44,978	67
	Motilal Oswal NASDAQ 100 FOF	2,00,000	47	2,00,000	40
	Mutual Funds (Equity) -Unquoted - Fully paid-up				
	Motilal Oswal FlexiCap	20,90,47,387	78,184	20,90,47,387	71,800
	Most Focused Midcap 30 Fund	12,02,16,191	59,653	10,91,57,082	38,731
	Motilal Oswal Most Focused Multicap 25 Fund	6,42,80,248	22,626	6,42,80,248	21,163
	Most Focused Long term Fund	1,90,816	53	1,90,816	46
	Motilal Oswal Most Focused Dynamic Equity Fund	5,00,000	80	5,00,000	77
	Motilal Oswal Equity Hybrid Fund - Direct (G)	5,00,000	78	5,00,000	72
	Motilal Oswal Nifty Midcap 150 Index Fund	5,53,715	110	5,53,715	88
	Motilal Oswal Nifty 500 Fund	5,67,804	96	5,67,804	79
	Motilal Oswal Nifty Bank Index Fund	2,72,044	36	2,72,044	33
	Motilal Oswal Nifty Smallcap 250 Index Fund	2,19,498	46	2,19,498	34
	Motilal Oswal Nifty 50 Index Fund	1,29,62,633	1,340	1,29,62,633	1,568
	Motilal Oswal Nifty Next 50 Index Fund	43,30,591	1,169	43,30,591	519
	Motilal Oswal S&P BSE low Volatility Index Fund	49,99,750	502.19	-	-
	Motilal Oswal Large And Midcap Fund	11,27,70,790	18,463	5,05,00,000	6,916
	Motilal Oswal S&P 500 Index Fund	5,00,000	79	5,00,000	66
	Motilal Oswal Multi Asset Fund	4,99,975	56	4,99,975	52
	Motilal Oswal Asset Allocation Passive Fund of Fund - Aggressive	4,99,975	58	4,99,975	50
	Motilal Oswal Asset Allocation Passive Fund of Fund - Conservative	4,99,975	56	4,99,975	50
	Motilal Oswal MSCI EAFE Top 100 Select Index Fund	4,99,975	51	-	-
	Motilal Oswal 5 Year G-Sec FoF	4,99,975	52	-	-
	Motilal Oswal Nifty 200 Momentum 30 FoF	4,99,975	50	-	-
	Motilal Oswal S&P Bse Low Volatility Index Fund	4,99,975	50	-	-
	Mutual Funds (Debt) - Unquoted - Fully paid-up				
	MOST Ultra Short Term Bond Fund	8,76,376	126	8,76,376	122
	Motilal Oswal Liquid Fund	5,00,000	57	5,00,000	55
	UTI money market fund	2,12,741	5,299	2,12,741	5,096
	HDFC Cash Management Liquid Units	5,607	261	5,607	251
	Motilal Oswal India Fund	-	-	-	-
	SBI Savings Fund	4,49,669	160	3,76,92,310	12,889
	SBI Liquid Fund	-	-	12,550	404

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Aditya Birla Sun life Money Manager Fund	35,50,214	10,612	35,50,214	10,195
	Invesco India Money Market Fund	-	-	1,03,851	2,539
	Kotak Money Market Fund	2,93,548	10,569	2,93,548	10,177
	Nippon India Money Market Fund	-	-	3,95,589	12,741
	Total (c)		2,11,356		1,97,077
(d)	Investment in Alternative Investment funds (Equity) - Unquoted - Fully paid-up				
	Motilal Oswal Focused Growth Opportunities Fund	49,99,750	598	49,99,750	500
	Motilal Oswal Focused Growth Opportunities Fund (CA)	9,99,950	103	-	-
	Motilal Oswal Focused Multicap Opportunities Fund	-	-	1,10,87,046	1,370
	Motilal Oswal Focused Multicap Opportunities Fund (CA)	-	-	10,10,334	111
	Motilal Oswal Select Opportunities fund	-	-	-	-
	Motilal Oswal Select Opportunities fund (CA)	-	-	-	-
	Motilal Oswal Focused Business Advantage Fund	1,00,00,000	1,769	1,00,00,000	1,665
	Motilal Oswal Focused Business Advantage Fund (CA)	1,00,000	325	1,00,000	32
	Motilal Oswal Focused Emergence Fund	-	0	1,03,05,962	1,126
	Motilal Oswal Business Advantage Fund Series-II	60,30,942	830	45,49,882	533
	Motilal Oswal Business Advantage Fund - SERIES-II (Class X)	-	137	-	-
	Motilal Oswal Multicap Equity Fund	9,99,950	1,336	9,99,950	1,193
	Motilal Oswal Rising India Fund	-	0	97,49,870	1,555
	Motilal Oswal Select Opportunities Fund Series II	86,26,104	1,253	96,26,104	1,190
	Motilal Oswal Select Opportunities fund-Series II (Class X)	14,04,659	144	-	-
	Motilal Oswal Select Opportunities Fund – Series III	85,82,269	940	-	-
	Motilal Oswal Select Opportunities Fund - Series III (Class X)	9,99,950	99	-	-
	Motilal Oswal India Excellence Fund II	50,83,659	491	-	-
	Motilal Oswal India Excellence Fund (Class Cx)	9,99,950	95	-	-
	Motilal Oswal Equity Opportunities Fund Series II	70,59,413	987	29,99,850	360
	Motilal Oswal Equity Opportunities Fund-Series II (Class X)	13,16,273	141	-	-
	Motilal Oswal Equity Opportunities Fund Series III	49,99,750	500	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Motilal Oswal Hedged Equity Multi Factor Strategy	1,49,99,250	1,501	-	-
	Next Trillion Dollar Opportunity Strategy	1,59,99,200	1,577	-	-
	Motilal Oswal Equity Opportunities Fund (Class X)	14,97,185	174	-	-
	Motilal Oswal Equity Opportunities Fund	-	1,437	-	1,424
	Total (d)		14,439		11,058
(e)	Associates				
	Associates - Real estate funds- Unquoted				
	India Realty Excellance Fund II LLP	10,000	2,033	10,000	3,077
	Total (f)		2,033		3,077
(f)	Private Equity Funds - Unquoted				
	Reliance Alternative Investment Fund - PE Scheme I	-	-	150	0
	India Business Excellence Fund	475	943	475	5,698
	India Business Excellence Fund - Class C	1,022	0	1,022	0
	India Business Excellence Fund-I	200	1	-	-
	India Business Excellence Fund II	8,18,000	15,811	8,18,000	13,388
	India Business Excellence Fund II - Class C	1,022	10	1,022	10
	India Business Excellence Fund III	30,25,386	62,181	12,68,496	48,706
	India Business Excellence Fund IV	60,00,000	6,057	-	-
	Contrarian Vriddhi Fund I LLP	625	206	625	178
	Real Estate Funds - Unquoted				
	Investment in India Realty Excellence Fund III	68,48,065	8,543	97,92,497	10,901
	India Realty Excellence Fund IV	72,67,466	7,682	60,18,741	6,705
	India Realty Excellence Fund V	23,68,421	2,138	-	-
	Total (g)		1,03,570		85,586
(g)	Investment in Security receipt- Unquoted				
	Phoenix Trust FY20-9	22,10,000	10,217	22,10,000	14,007
	Phoenix Trust-FY20-21	2,84,750	1,106	2,84,750	1,907
	Phoenix Trust-FY21-16	2,08,250	1,435	2,08,250	2,083
	Phoenix Trust-FY21-2	1,53,000	827	1,53,000	1,032
	Phoenix Trust-FY21-6	2,75,740	1,431	2,75,740	2,589
	Phoenix Trust-FY21-14	4,76,000	4,336	-	-
	Phoenix Trust-FY22-22	2,55,000	2,394	-	-
	Total (h)		21,746		21,617
(h)	Investment in Non-Convertible Debenture				
	Shriprop Projects Private Limited - 16.25%	-	-	300	3,013
	Radiance Realty Developer India Limited - 12.00%	80	836	-	-
	Rajapushpa Properties Private Limited - 14.40%	720	7,200	-	-
	Total (h)		8,036		3,013
	Total (II) (a+b+c+d+e+f+g+h)		3,97,378		3,27,292

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
III.	Investment at fair value through other comprehensive income FVOCI				
	Equity Shares - AU Finance India Limited	32,81,796	40,899	40,899	40,296
	Investment through Portfolio Management Services (PMS)				
	A I A Engineering Limited	53	1	-	-
	Aarti Drugs Limited	181	1	456	3
	Aarti Industries Limited	106	1	-	-
	Adani Enterprises Limited	13	0	-	-
	Adani Ports & Special Economic Zone Limited	136	1	-	-
	Advanced Enzyme Technologies Limited	280	1	-	-
	Aegis Logistics Limited	1,78,350	367	1,78,350	533
	Affle (India) Limited	-	-	1	0
	Ajanta Pharma Limited	646	12	212	4
	Alembic Pharmaceuticals Limited	227	2	-	-
	Alkem Laboratories Limited	12,785	463	12,431	344
	Alkyl Amines Chemicals Limited	31	1	-	-
	APL Apollo Tubes Limited	111	1	705	10
	Ashok Leyland Limited	15,888	19	15,888	18
	Asian Paints Limited	223	7	2,523	64
	Astral Limited	95	2	-	-
	Atul Limited	75	8	-	-
	AU Small Finance Bank Limited	172	2	-	-
	Aurobindo Pharma Limited	146	1	-	-
	Avanti Feeds Limited	174	1	-	-
	Axis Bank Limited	15,118	115	2,064	14
	Bajaj Auto Limited	27	1	-	-
	Bajaj Finance Limited	25	2	468	24
	Bajaj Finserv Limited	6	1	93	9
	Balaji Amines Limited	32	1	-	-
	Balkrishna Industries Limited	42	1	-	-
	Balrampur Chini Mills Limited.	-	-	45	0
	Bandhan Bank Limited	326	1	-	-
	Bata India Limited	60	1	-	-
	Bayer Cropscience Limited	7,133	354	7,174	383
	Bharat Forge Limited	76,045	533	76,045	453
	Bharti Airtel Limited	4,568	34	4,964	26
	Birla Corporation Limited	33,036	391	33,036	314
	BIRLASOFT Limited	5,908	27	5,670	14
	Blue Star Limited	7,371	78	7,337	69
	Bosch Limited	3,693	533	3,693	520
	Britannia Industries Limited	181	6	107	4
	Caplin Point Laboratories Limited	117	1	-	-
	Cash and cash equivalents	-	59	-	166
	Cholamandalam Financial Holdings Limited	143	1	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Cholamandalam Investment And Finance Company Limited	156	1	-	-
	Cipla Limited	111	1	80	1
	Clean Science And Technology Limited	31,809	634	-	-
	Coal India Limited	3,808	7	-	-
	Coforge Limited	19	1	-	-
	Colgate Palmolive (India) Limited	42	1	33,284	519
	Container Corporation Of India Limited	90,138	606	90,138	539
	Coromandel International Limited	107	1	451	3
	Creditaccess Grameen Limited	-	-	491	3
	Crisil Limited	488	16	-	-
	Cummins India Limited	52,417	588	52,429	482
	Cyient Limited	91	1	-	-
	Dalmia Bharat Sugar And Industries Limited	-	-	55	0
	Deepak Nitrite Limited	43	1	-	-
	Dhanuka Agritech Limited	128	1	-	-
	Divis Laboratories Limited	21	1	122	4
	Dixon Technologies (India) Limited	40	2	-	-
	DLF Limited	67	0	-	-
	Dr Lal Pathlabs Limited	58	2	-	-
	Dr Reddy's Laboratories Limited	120	5	215	10
	Eclerx Services Limited	42	1	-	-
	Eicher Motors Limited	40,708	1,000	40,946	1,066
	Emami Limited	1,21,598	544	1,22,158	594
	Fine Organic Industries Limited	30	1	-	-
	Finolex Industries Limited	447	1	-	-
	Firstsource Solutions Limited	559	1	-	-
	Gail (India) Limited.	-	-	81	0
	Galaxy Surfactants Limited	191	5	-	-
	Garware Technical Fibres Limited	29	1	-	-
	Gland Pharma Limited	36,311	1,188	36,449	903
	Glenmark Pharmaceuticals Limited	235	1	41	0
	Godrej Industries Limited	1,16,160	539	1,16,160	634
	Godrej Properties Limited	525	9	525	7
	Granules India Limited	509	2	194	1
	Grindwell Norton Limited	761	14	-	-
	Gujarat Gas Limited	152	1	178	1
	Gujarat State Petronet Limited	2,128	6	-	-
	Happiest Minds Technologies Limited	77	1	-	-
	HCL Technologies Limited	3,119	36	2,474	24
	HDFC Asset Management Company Limited	71	2	-	-
	HDFC Bank Limited	12,001	176	13,560	203
	HDFC Life Insurance Company Limited	17,434	94	18,257	127
	Hero Motocorp Limited	188	4	378	11
	Hinduja Global Solutions Limited	70	1	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Hindustan Petroleum Corporation Limited	1,72,020	463	1,72,020	403
	Hindustan Unilever Limited	200	4	3,377	82
	Hindustan Zinc Limited	2,074	6	-	-
	Honeywell Automation India Limited	4	2	-	-
	Housing Development Finance Corporation Limited	66	2	332	8
	ICICI Bank Limited	3,60,557	2,633	2,60,982	1,519
	ICICI Lombard General Insurance Company Limited	127	2	705	10
	Icici Prudential Life Insurance Company Limited	-	-	20	0
	ICICI SECURITIES Limited	1,983	12	852	3
	IIFL Finance Limited	295	1	-	-
	Indiamart InterMesh Limited	27	1	1	0
	Indian Energy Exchange Limited	5,100	11	-	-
	Indian Hotels Co. Limited.	-	-	79	0
	Indraprastha Gas Limited.	-	-	19	0
	Info Edge (India) Limited	80	4	80	3
	Infosys Limited.	-	-	7	0
	Infosys Technologies Limited	1,371	26	1,456	20
	Intellect Design Arena Limited	135	1	-	-
	Iol Chemicals And Pharmaceutical Limited	181	1	-	-
	Ipsca Laboratories Limited	91,669	977	46,138	878
	ITC Limited	3,08,904	774	1,91,047	417
	Jb Chemicals & Pharmaceuticals Limited	60	1	-	-
	Jk Lakshmi Cement Limited	3,389	16	3,389	15
	JSW Steel Limited	33	0	-	-
	Jubilant Foodworks Limited	26	1	-	-
	Jubilant Pharmova Limited	163	1	-	-
	Just Dial Limited.	91	1	91	1
	K.P.R. Mill Limited	-	-	10	0
	Kajaria Ceramics Limited	1,075	11	-	-
	Kotak Mahindra Bank Limited	1,52,451	2,674	1,52,728	2,677
	Kpit Technologies Limited	248	1	-	-
	L&T Technology Services Limited	46,639	2,381	46,348	1,230
	Larsen & Toubro Infotech Limited	12,740	784	12,721	516
	Larsen & Toubro Limited	21,053	372	21,053	299
	Laurus Labs Limited	216	1	-	-
	LIC Housing Finance Limited	4,140	15	4,140	18
	MacroTech Developers Limited	22	0	-	-
	Mahanagar Gas Limited	-	-	9	0
	Mahindra & Mahindra Limited	2,792	23	2,943	23
	Manappuram General Finance & Leasing Limited	461	1	-	-
	Marico Limited	2,483	13	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Maruti Suzuki India Limited	7,736	116	1,581	108
	MAS Financial Services Limited	131	1	-	-
	Mastek Limited	36	1	-	-
	Max Financial Services Limited	1,74,832	1,318	1,76,000	1,513
	Metropolis Healthcare Limited	269	5	-	-
	Minda Industries Limited.	113	1	113	1
	Mindtree Consulting Limited	311	13	-	-
	Motherson Sumi Systems Limited	3,668	5	3,668	7
	Motherson Sumi Wiring India Limited	3,668	2	-	-
	Motilal Oswal Liquid Fund - Growth	87,390	10	-	-
	Mphasis Limited	76	3	-	-
	Mtar Technologies Limited	14	0	-	-
	Multi Commodity Exchange of India Limited	451	6	400	6
	Muthoot Finance Limited	524	7	710	9
	Natco Pharma Limited	-	-	444	4
	Navin Fluorine International Limited	28	1	-	-
	Nippon Life India Asset Management Limited	238	1	-	-
	Nmdc Limited	155	0	-	-
	Oracle Financial Services Software Limited	170	6	-	-
	P I Industries Limited	36	1	189	4
	Page Industries Limited	3,287	1,420	3,284	996
	Persistent Systems Limited	856	41	932	18
	Petronet Lng Limited.	-	-	39	0
	Phoenix Mills Limited	9,341	103	5,057	39
	PI Industries Limited	20	1	20	0
	Poly Medicare Limited	108	1	-	-
	Prince Pipes And Fittings Limited	120	1	-	-
	Privi Speciality Chemicals Limited	58	1	-	-
	Procter & Gamble Health Limited	17	1	-	-
	Procter & Gamble Hygiene & Healthcare Limited	44	6	-	-
	Relaxo Footwears Limited	1,047	11	-	-
	Reliance Industries Limited	1,400	37	1,902	38
	Rossari Biotech Limited	72	1	-	-
	Route Mobile Limited	51	1	-	-
	Safari Industries (India) Limited	7,823	76	7,440	45
	SBI Cards and Payment Services Limited	1,225	10	725	7
	SBI Life Insurance Company Limited	667	7	441	4
	Schaeffler India Limited	885	17	-	-
	Sequent Scientific Limited	543	1	-	-
	Sheela Foam Limited	256	9	235	5
	Shriram City Union Finance Limited	48	1	-	-
	SKF Bearing Limited	414	15	-	-
	Sonata Software Limited	115	1	-	-
	SRF Limited	56	2	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	State Bank Of India	1,57,634	778	1,56,134	569
	Sudarshan Chemicals Industries Limited	167	1	-	-
	Sumitomo Chemical Indian Limited	-	-	1,221	4
	Sun Pharmaceuticals Limited	27	0	171	1
	Sun Tv Network Limited.	-	-	21	0
	Sundaram Fasteners Limited	121	1	-	-
	Sundaram Finance Limited	241	5	200	5
	Supreme Industries Limited	555	11	-	-
	Suven Pharmaceuticals Limited	193	1	-	-
	Syngene International Limited	347	2	-	-
	Tamil Nadu Newsprint & Papers Limited.	-	-	69	0
	Tanla Platforms Limited	82	1	-	-
	Tasty Bite Eatables Limited	6	1	-	-
	Tata Chemicals Limited.	25	0	18	0
	Tata Coffee Limited.	-	-	87	0
	Tata Consultancy Services Limited	19,687	733	19,848	631
	Tata Consumer Products Limited	800	6	816	5
	Tata Elxsi Limited	15	1	3	0
	Tata Motors Limited - DVR	-	-	91	0
	Tata Motors Limited	1,200	5	1,200	4
	Tata Power Co.Limited.	104	0	117	0
	Tata Steel Limited.	-	-	14	0
	Teamlease Services Limited	199	9	199	8
	Tech Mahindra Limited	83,030	1,245	82,802	821
	Thyrocare Technologies Limited	89	1	-	-
	Tinplate Company Of India Limited.	-	-	55	0
	Titan Company Limited	316	8	564	9
	Torrent Pharmaceuticals Limited	35	1	-	-
	Trident Limited.	-	-	666	0
	Triveni Turbine Limited	452	1	-	-
	TTK Prestige Limited	560	5	-	-
	UltraTech Cement Limited	182	12	182	12
	United Spirits Limited	1,000	9	1,000	6
	Vaibhav Global Limited	317	1	442	17
	Valiant Organics Limited	77	1	-	-
	Varun Beverages Limited	132	1	-	-
	Vedant Fashions Limited	43,207	417	-	-
	Vinati Organics Limited	51	1	-	-
	Voltas Limited	1,91,050	1,621	2,68,478	2,690
	VST Industries Limited	30	1	-	-
	Welspun India Limited.	-	-	130	0
	West Coast Paper Mills Limited.	-	-	37	0
	Whirlpool Of India Limited	43	1	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		(Units)	(Amount)	(Units)	(Amount)
	Wipro Limited	3,652	22	2,515	10
	Wockhardt Lt	220	1	-	-
	Zee Entertainment Enterprises Limited	68	0	-	-
	Zensar Technologies Limited	214	1	-	-
	Zf Commercial Vehicle Control Ststems India Limited	100	8	-	-
	Zydus Lifesciences Limited	203	1	-	-
	Total (III)		68,811		64,122
	Total (I+II+III)		4,68,491		3,92,235
	(i) Investment outside India		-		-
	(ii) Investment in India		4,68,491		3,92,235
	Total		4,68,491		3,92,235

Note 9: Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Rent, electricity, and other deposits	1,925	1,552
Deposits with exchange and other receivables	32,775	64,695
Securities in trade*	0	0
EMI /Pre EMI receivables on home loans	617	1,467
Receivable from exchanges	277	448
	35,594	68,162

*Securities in trade comprises of investment in equity instruments held on behalf of clients.

Note 10: Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source (net of provisions)	3,381	4,094
	3,381	4,094

Note 11 : Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets (net) (Refer note 38)	6,353	7,542
	6,353	7,542

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 12 : Property Plant and Equipments

Particulars	Gross Block				Depreciation / amortization				Net Block	
	Balance as at 01 April 2021	Additions	Disposal	Balance as at 31 March 2022	Balance as at 01 April 2021	During the year	Disposal	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
(a) Property, plant and equipment										
Computer	1,418	311	-	1,729	1,186	158	-	1,343	386	232
Furniture and fixtures	3,145	71	-	3,216	2,200	133	-	2,333	883	945
Office equipments	4,636	268	-	4,904	3,941	292	-	4,233	671	695
Mobile phone	1	-	-	1	1	-	-	1	-	-
Building	29,007	1,322	-	30,329	7,973	877	-	8,850	21,479	21,034
Plant and machinery	9,369	1,748	-	11,117	6,851	938	-	7,789	3,328	2,518
Electrical equipment	219	1	-	220	193	15	-	208	12	26
Lease hold improvement	1,406	175	-	1,581	1,166	133	-	1,299	282	240
Land	2,667	-	-	2,667	-	-	-	-	2,667	2,667
Vehicles	1,312	284	-	1,596	849	117	1	965	631	463
Right to use	5,721	268	-	5,989	2,948	1,013	-	3,961	2,028	2,773
Total (a)	58,901	4,448	-	63,349	27,308	3,676	1	30,982	32,367	31,593
(b) Other Intangible assets										
BSE/MCX cards	648	-	-	648	648	-	-	648	-	-
PMS licence	1	-	-	1	1	-	-	1	-	-
Customer rights	1,152	-	-	1,152	815	81	-	896	256	337
Licences	19	-	-	19	19	-	-	19	-	-
Software	8,186	1,009	-	9,195	5,083	1,069	-	6,152	3,043	3,103
Goodwill	90	-	-	90	90	-	-	90	-	-
Total (b)	10,096	1,011	-	11,107	6,656	1,150	-	7,806	3,299	3,440
Total (a+b+c)	68,997	5,459	-	74,456	33,964	4,826	1	38,788	35,666	35,033

Particulars	Gross Block				Depreciation / amortization				Net Block	
	Balance as at 01 April 2020	Additions	Disposal	Balance as at 31 March 2021	Balance as at 01 April 2020	During the year	Disposal	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Computer	1,328	91	1	1,418	1,053	133	-	1,185	233	275
Furniture and fixtures	3,059	86	-	3,145	2,070	130	-	2,200	945	989
Office equipments	4,422	214	-	4,636	3,670	271	-	3,941	695	752
Mobile phone	1	-	-	1	1	-	-	1	-	-
Building	27,937	1,070	-	29,007	7,269	704	-	7,973	21,034	20,668
Plant and machinery	7,953	1,422	6	9,369	6,199	653	1	6,851	2,518	1,754
Electrical equipment	212	7	-	219	167	26	-	193	26	45
Lease hold improvement	1,345	61	-	1,406	1,023	143	-	1,166	240	322
Land	2,667	-	-	2,667	-	-	-	-	2,667	2,667
Vehicles	1,187	125	-	1,312	747	102	-	849	463	440
Right to use	4,243	1,665	187	5,721	1,367	1,581	-	2,948	2,773	2,876
Total (a)	54,354	4,741	194	58,901	23,566	3,743	1	27,307	31,594	30,788
	54,354	4,741	194	58,901	23,567	3,743	1	27,308	31,593	30,787
(b) Intangible assets under development	-	-	-	-	-	-	-	-	-	-
(c) Other Intangible assets										
BSE/MCX cards	648	-	-	648	648	-	-	648	-	-
PMS licence	1	-	-	1	1	-	-	1	-	-
Customer rights	1,152	-	-	1,152	734	81	-	815	337	418
Licences	19	-	-	19	19	-	-	19	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gross Block			Depreciation / amortization				Net Block		
	Balance as at 01 April 2020	Additions	Disposal	Balance as at 31 March 2021	Balance as at 01 April 2020	During the year	Disposal	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Software	6,311	1,875	-	8,186	4,181	903	1	5,083	3,103	2,130
Goodwill	90	-	-	90	90	-	-	90	-	-
Total (c)	8,221	1,875	-	10,096	5,673	984	1	6,656	3,440	2,548
Total (a+b+c)	62,575	6,616	194	68,997	29,239	4,727	2	33,963	35,034	33,336

Note: There has been no acquisitions through business combinations and no change of amount due to revaluation to Property, plant and equipment and other intangible assets during the year ended 31 March 2022 and 31 March 2021.

Note 13 : Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	15,666	8,721
Advances and other non-financial assets	1,338	1,274
Indirect tax credit receivable	2,400	1,057
Stock of stamps	6	6
Capital advance	1,130	563
	20,540	11,621

Note 14: Payables

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Trade payables#		
total outstanding dues of Micro & small enterprises*	-	-
total outstanding dues of creditors other than Micro small & medium enterprises	3,70,086	3,02,567
	3,70,086	3,02,567

#Trade payables includes balances due to parties other than clients which are highly insignificant in terms of value.

*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 2022	As at 31 March 2021
The principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
The balance of MSMED parties as at the year end	-	-

Note 14 (i) : Trade Payables ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for following periods from the date of transactions				Total
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	
(i) MSME	6,295	73	45	9	6,422
(ii) Others	3,38,785	-	-	303	3,39,088
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	24,576	24,576
Total	3,45,080	73	45	24,887	3,70,086

For the year ended 31 March 2021

Particulars	Outstanding for following periods from the date of transactions				Total
	Less than 1 year	1 -2 year	2-3 years	More than 3 years	
(i) MSME	5,557	124	7	3	5,691
(ii) Others	2,71,998	-	-	303	2,72,301
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	24,575	24,576
	2,77,555	124	7	24,881	3,02,567

Note 15: Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised cost		
Secured		
Secured redeemable non-convertible debentures#	1,14,549	1,44,164

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Unsecured redeemable non-convertible debentures	32,500	35,390
Commercial paper	2,49,831	1,70,170
	3,96,880	3,49,724
Debt Securities in India	3,96,880	3,49,724
Debt Securities Outside India	-	-
	3,96,880	3,49,724

#Refer note 48 for the details of security provided against the debt facility availed by the Group

Note 16: Borrowings (Other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised cost		
Term loans		
(i) from banks	1,45,494	1,28,256
(ii) from Securitisation	14,733	18,411
(iii) from NHB Refinance	18,254	22,500
(iv) Term Loan ECB	7,547	-
(v) from other parties	(0)	(0)
Demand loans*		
(i) from banks	28,296	47,237
(ii) from other parties	3948	2,002
Cash credit from banks#	(1)	1,153
Total (A)	2,18,271	2,19,560
Borrowings in India	2,10,724	2,19,560
Borrowings outside India	7,547	-
Total (B)	2,18,271	2,19,560
Secured	1,73,789	1,76,647
Unsecured	44,482	42,913
Total (C)	2,18,271	2,19,560

*Demand loans from banks and other parties are secured against the property, plant and equipment and trade receivables of the group. Further, the quarterly returns or statements of current assets filed by the Group with Banks NBFC's and other financial institutions are materially in agreement with the books of accounts.

Cash credit from banks of Rs. 1 lakhs represents debit balances in cash credit accounts as at 31 March 2022.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

As at 31 March 2022

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
M-1/ F.Y.22/ F.Y.24	780	7,800	Pari - passu charge on all present and future Margin trading facility receivables	1 times of NCD's outstanding and Interest/Coupon due on the NCD's.	7.25%	14-Mar-24
B/ F.Y.21/ F.Y.24	1,050	10,500	Pari - passu charge on all present and future trade receivables and or Margin trading facility receivables	1.05 times of NCD's outstanding and Interest/Coupon due on the NCD's.	7.25%	05-Feb-24
A/ F.Y.21/ F.Y.24	1,950	19,500	Pari - passu charge on all present and future trade receivables and or Margin trading facility receivables	1.05 times of NCD's outstanding and Interest/Coupon due on the NCD's.	7.60%	06-Nov-23
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	8.00%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	30	300	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	8.00%	20-Jul-23
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	7.80%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	75	766	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	7.70%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	83	856	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	7.61%	20-Jul-23
SERIES A-8 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29-Jun-23
SERIES A-7 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	23-Jun-23
SERIES A-6 / F.Y.21/ F.Y.23	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22-Jun-23
SERIES M-9 /F.Y.21 /F.Y.24	541	5,426	Exclusive charge over specific receivables	1 times of the amount outstanding	8.50%	01-Jun-23
SERIES A (2016-17)/07	997	9,970	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.85%	15-May-23
SERIES A-9 / F.Y.21/ F.Y.23	750	7,500	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	21-Apr-23
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	8.25%	18-Apr-23
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	8.25%	18-Apr-23
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	8.25%	18-Apr-23

NOTES TO FINANCIAL STATEMENT (Contd..)

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

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
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	8.25%	18-Apr-23
SERIES M-1 /F.Y.21 /F.Y.24	5	51	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	8.25%	18-Apr-23
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	7.59%	18-Apr-23
SERIES M-7/FY20/FY23	378	3,795	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29-Dec-22
SERIES C 7.50 NCD 26SP22	2,000	20,000	Exclusive charge over specific investments	1.5 times of the amount outstanding	7.50%	26-Sep-22
SERIES M-6/FY20/FY23	334	3,354	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18-May-22
Grand Total	11,477	1,14,975				

As at 31 March 2021

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
B/ F.Y.21/ F.Y.24	1,050	10,500	Pari - passu charge on all present and future trade receivables and or Margin trading facility receivables	1.05 times of NCD's outstanding and Interest/Coupon due on the NCD's.	7.25%	05-Feb-24
A/ F.Y.21/ F.Y.24	1,950	19,500	Pari - passu charge on all present and future trade receivables and or Margin trading facility receivables	1.05 times of NCD's outstanding and Interest/Coupon due on the NCD's.	7.60%	06-Nov-23
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	8.00%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	30	300	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	8.00%	20-Jul-23
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	7.80%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	75	766	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	7.70%	20-Jul-23
SERIES M-2 /F.Y.21 /F.Y.24	83	856	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	7.61%	20-Jul-23
SERIES A-8 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29-Jun-23
SERIES A-7 / F.Y.21/ F.Y.23	500	5,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	23-Jun-23
SERIES A-6 / F.Y.21/ F.Y.23	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22-Jun-23

NOTES TO FINANCIAL STATEMENT (Contd..)

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

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
SERIES M-9 /F.Y.21 /F.Y.24	541	5,426	Exclusive charge over specific receivables	1 times of the amount outstanding	8.50%	01-Jun-23
SERIES A (2016-17)/07	997	9,970	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15-May-23
SERIES A-9 / F.Y.21/ F.Y.23	750	7,500	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	21-Apr-23
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	8.25%	18-Apr-23
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	8.25%	18-Apr-23
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	8.25%	18-Apr-23
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	8.25%	18-Apr-23
SERIES M-1 /F.Y.21 /F.Y.24	5	51	Pari - passu charge on Margin funding receivables	1 times of the amount outstanding	8.25%	18-Apr-23
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	7.59%	18-Apr-23
SERIES A-5/FY20/FY23	2,000	20,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24-Mar-23
SERIES M-7/FY20/FY23	383	3,845	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29-Dec-22
SERIES C 7.50 NCD 26SP22	2,000	20,000	Exclusive charge over specific investments	1.5 times of the amount outstanding	7.50%	26-Sep-22
SERIES M-6/FY20/FY23	334	3,354	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18-May-22
SERIES A-10 /F.Y.21/F.Y.23	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.00%	28-Jan-22
SERIES M-3/FY20/FY22	280	2,827	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28-Dec-21
SERIES M-8 /F.Y.21 /F.Y.22	1,000	10,024	Exclusive charge over specific receivables	1 times of the amount outstanding	8.90%	10-Dec-21
SERIES M-2/FY20/FY22	143	1,432	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16-Nov-21
SERIES M-1/FY19/FY22	46	478	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30-Apr-21
Grand Total	14,421	1,44,485				

Note : Repayment schedule includes unamortised borrowing cost of Rs. 426 lakh and Rs. 321 lakhs respectively for 31 March 2022 and 31 March 2021.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Unsecured Debentures and Bonds As at 31 March 2022

NCD Series	Amount	Units	Interest Rate	Maturity date
SERIES A (2016-17)/11 INE658R08123	2,500	250	11.00%	07 August 2026
Series MOHFL U-K1 FY2021-22 INE658R08172	29,000	2,900	6.00%	10 February 2025
Series MOHFL U-J1 FY2021-22 INE658R08164	1,000	100	6.75%	31 January 2025
Total	32,500	3,250	Total	

Unsecured Debentures and Bonds As at 31 March 2021

NCD Series	Amount	Units	Interest Rate	Maturity date
SERIES A (2016-17)/11	390	500	11.40%	07 August 2026
SERIES A-4/FY19/FY25	5,000	3,000	11.25%	27 January 2024
SERIES A (2016-17)/1	30,000	39	8.00%	28 April 2021
Total	35,390	3,539	Total	

- Rate of interest of cash credit was 3M MCLR (Marginal cost of funds-based Lending Rate) + 1.00% and was secured by way of hypothecation of receivables. Further, it was repayable on demand.
- Securitisation liability represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the derecognition criteria specified under Ind AS. These are secured by way of hypothecation of designated assets on finance receivables.
- Terms of repayment of terms loans

As at 31 March 2022

(i) Term loans from banks, NBFC and others

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

(ii) Terms of maturity of securitisation liability

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

(iii) Term loan ECB

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.50 % annually	-	2,264	5,283	-	7,547
Total	-	2,264	5,283	-	7,547

NOTES TO FINANCIAL STATEMENT (Contd..)

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

As at 31 March 2021

(i) Term loans from banks, NBFC and others

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
5.25 % to 10.95 % annually*	49,620	63,878	24,320	12,939	1,50,756
Total	49,620	63,878	24,320	12,939	1,50,756

(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	297	1,499	1,654	14,961	18,411
Total	297	1,499	1,654	14,961	18,411

* Secured against hypothecation of receivables i.e. loans and advances. (Refer note 48)

Commercial Papers As at 31 March 2022

Rate of interest is ranging from 4.85%-6.90% for commercial paper outstanding.

Commercial Papers As at 31 March 2021

Rate of Interest is ranging from 5.60% to 5.70% for Commercial paper outstanding

Note 17: Deposits

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit (against premises given on lease)	98	45
	98	45

Note 18: Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued and not due on borrowings and debentures	7,408	6,770
Interest accrued and due on borrowings and debentures	252	79
Unpaid dividend	97	44
Margin money	53,204	29,425
Other payables (includes payable to vendors)	11,960	8,373
Accrued salaries and benefits	743	592
Provision for expense	1,894	887
Book overdraft	5,544	4,078
Lease liabilities (Refer note 41)	2,698	3,423
	83,800	53,671

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 19: Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions for tax (net of advance tax and tax deducted at source)	3,166	1,694
	3,166	1,694

Note 20: Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
For employee benefits		
Gratuity unfunded (Refer note 44, 50)	3,335	2,931
Heritage club benefit (Refer note 44, 50)	212	239
Ex - gratia payable (Refer note 44)	19,803	13,626
Compensated absences (Refer note 44)	1,072	876
	24,422	17,672

Note 21 : Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (net) (Refer note 38)	18,797	13,076
	18,797	13,076

Note 22: Other non - financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from customers	3,982	1,476
Withholding and other taxes payables	2,767	2,830
	6,749	4,306

Note 23 Equity share capital

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Authorised shares				
Equity shares of Re. 1 each (previous year Re. 1 each)	1,12,00,00,000	11,200	92,50,00,000	9,250
Preference shares of Re. 100 (Previous year Rs. 100 each)	62,00,000	6,200	56,50,000	5,650
Total	1,12,62,00,000	17,400	93,06,50,000	14,900
Issued and subscribed				
Equity shares of Re. 1 each	14,90,62,919	1,491	14,66,20,374	1,466

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Shares pending for allotment				
Equity shares of Re.1 each (refer note (f) below)	-	-	18,68,445	19
Paid-up				
Equity shares of Re.1 each fully paid up (previous year Re. 1 each)	14,90,62,919	1,491	14,84,88,819	1,485
Total	14,90,62,919	1,491	14,84,88,819	1,485

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

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	14,84,88,819	1,485	14,80,66,718	1,481
Stock options exercised under the ESOS	5,74,100	6	4,62,800	5
Shares pending for allotment	-	-	18,68,445	19
Buyback	-	-	(19,09,144)	(19)
Outstanding at the end of the year	14,90,62,919	1,491	14,84,88,819	1,485

b) Terms/rights attached to shares :

Equity shares

The Company has one class of equity shares having a par value of Re. 1 each (previous year: having a par value of Re. 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. 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.

During the year ended 31 March 2022, dividend recognized as distribution to equity shareholders was Rs. 5.00 per share consisting of final dividend of Rs. 5.00 per share for year ended 31 March 2021 and interim dividend of Rs. 7.00 per share for year ended 31 March 2022. The total dividend appropriated amounts to Rs. 7,364 lakhs (previous year: Rs. 3,081 lakhs).

Preference shares

The Company has only one class of preference shares having a par value of Rs. 100 and there are no preference shares issued and subscribed as at 31 March 2022 and 31 March 2021.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 51.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

Equity shareholders	31 March 2022		31 March 2021	
	Number	% holding	Number	% holding
Motilal Oswal Family Trust	4,33,41,158	29.08%	4,29,49,711	28.92%
Mr. Raamdeo Agrawal**	4,03,69,047	27.08%	4,04,59,859	27.25%
Mr. Motilal Oswal**	77,87,622	5.22%	81,91,072	5.52%
Mr. Navin Agrawal	77,04,010	5.17%	77,04,010	5.19%

** The Promoter shareholding for financial year 20-21 has been restated /recasted pursuant to scheme of amalgamation.

e) Details of promoters shareholding in the Company

Equity shareholders	31 March 2022		31 March 2021		% change
	Number	% holding	Number	% holding	
Motilal Oswal Family Trust	4,33,41,158	29.08%	4,29,49,711	28.92%	0.91%
Mr. Raamdeo Agrawal	4,03,69,047	27.08%	4,04,59,859	27.25%	-0.22%
Mr. Motilal Oswal	77,87,622	5.22%	81,91,072	5.52%	-4.93%
Raamdeo Agrawal HUF	45,35,574	3.04%	45,00,355	3.03%	0.78%
Ms. Suneeta Agrawal	64,27,605	4.31%	63,72,022	4.29%	0.87%
Mr. Vaibhav Agrawal	2,54,479	0.17%	2,54,479	0.17%	-
Ms. Vimla Oswal	1,25,987	0.08%	1,25,980	0.08%	0.01%
Mr. Karoon Ramgopal Agarawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Suman Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Vedika Karnani	1,00,000	0.07%	1,00,000	0.07%	-
Mr. Vinay R. Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Anita Anandmurthy Agrawal	80,000	0.05%	80,000	0.05%	-
Mr. Sukhdeo Ramgopal Agarawal	78,500	0.05%	78,500	0.05%	-
Mr. Satish Agrawal	78,020	0.05%	78,020	0.05%	-
Mr. Govinddeo R Agarawal	55,770	0.04%	55,770	0.04%	-
Mr. Rajendra Gopilal Oswal	54,996	0.04%	55,000	0.04%	-0.01%
Mr. Pratik Mehta	12,000	0.01%	-	0.00%	100.00%
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	867	0.00%	860	0.00%	0.81%
OSAG Enterprises LLP	2,000	0.00%	2,000	0.00%	-

Equity shareholders	31 March 2021		31 March 2020		% change
	Number	% holding	Number	% holding	
Passionate Investment Management Pvt Ltd	-	0.00%	8,49,21,363	57.35%	-100.00%
Motilal Oswal Family Trust	4,29,49,711	28.92%	-	0.00%	100.00%
Mr. Raamdeo Agrawal	4,04,59,859	27.25%	79,27,265	5.35%	410.39%
Mr. Motilal Oswal	81,91,072	5.52%	85,25,972	5.76%	-3.93%
Raamdeo Agrawal HUF	45,00,355	3.03%	6,50,000	0.44%	592.36%
Ms. Suneeta Agrawal	63,72,022	4.29%	2,95,400	0.20%	2057.08%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Equity shareholders	31 March 2021		31 March 2020		% change
	Number	% holding	Number	% holding	
Mr. Vaibhav Agrawal	2,54,479	0.17%	1,00,000	0.07%	154.48%
Ms. Vimla Oswal	1,25,980	0.08%	1,25,240	0.08%	0.59%
Mr. Karoon Ramgopal Agarawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Suman Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Vedika Karnani	1,00,000	0.07%	1,00,000	0.07%	-
Mr. Vinay R. Agrawal	1,00,000	0.07%	1,00,000	0.07%	-
Ms. Anita Anandmurthy Agrawal	80,000	0.05%	80,000	0.05%	-
Mr. Sukhdeo Ramgopal Agarawal	78,500	0.05%	78,500	0.05%	-
Mr. Satish Agrawal	78,020	0.05%	78,020	0.05%	-
Mr. Govinddeo R Agarawal	55,770	0.04%	55,770	0.04%	-
Mr. Rajendra Gopilal Oswal	55,000	0.04%	55,000	0.04%	-
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	860	0.00%	120	0.00%	616.67%
OSAG Enterprises LLP	2,000	0.00%	2,000	0.00%	-

- f) In the financial year 2020-21 the Company has bought back 19,09,144 fully paid-up shares by capitalization of securities premium. Further, 18,68,445 shares were allotted for consideration other than cash and 8,63,74,063 shares were cancelled and reissued pursuant to the Scheme of Arrangement (Refer note 62).

Note 24: Reserve & surplus

Particulars	As at 31 March 2022	As at 31 March 2021
(I) Reserves and surplus :		
a) Statutory reserve		
Balance at the beginning of the year	10,486	9,827
Add: Transfer from Statement of Profit and Loss for the year	2,729	659
Add: Transfer from / (to) general reserve##	(5,233)	-
Balance as at end of the year	7,982	10,486
## With reference to minutes of Board meeting, Board of Directors has approved to transfer Statutory Reserve of Rs.5,233 lakhs standing in the books of PIMPL to General Reserve in the books of MOFSL as there is no further need to maintain the same as per the RBI regulation.		
b) Capital redemption reserve		
Balance at the beginning of the year	2,523	2,504
Add: Transfer from Statement of Profit and Loss for the year	-	19
Balance as at end of the year	2,523	2,523
c) Securities premium		
Balance at the beginning of the year	46,612	56,493
Addition during the year on account of share issue	3,392	1,529
Add: Transfer from Employee stock option reserve	1,047	624
Less: Buyback of shares	-	(12,034)
Balance as at end of the year	51,051	46,612

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
d) Employee stock options outstanding reserve		
Balance at the beginning of the year	5,758	4,396
Addition during the year	2,404	1,986
Less: Transfer to securities premium account	(1,047)	(624)
Balance as at end of the year	7,115	5,758
e) Capital reserve on consolidation		
Balance at the beginning of the year	5,084	5,084
Less: Deduction during the period	(1,675)	-
Balance as at end of the year	3,409	5,084
f) General reserve		
Balance at the beginning of the year	12,847	13,424
Less: Impact due to merger	-	(577)
Add : Transfer from / (to) Statutory reserves	5,233	-
Balance as at end of the year	18,080	12,847
g) Foreign currency translation reserve		
Balance at the beginning of the year	(203)	441
Addition during the period	177	(644)
Balance as at end of the year	(26)	(203)
h) Retained earnings		
Balance at the beginning of the year	3,19,589	2,02,634
Add: Net profit for the year	1,30,974	1,25,060
Less: Dividend paid	(8,673)	(2,894)
Less: Transfer to Statutory Reserve	(2,729)	(659)
Less: Tax on buyback	-	(2,820)
Less: ECL provision reserve	(28)	-
Less: Shares issued to minority of subsidiary	-	(19)
Less: Stamp duty due to merger	(2,245)	-
Less: Impact due to scheme of arrangement	(7,034)	(1,647)
Less:- Non controlling interest	(137)	(67)
Balance as at end of the year	4,29,718	3,19,589

#As per Para 78 of scheme of arrangement, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing Part B of the Scheme and matters incidental thereto shall be borne by the Promoters of the Transferor Company 1 i.e. Passionate Investment Management Private Limited/Transferor Company 1 and no cost shall be incurred by public shareholders of the Transferee Company 1 i.e.; Motilal Oswal Financial Services Limited.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
<p>In line with above paragraph, Transferor Company 1 has created a provision for stamp duty payable of Rs 3,000 lakhs on the transfer of shareholding from PIMPL to its shareholders and simultaneously claiming Deferred tax benefit of Rs 755 lakhs thereon. The said expense has not been routed through Profit and Loss statement but utilized from reserves of PIMPL and corresponding FD has been created to give the effect. Thus there is no impact on the profit and loss account of the merged entity and is cashflow neutral to the shareholders of the transferor and transferee company with respect to the retrospective accounting.</p> <p>Thus, Transferor Company 1 (PIMPL) has created sufficient Free Reserve pursuant to scheme of merger against which the Stamp duty net of taxes of Rs. 2,245 lakhs can be reduced to that extent.</p>		
Particulars	As at 31 March 2022	As at 31 March 2021
i) Other comprehensive income		
Balance at the beginning of the year	41,899	12,707
Add : Other comprehensive income for the year	4,106	29,192
	46,005	41,899
j) Impairment reserve		
Balance at the beginning of the year	62	62
Add: Transferred from statement of profit and loss	28	-
	90	62
	5,65,946	4,44,657

Nature and purpose of Other Reserve :

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 29C of The National Housing Bank Act, 1987 and 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.

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.

Employee stock options outstanding reserve

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

Capital reserve on consolidation

Capital reserve is the excess of net assets taken over cost of consideration paid for subsidiaries.

NOTES TO FINANCIAL STATEMENT (Contd..)

General reserve

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

Debenture redemption reserve

Debenture Redemption Reserve is created as per Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014, the same should be created before redemption of Non convertible debenture starts. Debenture Redemption Reserve is being created by transferring from general reserve.

Foreign currency translation reserve

Foreign currency translation reserve is created out of Exchange differences in translating the financial statements of foreign operations.

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 /HFCs 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.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of cumulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains/loss on defined benefit plan.

Note 25: Interest Income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
On financial assets measured at amortised cost		
Interest Income on Loan		
Home loans	49,491	51,727
Fund based	1,238	444
Interest Income on other activity		
Broking activity	19,392	4,750
Margin trade funding	11,160	4,362
Delayed payment by customers	9,019	7,699
Interest on deposit with banks		
Fixed deposits	13,123	6,330
	1,03,425	75,312

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 26 : Dividend income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Dividend income	10,211	153
	10,211	153

Note 27 : Rental income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Rent income	17	17
	17	17

Note 28: Fees and Commission income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Brokerage and related activities		
Brokerage income	1,58,156	1,18,507
Research and advisory fees	890	1,515
Distribution income	9,046	4,164
Depository income	6,527	4,459
	1,74,619	1,28,645
Investment banking fees	3,641	263
Asset management and advisory fees		
Portfolio Management Fees	35,919	35,121
Investment management and advisory fees from :		
- Mutual fund	17,470	12,208
- Alternate investment funds	6,991	3,760
- Private Equity	13,766	9,906
Wealth management	8,324	5,044
	82,470	66,040
	2,60,730	1,94,948

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 29- Net gain on fair value changes

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
On financial instruments designated at fair value through profit or loss	49,593	85,988
	49,593	85,988
Fair Value changes:		
Realised	12,734	12,729
Unrealised	36,860	73,259
	49,593	85,988
Net gain on fair value changes included in:		
Fund based activities	47,966	80,756
Broking and other related activities	1,164	2,773
Asset Management and advisory fees	424	2,060
Housing finance	39	398
	49,593	85,988

Note 30: Other operating income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Incidental income:		
Capital market transactions	4,163	5,062
Investment banking fees	9	-
Asset management fees	249	42
Fund based Income	19	408
Housing finance related	1,266	582
	5,707	6,094

Note 31: Other income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Profit on sale of property, plant and equipment	5	373
Interest income	122	81
Other non operating income	2,167	455
Partnership gain/(loss)	6	(9)
Net gain or loss on foreign currency transaction and translation	(0)	(0)
	2,300	900
	4,31,983	3,63,411

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 32: Finance cost

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	18,495	16,553
Interest on debt securities	26,610	23,972
Other borrowing cost	2,303	2,051
Interest on lease liability (refer note 41)	412	452
	47,819	43,028

Note 33 : Fees and commission expense

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Brokerage sharing with intermediaries		
Broking	71,190	48,914
Wealth management	351	290
	71,541	49,205
Placement fees		
Private equity	306	76
	306	76
Depository and processing charges		
Broking	1,202	947
Asset Management	228	201
	1,430	1,148
Distribution cost and spillover expense		
Portfolio management services	9,924	10,736
Alternative investment fund	4,223	2,135
	14,148	12,872
Advisory referral and other expenses		
Broking	(52)	9
Private equity	1,912	276
	1,860	285
	89,285	63,585

Note 34: Impairment on financial instruments

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Impairment on financial instruments at Amortised cost		
Loans	7,448	8,227
Receivables	2,018	1,534
	9,466	9,761

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 35 : Employee benefits expense

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Salary, bonus and allowances	80,037	59,519
Contribution to provident fund and other benefits	2,388	1,646
Expenses on employee stock option scheme (refer note 51)	2,449	1,984
Staff welfare expenses	1,027	402
Gratuity and other long term benefits (refer note 50)	857	807
	86,758	64,358

Note 36: Depreciation and amortization expenses

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Depreciation of property, plant and equipment [refer note 13]	2,662	2,187
Amortisation on other intangible assets	1,150	984
Depreciation on lease (refer note 41)	1,014	1,581
	4,826	4,752

Note 37 : Other expenses

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Rates and taxes	748	485
Rent	988	632
Insurance	793	544
Repairs and maintenance	390	406
Computer repairs and maintenance	2,093	1,410
Legal and professional charges	4,679	4,194
Remuneration to auditors (refer note 40)	121	157
Membership and subscription	402	95
Data processing charges	721	732
Marketing and brand promotion expenses	8,854	4,783
Advertisement expenses	1,405	990
Printing and stationery	650	413
Power and fuel	864	699
Communication expenses	2,675	2,368
Travelling and conveyance expenses	2,007	1,462
Donations	8	19
Corporate social responsibility expenses (refer note 47)	1,251	1,241
Bad debts written off	(0)	0

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Entertainment expenses	137	113
Foreign exchange fluctuation (gain) / loss	(186)	10
SEBI registration fees	-	1
Miscellaneous expenses	3,648	2,521
	32,248	23,276

Note : 38.1 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 herefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expense		
Current tax for the year	23,588	15,849
Total current tax expense	23,588	15,849
Deferred taxes		
Change in deferred tax liabilities	7,109	10,914
Net deferred tax expense	7,109	10,914
Short/(excess) provision for earlier years	(189)	(1,217)
	30,508	25,546
Tax recognised/(credit) through other comprehensive income:		
Particulars		
Remeasurement of defined benefit plan	44	83
Equity instruments through other comprehensive income	513	3,742
Total	558	3,825

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 38.2 Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit/(loss) before income tax expense	1,61,581	1,45,842
Applicable tax rate	25.17%	25.17%
Tax at the rate	40,670	36,708
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purpose	143	22
Exempt income	(4,472)	(1,565)
Change due to deferred tax	(3,905)	(7,050)
Tax adjustment of previous years	(11)	(1,270)
Tax rebate	(2,221)	(130)
MAT credit write off	125	25
Prior Period tax liability on assessment	(9)	6
Loss due to restatement for the year	(44)	2,731
Miscellaneous disallowance	(16)	(22)
Remeasurement of defined benefit plan	25	13
Temporary tax difference	3,592	27
Tax at different rate	(3,369)	(3,950)
Effective tax	30,508	25,546

Note : 38.3 Net Deferred Tax

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,524	1,468
Unrealised gain / (loss)	14,258	10,437
Amortization of distribution costs	6,062	2,572
Net changes in fair value of investments	147	113
Impairment of Loans and trade receivables	(690)	(459)
Provision for employees benefits	(263)	(141)
Carried forward losses	(75)	-
Expenses allowable u/s. 43B on payment basis	(561)	(468)
Section 35 DD disallowance	-	(8)
Impairment of investments	(278)	751
Loss on private equity investment	5	5
MAT credit utilisation	(1,179)	(1,210)
Remeasurement of defined benefit plan	40	15
Effect of change in tax rate	(193)	-
Total deferred tax liabilities (A)	18,797	13,076
Deferred tax assets on account of:		

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Impairment of Loans and trade receivables	2,149	1,755
Carried forward losses	680	3,494
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	142	170
Effective Interest Rate	-	146
Amortization of distribution costs	3,669	2,010
Provision for employees benefits	(20)	112
Provision for VAT	13	13
Unrealised gain / (loss)	(95)	(1)
Written Down Value of Fixed Assets	-	26
Preliminary expense	6	3
Unamortized borrowing cost	(189)	(43)
Deposit and rent Equalization	59	59
Reserve created u/s 36(1)(viii) of Income Tax Act	(60)	(202)
Total deferred tax assets (B)	6,353	7,542
	-	
Net deferred tax (Assets) / Liabilities (A-B)	12,445	5,533

Note : 38.4 Movement of Deferred Tax

Particulars	As at 31 March 2022	Recognised through retained earnings	Recognised through Other Comprehensive Income	As at 31 March 2021	Recognised through profit and loss	Recognised through Other Comprehensive Income "	As at 01 April 2020
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,524	56	-	1,468	(423)	-	1,891
Unrealised gain / (loss)	14,258	3,820	-	10,437	2,287	-	8,149
Amortization of distribution costs	6,062	3,491	-	2,572	(913)	-	3,484
Net changes in fair value of investments	147			113			
Impairment of Loans and trade receivables	(690)	(231)	-	(459)	(72)	-	(387)
Provision for employees benefits	(263)	(122)	-	(141)	(47)	-	(94)
Carried forward losses	(75)	(75)	-	-	(326)	-	326
Expenses allowable u/s 43B on payment basis	(561)	(93)	-	(468)	41	-	(509)
Section 35 DD disallowance	-	8	-	(8)	(8)	-	-
Impairment of investments	(278)	(1,029)	-	751	1,029	-	(278)
Loss on private equity investment	5	-	-	5	(2)	-	7
MAT credit receivable	(1,179)	31	-	(1,210)	(769)	-	(441)
Remeasurement of defined benefit plan	40			15			

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	Recognised through retained earnings	Recognised through Other Comprehensive Income	As at 31 March 2021	Recognised through profit and loss	Recognised through Other Comprehensive Income "	As at 01 April 2020
Effect of change in tax rate	(193)	(193)	-	-	-	-	-
Total deferred tax liabilities	18,798	5,663	-	13,076	798	-	12,148
Deferred tax assets on account of:							
Impairment of Loans and trade receivables	2,149	394	-	1,755	(4,345)	-	6,101
Carried forward losses	680	(2,814)	-	3,494	(4,440)	-	7,934
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	142	(28)	-	170	(159)	-	329
Effective Interest Rate	-	(146)	-	146	213	-	(67)
Amortization of distribution costs	3,669	1,659	-	2,010	2,861	-	(852)
Provision for employees benefits	(20)	(88)	(44)	112	4	(69)	177
Provision for VAT	13	-	-	13	(0)	-	14
MAT credit receivable	-	-	-	-	(945)	-	945
Unrealised gain / (loss)	(95)	419	(513)	(1)	(682)	796	(115)
Written Down Value of Fixed Assets	-	-	-	26	-	-	-
Preliminary expense	6	2	-	3	3	-	0
Unamortized borrowing cost	(189)	(147)	-	(43)	242	-	(284)
Deposit and rent Equalization	59	-	-	59	(23)	-	81
Provision for compensated absence	-	-	-	-	(36)	-	36
Reserve created u/s 36(1) (viii) of Income Tax Act	(60)	142	-	(202)	(194)	-	(9)
Total deferred tax assets	6,353	(606)	(558)	7,542	(7,503)	727	14,290
Total deferred tax Assets/ liability (net)	12,445	6,269	558	5,533	8,300	(727)	(2,142)

Deferred tax recognised through profit and loss also includes deferred tax on associates

Note 39 Contingent liabilities and commitments to the extent not provided for

(A) (i). The Group has provided bank guarantees aggregating to Rs. 1,28,258 lakhs (Previous year : Rs. 1,02,429 lakhs) as on 31 March 2022 for the following purposes to:

- 1) Bombay Stock Exchange Limited - Rs. Nil lakhs (Previous year : 10,000 lakhs) for meeting margin requirements.
- 2) National Stock exchange - Rs.1,26,668 lakhs (Previous year Rs.12,500 lakhs) for meeting margin requirements.
- 3) Multi Commodity Exchange - Rs. Nil (Previous year Rs.4,000 lakhs) for meeting margin requirements.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 4) Unique Identification Authority - Rs. 25 lakhs (Previous year Rs.25 lakhs) for security deposit.
 - 5) Hindalco Industries Limited - Rs.1,500 lakhs (Previous year Rs.1,500 lakhs) for margin deposit.
 - 6) Municipal Corporation of Greater Mumbai - Rs. 5 lakhs (Previous year Rs. 5 lakhs) lakhs for security deposit
 - 7) Bombay High Court - Rs.55 lakhs for security deposit (Previous year -Rs.55 lakhs)
 - 8) Bank of Maharashtra - Rs. 5 lakhs for security deposit (Previous year - Rs. 5 lakhs)
 - 9) The Company has given Corporate Guarantees of Rs. Nil (Previous year: Rs. 74,339 lakhs) to Banks and NCD holders for its subsidiary Motilal Oswal Home Finance Limited.
- (ii). The Group has pledged fixed deposits with banks aggregating Rs. 64,899 lakhs (Previous year Rs. 14,868 lakhs) for obtaining Bank guarantee.
- (iii). 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.

(B) Particulars	As at 31 March 2022	As at 31 March 2021
Demand in respect of income tax matters for which appeal is pending (Refer note i)	4,193	4,126

- i) Demand in respect of Income Tax matters for which appeal is pending is Rs. 4,193 lakhs (Previous year Rs. 4,126 lakhs). This is disputed by the Company and hence not provided for. The Company has paid demand of Rs. 468 lakhs till date (Previous year Rs. 517 lakhs) under protest. These does not include interest u/s 234(b) & u/s 234(c) as same in the books of accounts depends on the outcome of demand. The Group is contesting the demands and the management believes that its position will likely be upheld in the appellat 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 Group's financial position and operating results.

(C) Claims against the Company:

Pending against forum	Number of Cases As at 31 March 2022	Number of Cases As at 31 March 2021
Civil cases	21	25
Total	21	25

The proceedings/ Appeals held at Supreme court/ High court/District court are considered as "Civil cases".

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(D) Capital Commitments:

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Undrawn committed sanctions to borrowers	5,409	3,946
(ii) Estimated amount of contracts remaining to be executed on capital account	2,164	2,594
(iii) Uncalled liability on shares and other investments partly paid:		
(1) India Business Excellence Fund III	381	1,129
(2) India Business Excellence Fund IV	54,000	-
(3) India Realty Excellence Fund IV	2,826	38,275
(4) India Realty Excellence Fund V	6,018	-

Note 40: Auditors' Remuneration :

Particulars	As at 31 March 2022	As at 31 March 2021
As Auditors:		
Statutory audit	93	125
Tax audit	12	17
In other capacity:		
Certification	11	5
Out of pocket expenses	4	10
Total	121	157

Note 41 Leases:

The Company has taken various office premises on operating lease for the period which ranges from 11 months to 108 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 8.23 %.

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

(A) Right of use assets for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	2,773	2,876
Adjustment on transition to Ind AS 116	-	-
Movement during the year	268	1,478
Depreciation on Right-Of-Use (ROU) assets	(1,014)	(1,581)
Closing balance	2,026	2,773

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	3,423	3,142
Adjustment on transition to Ind AS 116	-	-
Movement during the year	268	1,465
Add: Interest cost accrued during the period	412	451
Less: Payment of lease liabilities	(1,405)	(1,635)
Closing balance	2,698	3,423

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Less than three months	308	349
Three to twelve months	690	926
One to five years	1,304	1,684
More than five years	396	464
Total	2,698	3,423

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Interest cost on lease liabilities	412	452
Depreciation on right of use assets	1,014	1,581
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	1,782	1,392

(E) Amount recognised in statement of cash flows for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Cash payments for the principal & interest portion of the lease liability within financing activities	(1,377)	(1,635)
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.	1,782	1,392

Note 42 Impact of COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India. On 11 March 2020 , 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 & 5 May 2021 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real estate sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

In cognizance of above RBI Circular, Company duly implemented 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.

The Company has recognised provisions as on 31 March 2022 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 43 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.

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 2022	For the year ended 31 March 2021
Net Profit attributable to equity shareholders [A]	1,30,978	1,26,044
Weighted average number of equity shares for Basic EPS Face value Re. 1 each [B] (In numbers)	14,69,36,417	14,71,31,648
Basic Earnings per share (EPS) on PAT (Before OCI) (Rs.) [A/B]	89.14	85.67
Net Profit attributable to equity shareholders [A]	1,30,978	1,26,044
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A - B]	1,30,978	1,26,044
Weighted average number of equity shares issued (face value of Re. 1 each) (In numbers) [D]	14,69,36,417	14,71,31,648
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	12,66,328	25,40,785
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	14,82,02,745	14,96,72,433
Diluted Earnings per share (EPS) on PAT (Before OCI) (Rs.) [C/F]	88.38	83.70

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 44 Provisions made for the year ended 31 March 2022 comprises of:

Particulars	Opening balance as on 01 April 2021	Provided during the year ended 31 March 2022	Paid /reversed during the year ended 31 March 2022	Closing balance as on 31 March 2022
Ex-gratia	13,626	19,891	13,715	19,802
Compensated absences	877	814	619	1,072
Gratuity	2,931	701	296	3,336
Heritage Club	239	(3)	24	212
Total	17,673	21,403	14,654	24,422

Provisions made for the year ended 31 March 2021 comprises of:

Particulars	Opening balance as on 01 April 2020	Provided during the year ended 31 March 2021	Paid /reversed during the year ended 31 March 2021	Closing balance as on 31 March 2021
Ex-gratia	8,929	13,769	9,072	13,626
Compensated absences	687	766	577	876
Gratuity	2,648	529	246	2,931
Heritage Club	274	53	88	239
Total	12,538	15,117	9,983	17,672

Note 45 Proposed and Interim Dividend

During the year ended 31 March 2022, dividend recognized as distribution to equity shareholders was Rs. 12.00 per share consisting of final dividend of Rs. 5.00 per share for previous year ended 31 March 2021 and interim dividend of Rs. 7 per share for year ended 31 March 2022.

Note 46 Credit Ratings

Nature of borrowing	As at 31 March 2022 Rating / Outlook			As at 31 March 2021 Rating / Outlook		
	CRISIL	India Ratings	ICRA	CRISIL	India Ratings	ICRA
I. Short Term						
a. Commercial paper						
Motilal Oswal Financial Services Limited	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+	IND A1+	-
Motilal Oswal Home Finance Limited	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+
Motilal Oswal Finvest Limited	CRISIL A1+	IND A1+	-	CRISIL A1+	IND A1+	-
II. Long Term						
a. Non-Convertible Debentures						

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature of borrowing	As at 31 March 2022 Rating / Outlook			As at 31 March 2021 Rating / Outlook		
	CRISIL	India Ratings	ICRA	CRISIL	India Ratings	ICRA
Motilal Oswal Financial Services Limited	-	IND AA / Stable	[ICRA] AA (Stable)	-	-	[ICRA]AA (Stable)
Motilal Oswal Home Finance Limited	CRISIL AA / Stable	IND AA / Stable	[ICRA] AA- (Stable)	CRISIL AA-/ Stable	-	[ICRA]A+ (Stable)
Motilal Oswal Finvest Limited	CRISIL AA/ Stable	IND AA / Stable	-	CRISIL AA-/ Stable	-	-
b. Market linked Debentures						
Motilal Oswal Financial Services Limited	-	IND PP-MLD AAemr/ Stable	[ICRA] PP-MLD ICRA AA/Stable	-	-	PP-MLD [ICRA]AA/ Stable
Motilal Oswal Home Finance Limited	CRISIL PP-MLD AA r/ Stable	-	[ICRA] PP-MLD ICRA AA-/Stable	CRISIL PP-MLD AA-r/ Stable	-	PP-MLD [ICRA]A+/ Stable
Motilal Oswal Finvest Limited	CRISIL PPMLD AA r /Stable	IND PP-MLD AAemr/ Stable	-	CRISIL PP-MLD AA-r/ Stable	-	-
c. Bank Borrowings						
Motilal Oswal Financial Services Limited	-	-	[ICRA] AA (Stable)	-	-	-
Motilal Oswal Home Finance Limited	CRISIL AA / Stable	IND AA / Stable	-	CRISIL AA-/ Stable	-	-

Note 47 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, contribution to COVID relief program, PM cares fund.

a) Gross amount required to be spent by the Group:

Particulars	31 March 2022	31 March 2021
Amount required to be spent	1,210	1,189
Amount actually spent	1,251	1,241
Shortfall/(excess) if any during the year	(41)	(52)
Total of previous year shortfall, if any	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

NOTES TO FINANCIAL STATEMENT (Contd..)

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

b) Amount spent during the year on :

Particulars	Amount Paid 31 March 2022	Amount Paid 31 March 2021
a) Construction/acquisition of any asset :	17	595
b) On purposed other than (a) above	1,234	646
Total	1,251	1,241

c) Above includes a contribution of Rs. 1,601 lakhs (Previous year Rs 1,158 lakhs) to Motilal Oswal Foundation which is classified as related party under IndAS 24 - " Related Party Disclosures".

Note 48 Assets pledged as security :

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets		
First charge		
Receivables		
(I) Trade receivables	52,200	24,325
Loans	3,40,750	3,37,561
Floating charge		
Investments	1,09,699	57,924
Non-financial assets		
First charge		
Property, plant and equipment	39,864	52,209
Total assets pledged as security	5,42,513	4,72,019

Terms and conditions:

- Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks, NBFCs and other financial institutions against the borrowing facilities availed by the Group.
- The margin of 2 times cover is provided for the borrowings facilities availed against the pledge of Investments, 1 times against the Loans and 1.33 times for Trade receivables and Property, plant and equipment.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 49 Related Party Disclosure

I. List of related parties and their relationship:

A) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP

B) Enterprises in which Key Management Personnel and their relatives excercises Significant Influence

- Raamdeo Agrawal HUF
- Textile Exports Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

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

3. Motilal Oswal Foundation
4. Motilal Oswal HUF
5. Motilal Oswal Family Trust
6. Boundless Media Private Limited
7. Shalibhadra N Shah HUF
8. Like Minded Wealth Creation Trust
9. Agarawal Portfolios
10. Navshital Consultants LLP
11. Gracious Advisors LLP
12. Opuleny Advisors and Consultants LLP

C) Key Management Personnel

- | | |
|-------------------------------------|---|
| 1. Mr. Motilal Oswal | Managing Director and Chief executive officer |
| 2. Mr. Raamdeo Agrawal | Non-Executive Chairman |
| 3. Mr. Navin Agarwal | Non-Executive Director |
| 4. Mr. Ajay Menon | Whole-time Director |
| 5. Mr. Rajat Rajgarhia | Whole-time Director |
| 6. Mr. Shalibhadra Shah | Chief Financial Officer |
| 7. Mr. Kailash Purohit | Company Secretary & Compliance Officer |
| 8. Mr. Chitradurga Narasimha Murthy | Independent Director (Appointed from 01 July 2020) |
| 9. Mr. Pankaj Bhansali | Independent Director (Appointed from 01 July 2020) |
| 10. Mrs. Divya Sameer Momaya | Independent Director (Appointed from 01 July 2020) |
| 11. Mr. Chandrashekhar Anant Karnik | Independent Director (Appointed from 16 September 2020) |
| 12. Mrs. Swanubhuti Jain | Independent Director (Appointed from 24 December 2020) |
| 13. Mr. Praveen Tripathi | Independent Director (Till 30 July 2020) |
| 14. Mr. Vivek Paranjpe | Independent Director (Till 30 July 2020) |
| 15. Mrs. Rekha Utsav Shah | Independent Director (Till 01 October 2020) |
| 16. Mrs. Sharda Agarwal | Independent Director (Till 30 July 2020) |

D) Relatives of Key Management Personnel

- | | |
|------------------------------------|--|
| 1. Ms. Vimla Oswal | - Spouse of Mr. Motilal Oswal |
| 2. Mr. Pratik Oswal | - Son of Mr. Motilal Oswal |
| 3. Ms. Vimladevi Salecha | - Sister of Mr. Motilal Oswal |
| 4. Mr. Rajendra Gopilal Oswal | - Brother of Mr. Motilal Oswal |
| 5. Mr. Pratik Mehta | - Son-in-law of Mr. Motilal Oswal |
| 6. Ms. Suneeta Agarawal | - Spouse of Mr. Raamdeo Agrawal |
| 7. Mr. Vaibhav Agarawal | - Son of Mr. Raamdeo Agrawal |
| 8. Ms. Vedika Karnani | - Daughter-in-law of Mr. Raamdeo Agrawal |
| 9. Dr. Karoon Ramgopal Agarawal | - Brother of Mr. Raamdeo Agrawal |
| 10. Mr. Vinay R. Agarawal | - Brother of Mr. Raamdeo Agrawal |
| 11. Mr. Sukhdeo Ramgopal Agarawal | - Brother of Mr. Raamdeo Agrawal |
| 12. Mr. Govinddeo R. Agarawal | - Brother of Mr. Raamdeo Agrawal |
| 13. Mr. Satish Agarawal | - Brother of Mr. Raamdeo Agrawal |
| 14. Ms. Suman Agarawal | - Sister of Mr. Raamdeo Agrawal |
| 15. Ms. Anita Anandmurthy Agarawal | - Sister of Mr. Raamdeo Agrawal |
| 16. Ms. Chanda Agarawal | - Mother of Mr. Navin Agarawal |
| 17. Ms. Asha Menon | - Sister of Mr. Ajay Menon |
| 18. Ms. Kamalam Menon | - Mother of Mr. Ajay Menon |
| 19. Ms. Priti Shah | - Spouse of Mr. Shalibhadra Shah |

NOTES TO FINANCIAL STATEMENT (Contd..)

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

E) Associate

- India Reality Excellence Fund II LLP

E) Joint venture

- India Business Excellence Fund III (Till 29 September 2020)

II. Transactions with related parties and outstanding balances:

- Transactions with related parties:

Particulars	Name of the related party	Key managerial personnel/relative of key managerial personnel		Other related parties*		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income/ (expense)	Mr. Shalibhadra Shah	93	-	-	-	93	-
	Like Minded Wealth Creation Trust	-	-	6	-	6	-
	Mr. Ajay Menon	0	-	-	-	0	-
Total		93	-	6	-	99	-
Managerial remuneration	Mr. Motilal Oswal	241	241	-	-	241	241
	Mr. Navin Agarwal	1,725	911	-	-	1,725	911
	Mr. Ajay Menon	903	297	-	-	903	297
	Mr. Rajat Rajgarhia	607	318	-	-	607	318
	Mr. Shalibhadra Shah	207	125	-	-	207	125
	Mr. Kailash Purohit	34	27	-	-	34	27
	Mr. Pratik Oswal	46	28	-	-	46	28
	Mr. Vaibhav Agarawal	18	11	-	-	18	11
	Ms. Vedika Karnani	4	-	-	-	4	-
Total		3,785	1,958	-	-	3,785	1,958
Director sitting fees	Mr. Chitradurga Narasimha Murthy	2	2	-	-	2	2
	Mr. Praveen Tripathi	-	1	-	-	-	1
	Mr. Vivek Paranjpe	-	0	-	-	-	0
	Mrs. Rekha Utsav Shah	-	1	-	-	-	1
	Mrs. Sharda Agarwal	-	0	-	-	-	0
	Mr. Pankaj Bhansali	2	2	-	-	2	2
	Mrs. Divya Sameer Momaya	6	2	-	-	6	2
	Mr. Chandrashekhar Anant Karnik	2	1	-	-	2	1
Mrs. Swanubhuti Jain	4	0	-	-	4	0	
Total		16	8	-	-	16	8
Director commission	Mr. Raamdeo Agrawal	240	240	-	-	240	240
	Mr. Chitradurga Narasimha Murthy	5	3	-	-	5	3
	Mr. Pankaj Bhansali	3	3	-	-	3	3
	Mrs. Divya Sameer Momaya	3	3	-	-	3	3
	Mr. Chandrashekhar Anant Karnik	3	3	-	-	3	3
Mrs. Swanubhuti Jain	1	3	-	-	1	3	
Total		255	254	-	-	255	254
Reimbursement of expenses	Mr. Raamdeo Agrawal	106	108	-	-	106	108
Total		106	108	-	-	106	108
Donation given	Motilal Oswal Foundation	-	-	1,601	1,158	1,601	1,158
Total		-	-	1,601	1,158	1,601	1,158

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related party	Key managerial personnel/relative of key managerial personnel		Other related parties*		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Fees and commission expense	Mr. Sukhdeo Ramgopal Agarawal	4	32	-	-	4	32
	Agarawal Portfolios	-	-	49	-	49	-
Total		4	32	49	-	53	32
Marketing expense	Boundless Media Private Limited	-	-	40	-	40	-
Total		-	-	40	-	40	-
Partnership gain/ (loss)	India Reality Excellence Fund II LLP	-	-	241	(24)	241	(24)
Total		-	-	241	(24)	241	(24)
Loans given/ (received)	Mr. Shalibhadra Shah	89,279	-	-	-	89,279	-
	Like Minded Wealth Creation Trust	-	-	17	-	17	-
	Mr. Ajay Menon	0	-	-	-	0	-
Total		89,279	-	17	-	89,296	-
Loans repayment (received)/ given	Mr. Shalibhadra Shah	(87,279)	-	-	-	(87,279)	-
	Like Minded Wealth Creation Trust	-	-	(79)	-	(79)	-
	Mr. Ajay Menon	(0)	-	-	-	(0)	-
Total		(87,279)	-	(79)	-	(87,358)	-
Dividend paid							
	Mr. Motilal Oswal	981	426	-	-	981	426
	Mr. Raamdeo Agrawal	909	396	-	-	909	396
	Motilal Oswal HUF	-	-	0	0	0	0
	Raamdeo Agrawal HUF	-	-	78	33	78	33
	Ms. Suneeta Agarawal	35	15	-	-	35	15
	Ms. Vimla Oswal	15	6	-	-	15	6
	Mr. Rajendra Gopilal Oswal	7	3	-	-	7	3
	Dr. Karoon Ramgopal Agarawal	12	5	-	-	12	5
	Mr. Vinay R. Agarawal	12	5	-	-	12	5
	Mr. Sukhdeo Ramgopal Agarawal	9	4	-	-	9	4
	Mr. Govinddeo R. Agarawal	7	3	-	-	7	3
	Ms. Suman Agrawal	12	5	-	-	12	5
	Mr. Satish Agrawal	9	4	-	-	9	4
	Ms. Anita Anandmurthy Agrawal	10	4	-	-	10	4
	Ms. Vimladevi Salecha	0	0	-	-	0	0
	Ms. Vedika Karnani	12	5	-	-	12	5
	Mr. Vaibhav Agarawal	31	5	-	-	31	5
	Motilal Oswal Family Trust	-	-	19	-	19	-
	Mr. Navin Agarwal	924	385	-	-	924	385
	Mr. Ajay Menon	46	20	-	-	46	20
	Mr. Rajat Rajgarhia	209	87	-	-	209	87
	Mr. Shalibhadra Shah	4	1	-	-	4	1
	OSAG Enterprises LLP	-	-	0	0	0	0
	Passionate Investment Management Private Limited	-	-	-	-	-	-
Total		3,245	1,380	97	33	3,342	1,412

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Name of the related party	Key managerial personnel/relative of key managerial personnel		Other related parties*		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Portfolio management services fee	Mr. Raamdeo Agrawal	4	3	-	-	4	3
	Mr. Aashish P Somaiyaa			-	-	-	-
	Mr. Ashok Jain			-	-	-	-
	Ms. Rekha Shah			-	-	-	-
	Ms. Shalini Somaiyaa			-	-	-	-
	Ms. Rekha Utsav Shah	-	1	-	-	-	1
	Ms. Suneeta Agarwal	43	25	-	-	43	25
	Mr. Prasanna S Patankar			-	-	-	-
	Ms. Archana Karamse			-	-	-	-
	Mr. Shalibhadra Shah	2	-	-	-	2	-
	Mr. Ajay Menon	1	-	-	-	1	-
	Ms. Chanda Agarwal	0	-	-	-	0	-
	Ms. Vedika Karnani	0	-	-	-	0	-
	Mr. Vaibhav Agarwal	12	7	-	-	12	7
Total		63	36	-	-	63	36
Loans Repayment (Received) / Given	Passionate Investment Management Private Limited		-		-		
	India Reality Excellence Fund II LLP		-		(6,404)		

b) Outstanding balances of related parties:

Particulars	Name of the related party	Key managerial personnel/relative of key managerial personnel		Other related parties*		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Loans and advances given / (received)	Mr. Shalibhadra Shah	2,001	-	-	-	2,001	-
	Like Minded Wealth Creation Trust	-	-	28	90	28	90
Total		2,001	-	28	90	2,029	90
	OSAG Enterprises LLP	-	-	2	34	2	34
	Like Minded Wealth Creation Trust	-	-	0	1	0	1
Total		-	-	2	35	2	35

c) Maximum / outstanding balance in respect of investments in related parties :

Particulars	Name of the related party	Key managerial personnel/relative of key managerial personnel		Other related parties*		Total	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Investment outstanding balance	India Business Excellence Fund III#	-	-	-	13,982	-	13,982
	India Reality Excellence Fund II LLP	-	-	2,034	3,077	2,034	3,077

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 above.

*Other related parties includes Associate and Enterprises over which Key Management Personnel/Relative of Key Management Personnel exercise control/significant influence.

India Business Excellence Fund III was associate till 29 September 2020 only and therefore no amount is disclosed for the current year ended 31 March 2022.

Note 50 Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:

a) Defined Contribution Plan

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

Particulars	31 March 2022	31 March 2021
Employers Contribution to Provident Fund and Administrative Expenses	2,082	1,646
Employers Contribution to ESIC	219	-
Employers Contribution to NPS	88	-
Total	2,388	1,646

(b) Defined benefit plan

The Group 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 up to Rs. 20 lakhs.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Gratuity		Heritage club benefits	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
I) Actuarial assumptions				
Mortality	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate
Discount Rate (per annum)	3.73%-7.34%	3.93%	3.93%	3.93%
Rate of escalation in salary (per annum)	3.22%-9.27%	2.86%-13.12%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 54.71%	PS: 0 to 40 : 54.67%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 54.43%
I) Changes in present value of obligations (PVO)				

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity		Heritage club benefits	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
PVO at beginning of period	2,931	2,648	239	274
Interest cost	94	106	-	-
Current service cost	776	731	(26)	(36)
Transfer In-Liability	55	103	-	-
Transfer Out-Liability	(51)	(98)	-	-
Benefits paid	(294)	(246)	(0)	1
Contributions by plan participants	1	1	-	-
Actuarial (Gain)/Loss on obligation	(176)	(311)	-	-
PVO at end of period	3,335	2,931	212	239
II) Interest expense				
Interest cost	94	106	-	-
III) Fair value of plan assets	-	-	-	-
IV) Net Liability				
PVO at beginning of period	2,931	2,648	239	274
Net Liability at the beginning of the period	2,931	2,648	239	274
V) Net Interest				
Interest Expenses	94	106	-	-
Net Interest	94	106	-	-
VI) Actual return on plan assets				
VII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	(306)	(18)	-	-
Due to Financial Assumption	(279)	(103)	-	-
Due to Experience	410	(192)	-	-
Total Actuarial (Gain)/Loss	(176)	(313)	-	-
VIII) Fair Value of Plan Assets				
Contributions by Employer	284	247	-	-
Benefits Paid	(294)	(246)	-	-
IX) Past Service Cost Recognised				

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity		Heritage club benefits	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Recognised 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	3,335	2,931	212	239
Funded Status	(3,335)	(2,931)	(212)	(239)
Net Asset/(Liability) recognized in the balance sheet	(3,335)	(2,931)	(212)	(239)
XI) Expense recognised in the statement of profit and loss				
Current service cost	776	731	-26	-36
Net Interest	95	106	-	-
Transfer In-Liability	37	68	-	-
Transfer Out-Liability	(51)	(98)	-	-
Expense recognized in the statement of profit and loss	857	807	(26)	(36)
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(176)	(311)	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(176)	(311)	-	-
XIII) Movement in liability recognized in balance sheet				
Opening net liability	2,931	2,648	239	274
Adjustment to opening balance	62	-	-	-
Transfer In-Liability	45	103	-	-
Transfer Out-Liability	(51)	(98)	-	-
Expenses as above	809	837	(26)	(36)
Contribution paid	(284)	(247)	(0)	1
Other Comprehensive Income(OCI)	(176)	(311)	-	-
Closing net liability	3,335	2,931	212	239

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity		Heritage club benefits	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
XIV) Projected Service Cost 31 Mar 2022	1,220	709	-	-
XV) Sensitivity Analysis				
Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	65	67	3	3

XVI) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth
Payouts	21	21	21	21

Year	Expected Outgo Fifth	Expected Outgo Six to ten years
Payouts	26	85

Asset Liability Comparisons

Year	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
PO at End of period	764	2,213	2,644	2,931	3,335
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(764)	(2,213)	(2,644)	(2,931)	(3,335)
Experience adjustments on plan assets	-	-	-	-	-

Note: 51 Disclosure relating to Employee Stock Option Scheme

Details of stock options

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

The ESOP - I was approved by the Board of Directors at the meeting on July 22 , 2010 for grant of 20,00,000 equity shares of Rs. 10 each.

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

The ESOP - II was approved by the Board of Directors at their meeting held on 21 July, 2014 for grant of 50,00,000 equity shares of Rs.10 each.

During the year ended 31 March 2017, the Company has sub divided 650 lakhs equity share of Rs. 10 each into 6,500 lakhs equity share of Re. 1 each. Hence, the options granted are also sub-divided in the same proportion.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -V (ESOS-V)

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VI (ESOS-VI)

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VII (ESOS-VII)

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VIII (ESOS-VIII)

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -IX (ESOS-IX)

The Scheme was approved by Board of Directors on 29 April 2021 and by the shareholders in AGM dated 09 August 2021 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of Re. 1 each

Motilal Oswal Wealth Management Limited -Employees' Stock Option Scheme -I' (ESOP-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.

Motilal Oswal Home Finance Limited (formerly known as 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.

Motilal Oswal Home Finance Limited (formerly known as 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Motilal Oswal Home Finance Limited (formerly known as 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.

Motilal Oswal Home Finance Limited (formerly known as 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.

The activity in the stock options during the year ended 31 March 2022 and 31 March 2021 is set below:

Particulars	As at 31 March 2022	Weighted Average	As at 31 March 2021	Weighted Average
	In Numbers	Exercise Price (In Rs.)	In Numbers	Exercise Price (In Rs.)
The MOAMC (ESOP-I) : (Face value of Re.1 each)				
Option outstanding at the beginning of the year	82,00,000	13.40	1,29,00,000	13.40
Add: Granted	-	NA	-	-
Less: Exercised	-	NA	-	-
Less: Forfeited	-	NA	-	-
Less: Lapsed	82,00,000	13.40	47,00,000	13.40
Option outstanding end of the year	-	-	82,00,000	13.40
Exercisable at the end of the year	-	-	38,00,000	13.40
The MOAMC (ESOP-II) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	15,25,741	15.06	22,25,741	10.67
Add: Granted	-	NA	10,00,000	22.00
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	11,25,741	12.59	17,00,000	13.40
Option outstanding end of the year	4,00,000	22.00	15,25,741	15.06
Exercisable at the end of the year	4,00,000	22.00	5,25,741	1.85
The MOFSL (ESOP-V) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	94,900	478.80	1,48,000	382.18
Add: Granted	-	-	-	-
Less: Exercised	59,500	539.43	49,500	183.10
Less: Forfeited	-	-	-	-
Less: Lapsed	15,400	307.82	3,600	572.30
Option outstanding end of the year	20,000	430.10	94,900	478.80

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	Weighted Average	As at 31 March 2021	Weighted Average
	In Numbers	Exercise Price (In Rs.)	In Numbers	Exercise Price (In Rs.)
Exercisable at the end of the year	20,000	430.10	64,500	434.73
The MOFSL (ESOP-VI) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	45,385	572.75	45,385	572.75
Add: Granted	35,000	700.00	-	-
Less: Exercised	22,000	572.30	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding end of the year	58,385	649.20	45,385	572.75
Exercisable at the end of the year	23,385	572.30	12,385	572.75
The MOFSL (ESOP-VII) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	4,52,900	559.96	8,62,200	472.56
Add: Granted	2,20,000	700.00	-	-
Less: Exercised	2,16,400	555.35	3,70,800	355.40
Less: Forfeited	-	-	-	-
Less: Lapsed	64,950	596.94	38,500	572.75
Option outstanding end of the year	3,91,550	635.06	4,52,900	559.96
Exercisable at the end of the year	1,92,550	565.49	2,56,440	550.16
The MOFSL (ESOP-VIII) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	28,04,900	720.58	19,66,500	729.85
Add: Granted	2,40,000	700.00	9,82,000	678.26
Less: Exercised	2,76,200	557.96	42,500	29.00
Less: Forfeited	-	-	-	-
Less: Lapsed	3,24,650	691.90	1,01,100	780.50
Option outstanding end of the year	24,44,050	740.74	28,04,900	720.58
Exercisable at the end of the year	4,14,200	796.60	3,48,900	826.06
The (ESOP-IX) : (Face value of Re. 1/- each)				
Option outstanding at the beginning of the year	-	-	-	-
Add: Granted	26,59,172	691.70	-	-
Less: Exercised	-	-	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding end of the year	26,59,172	691.70	-	-
Exercisable at the end of the year	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	Weighted Average	As at 31 March 2021	Weighted Average
	In Numbers	Exercise Price (In Rs.)	In Numbers	Exercise Price (In Rs.)
The MOWML (ESOS-I) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	6,000	815.00	22,000	404.09
Add: Granted	-	NA	-	NA
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	6,000	815.00	16,000	250.00
Option outstanding end of the year	-	-	6,000	815.00
Exercisable at the end of the year	-	-	2,000	815.00
The MOHFL (ESOS 2014) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	99,85,000	2.88	1,71,45,000	2.92
Add: Granted	2,35,95,000	3.50	-	NA
Less: Exercised	10,39,000	2.62	-	NA
Less: Lapsed	83,18,000	3.20	71,60,000	2.97
Option outstanding end of the year	2,42,23,000	3.39	99,85,000	2.88
Exercisable at the end of the year	5,09,000	3.00	15,38,500	2.22
The MOHFL (ESOS 2016) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	3,83,87,500	3.28	1,77,15,000	2.82
Add: Granted	2,00,95,000	3.61	3,32,50,000	3.50
Less: Exercised	29,75,500	1.68	7,97,500	1.66
Less: Lapsed	1,44,35,000	3.34	1,17,80,000	3.31
Option outstanding end of the year	4,10,72,000	3.54	3,83,87,500	3.28
Exercisable at the end of the year	3,51,000	1.88	21,29,500	1.65
The MOHFL (ESOS 2017) - Grant I : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	19,11,750	3.03	23,04,500	2.83
Add: Granted	-	NA	7,00,000	3.50
Less: Exercised	1,95,500	1.60	1,71,000	2.83
Less: Lapsed	3,74,250	1.60	9,21,750	2.93
Option outstanding end of the year	13,42,000	3.63	19,11,750	3.03
Exercisable at the end of the year	3,19,700	4.28	1,82,225	3.38
The MOHFL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	1,06,02,000	1.60	1,55,94,500	1.60
Add: Granted	9,00,000	3.78	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022	Weighted Average	As at 31 March 2021	Weighted Average
	In Numbers	Exercise Price (In Rs.)	In Numbers	Exercise Price (In Rs.)
Less: Exercised	50,33,750	1.60	38,41,500	1.60
Less: Lapsed	21,15,250	1.60	11,51,000	1.60
Option outstanding end of the year	43,53,000	2.05	1,06,02,000	1.60
Exercisable at the end of the year	24,72,835	1.60	22,62,218	1.60

Employees' Stock Options Scheme (ESOP) :

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	MOFSL Scheme VIII	MOFSL Scheme IX	Scheme I (MOWM)
Date of Grant	Various dates	Various dates	Various Dates	Various Dates	Various Dates	Various Dates	28-Oct-21	Various dates
Date of Board Approval	Various dates	Various dates	Various Dates	Various Dates	Various Dates	Various Dates	29-Apr-21	22 April 2016
Date of Shareholder's approval	22 July 2010	21 July 2011	4 December 2007	8 July 2008	22 August 2014	27 July 2017	9-Aug-2021	29 April 2016
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity Shares	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	1 year to 5 years	1 year to 5 years	1 year to 7 years	1 year to 4 years	1 Years to 5 Years	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life								
Current year -Granted but not Vested	-	-	0 years	5.67 years	5.67 years	4.75 years	0.13 Years	-
Current year -Vested but not exercised	-	3 Years	0 years	1.62 years	1.14 years	0.35 years	0 years	-
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	Rs. 539.43	Rs. 572.3	Rs. 555.35	Rs. 557.96	NA	NA
Previous year -Granted but not Vested	3.01 Years	3.60 Years	3.51 years	3.51 years	3.51 years	5.23 years	NA	5.00 Years
Previous year -Vested but not exercised	1.87 Years	3.84 Years	1.62years	2.51 years	2.03 years	2.20 years	NA	2.00 Years
Previous year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	Rs. 654.01	NA	Rs.644.81	Rs. 610.15	NA	NA

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	MOFSL Scheme VIII	MOFSL Scheme IX	Scheme I (MOWM)
Exercise Period	Within a period of 36 months from the date of vesting	Within a period of 84 months from the date of vesting	Within 1 to 3 years of vesting of options					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. 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. However no such performance based vesting is mentioned in the ESOP-1 Scheme in MOWML.							
Weighted Average Fair Value of options (granted but not vested) as on grant date	Nil	Rs. 9.68	Nil (Previous year Rs. 246.22)	Rs. 196.08 (Previous year Rs. 246.41)	Rs. 195.83 (Previous year Rs. 246.41)	Rs. 250.22 (Previous year Rs. 260.74)	Rs 776.71 (Previous year. NA)	Rs. 858.76 (Previous year Rs. 858.76)
Range of Risk free interest rate	6.97%	7.13%	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	6.18% - 7.37%	5.63% - 6.18%	7.37% - 7.72%
Dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%	0.5% - 1.38%	0.5% - 1.38%	1%
Expected volatility	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

Particulars	MOHFL ESOS 2014	MOHFL ESOS 2016	MOHFL ESOS 2017	MOHFL ESOS 2017 H Co.
Date of Grant	Various dates	Various dates	Various dates	Various dates
Date of Board Approval	11-Sep-14	29-Apr-16	25-Apr-17	25-Apr-17
Date of Shareholder's approval	16-Oct-14	07-Jul-16	25-May-17	25-May-17
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
Weighted Average Remaining Contractual Life				
Current year. -Granted but not Vested	2.88 Years	3.94 Years	2.05 Years	1.93 Years
Current year -Vested but not exercised	0 Years	0 Years	0.03 Years	0 Years
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	3.51	3.51	3.51	3.51
Weighted Average Remaining Contractual Life				
Previous year -Granted but not Vested	2.23 year	4.99years	2.32 years	0.88 years
Previous year -Vested but not exercised	0.003 year	0.21years	0.10years	NIL
Previous year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	3.42	3.42	3.42	3.42
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.		

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	MOHFL ESOS 2014	MOHFL ESOS 2016	MOHFL ESOS 2017	MOHFL ESOS 2017 H Co.
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 (granted but not vested) as on grant date (In Rs.)	1.14	1.33	0.89	0.83
Range of Risk free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%
Dividend yield	1.00%	1.00%	1.00%	1.00%
Expected volatility	40%	40%	40%	40%

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

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

The exercise pricing formula for MOAMC ESOP schemes are as under:

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.

Scheme 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 exercise pricing formula for MOWML ESOP schemes are as under:

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 exercise pricing formula for MOFSL ESOP schemes are as under:

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme IX

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

The exercise pricing formula for MOHFL ESOS 2014, MOHFL ESOS 2016, MOHFL ESOS 2017 & MOHFL 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.

Other Information regarding Employee Share Based Payment Plan is as below

	Year ended 31 March 2022	Year ended 31 March 2021
Expense arising from employee share based payment plans	2,449	1,984
Total carrying amount at the end of the period	51,051	46,612

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event

NOTES TO FINANCIAL STATEMENT (Contd..)

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 2022	Year ended 31 March 2021
(+)5%	(228)	(88)
(-)5%	228	111

Note 52 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 Group comprises of "Capital market", "Fund based activities", "Asset Management and Advisory" and "Home Finance".

Capital market activities includes broking services to clients, research and advisory services, financial product distribution, depository services, investment banking, margin trading funding, etc.

Fund based activities include investment activities (including investment in securities and property) and financing activity.

Asset Management and Advisory includes fee based services for management of assets.

Home Finance represents interest and other related income from affordable housing finance business.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Capital market		Fund based activities		Asset management and advisory		Home finance		Unallocated		Elimination		Total	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue:														
External Revenue	2,53,665	1,71,173	51,269	84,103	1,13,266	77,047	52,841	54,552	100	44	-	-	4,71,141	3,86,919
Interest Income	53,258	24,454	1,239	444	2,110	504	-	-	-	-	-	-	56,607	25,401
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-	39,158	23,507	39,158	23,507
Total revenue	3,06,923	1,95,627	52,508	84,547	1,15,376	77,551	52,841	54,552	100	44	39,158	23,507	4,31,983	3,63,412
Interest Expense	26,055	15,143	2,176	1,914	2,483	2,044	-	-	-	-	-	-	30,714	19,101
Net Interest Revenue*	27,203	9,311	(937)	(1,471)	(373)	(1,540)	27,961	24,049	-	-	-	-	53,854	30,349
Depreciation and amortization	4,026	3,742	-	-	331	363	469	647	-	-	-	-	4,826	4,752
Result:														
Segment result before exceptional items	65,731	40,179	48,204	80,550	44,284	27,936	11,871	9,086	(8,510)	(3,099)	-	-	1,61,581	1,54,652
Exceptional items	-	(8,810)	-	-	-	-	-	-	(8,510)	(3,099)	-	-	-	(8,810)
Profit before tax	65,731	31,369	48,204	80,550	44,284	27,936	11,871	9,086	(8,510)	(3,099)	-	-	1,61,581	1,45,842
Tax expense:														
Current tax													(23,588)	(15,849)
Deferred tax													(7,109)	(10,914)
Short/(excess) provision for earlier years													189	1,217
Profit from ordinary activities													1,31,072	1,20,296
Add : Share of profit/(loss) from associate (net of taxes)													172	6,177
Profit after tax including share of associate													1,31,245	1,26,473
Less: Non controlling interest													(266)	(428)
Net profit/(loss) attributable to Owners of parent													1,30,979	1,26,045
Other information:														
Other material non-cash items: Impairment of assets	2,091	1,690	-	-	55	37	7,319	8,035	-	-	-	-	9,466	9,762
Segment assets	8,63,353	6,58,828	4,21,145	3,44,175	60,084	33,240	3,72,782	3,83,904	12,600	12,191	(37,630)	(20,655)	16,92,334	14,11,683
Segment liabilities	8,00,162	6,22,822	21,121	20,033	23,068	14,545	2,75,353	2,98,665	24,730	17,600	(22,165)	(11,350)	11,22,269	9,62,315

*Home Finance segment derives a majority of its revenue from interest. Management primarily relies on net interest revenue, not the gross revenue and expense amounts, in managing that segment. Therefore, as permitted by paragraph 23 of Ind AS 108 only the net amount is disclosed.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note: 53 Revenue from contracts with customers

The Group 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.

a) Nature of services

- (i) Broking and other related activities - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract. Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.
- (ii) Interest income on home loan, loan against shares, MTF and other interest - Interest is earned from clients on amounts funded to them and on delayed payments. 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.
- (iii) Portfolio management fee, Investment management and advisory fees - The Group 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 Group earns managements fees from respective businesses.

b) Disaggregation of revenue

Revenue from contracts with customers:

Particulars	31 March 2022	31 March 2021
(i) Broking and other related activities	1,74,619	1,28,645
(ii) Interest income	1,03,425	75,312
(iii) Portfolio management fee, Investment management and advisory fees	86,111	66,303
	3,64,155	2,70,260

Revenue disaggregation by business segment has been included in segment information (refer note 52).

c) Contract balances

Receivables - The outstanding balance as at 31 March 2022 : INR 1,00,332 lakhs, 31 March 2021: INR 91,184 lakhs (also refer note 6).

Loans and advances - The outstanding balance as at 31 March 2022 : INR 4,90,452 lakhs, 31 March 2021: INR 4,52,035 lakhs (also refer note 7).

NOTES TO FINANCIAL STATEMENT (Contd..)

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

d) Performance obligations and timing of revenue recognition

(i) Broking and other related activities:-

Income from services rendered as a broker is recognised upon rendering of the services.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

(ii) Interest income on loans and MTF:-

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.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.

(iii) Portfolio management fee, Investment management fees and advisory:-

Performance obligation of fee from asset management and portfolio management services are 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.

Income from advisory services is recognised upon rendering of the services."

Note 54 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 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	2,13,754	-	2,13,754	1,29,208	-	1,29,208
Bank balance other than cash and cash equivalents above	1,90,241	1,27,530	3,17,771	48,280	1,72,290	2,20,570
Receivables						
(I) Trade receivables	74,824	25,485	1,00,309	65,663	25,461	91,123
(II) Other receivables	23	-	23	60	-	60
Loans	2,05,920	2,84,532	4,90,452	41,173	4,10,862	4,52,035
Investments	60,046	4,08,445	4,68,491	64,901	3,27,334	3,92,235
Other financial assets	1,242	34,352	35,594	1,921	66,241	68,162
Non-financial assets						
Current tax assets (net)	-	3,381	3,381	-	4,094	4,094
Deferred tax assets (net)	-	6,353	6,353	-	7,542	7,542

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Property, plant and equipment	-	32,367	32,367	-	31,593	31,593
Intangible assets under development	-	-	-	-	-	-
Other intangible assets	-	3,299	3,299	-	3,440	3,440
Other non-financial assets	10,360	10,181	20,540	7,899	3,721	11,621
Total assets	7,56,409	9,35,925	16,92,334	3,59,104	10,52,580	14,11,683

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Derivative financial instruments						
Payables						
(I) Trade payables	3,45,153	24,933	3,70,086	2,77,679	24,889	3,02,567
Debt securities	2,76,980	1,19,900	3,96,880	1,87,820	1,61,904	3,49,724
Borrowings (Other than debt securities)	97,988	1,20,284	2,18,271	1,84,183	35,377	2,19,560
Deposits	-	98	98	-	45	45
Other financial liabilities	79,743	4,056	83,800	51,970	1,701	53,671
Non-financial liabilities						
Current tax liabilities (net)	3,166	-	3,166	1,694	-	1,694
Provisions	21,426	2,996	24,422	17,372	300	17,672
Deferred tax liabilities (net)	-	18,797	18,797	-	13,076	13,076
Other non-financial liabilities	6,749	-	6,749	4,306	-	4,306
Total liabilities	8,31,206	2,91,063	11,22,269	7,25,025	2,37,291	9,62,315
Net	(74,797)	6,44,861	5,70,065	(3,65,921)	8,15,289	4,49,368

Note 55 Fair value measurement

a) Financial instruments by category

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	2,13,754	-	-	1,29,208
Bank balance other than cash and cash equivalents above	-	-	3,17,771	-	-	2,20,570
Receivables	-	-				
(I) Trade receivables	-	-	1,00,309	-	-	91,123
(II) Other receivables	-	-	23	-	-	60
Loans	-	-	4,90,452	-	-	4,52,035
Investments	3,97,376	68,811	2,303	3,27,291	64,120	824

NOTES TO FINANCIAL STATEMENT (Contd..)

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

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Other financial assets	-	-	35,594	-	-	68,162
Total financial assets	3,97,376	68,811	11,60,206	3,27,291	64,120	9,61,982
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	3,70,086	-	-	3,02,567
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	-	-	3,96,880	-	-	3,49,724
Borrowings (Other than debt securities)	-	-	2,18,271	-	-	2,19,560
Deposits	-	-	98	-	-	45
Other financial liabilities	-	-	83,800	-	-	53,671
Total financial liabilities	-	-	10,69,135	-	-	9,25,567

b) 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 judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Group 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

As at 31 March 2022

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	2,11,356	-	-	2,11,356
- Quoted equity and preference shares	-	-	-	-
- Alternative Investment funds	-	14,439	-	14,439
- Private equity funds	-	-	85,208	85,208
- Real estate funds	-	-	20,395	20,395
- Unquoted equity and preference shares	-	-	36,197	36,197
- Unquoted Security receipts	-	-	21,746	21,746
- 'Debentures and Bonds - Unquoted			8,036	8,036
Financial Investments at FVOCI				
- Quoted equity shares	68,811	-	-	68,811
Total financial assets	2,80,167	14,439	1,71,583	4,66,189

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	1,97,077	-	-	1,97,077
- Quoted equity and preference shares	-	-	-	-
- Alternative Investment funds	-	11,058	-	11,058
- Private equity funds	-	-	67,980	67,980
- Real estate funds	-	-	20,683	20,683
- Unquoted equity and preference shares	-	-	5,863	5,863
- Unquoted Security receipts	-	-	21,617	21,617
- 'Debentures and Bonds - Unquoted			3,013	3,013
Financial Investments at FVOCI				
- Quoted equity shares	64,120	-	-	64,120
Total financial assets	2,61,197	11,058	1,19,156	3,91,411

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity and preference investments - price multiples of comparable companies.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- Private equity funds - NAV of the audited financials of the funds.
- The fair values for investment in security receipt are based on the quoted market prices given by independent rating agency.
- Real estate funds - 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

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.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

c) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2022 and 31 March 2021:

Particulars	Private Equity Funds	Real Estate Funds	Debentures and Bonds	Security receipts	Unquoted Shares	Total
As at 1 April 2020	28,187	22,281	-	22,494	3,197	76,159
Additions	24,556	9,694	8,432	6,370	0	49,051
Disposals	(16,385)	(9,955)	(5,432)	(4,120)	-	(35,891)
Gains/(losses) recognised in statement of profit and loss	31,623	(1,337)	13	(3,127)	2,666	29,838
As at 31 March 2021	67,981	20,684	3,013	21,617	5,863	1,19,158
Additions	9,622	3,768	16,781	7,310	21,459	58,940
Disposals	(433)	(4,217)	(11,781)	(5,711)	-	(22,141)
Gains/(losses) recognised in statement of profit and loss	8,040	161	23	(1,470)	8,875	15,628
As at 31 March 2022	85,209	20,396	8,036	21,746	36,197	1,71,584

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sensitivity analysis

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of instruments	1,71,583	1,19,156
Significant unobservable inputs		
Net worth of the fund at Fair value		
- increase by 1000 bps	17,158	11,916
- decrease by 1000 bps	(17,158)	(11,916)

Note 56: Financial risk management

The Group is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Group 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 Group. The Group's principal financial liabilities comprises of borrowings from bank/financial institutions, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group'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 of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group 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 Group, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

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

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Group 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 Group to assess the potential financial impact of losses arising from plausible adverse scenarios on the Group's loan portfolio.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Expected credit loss measurements

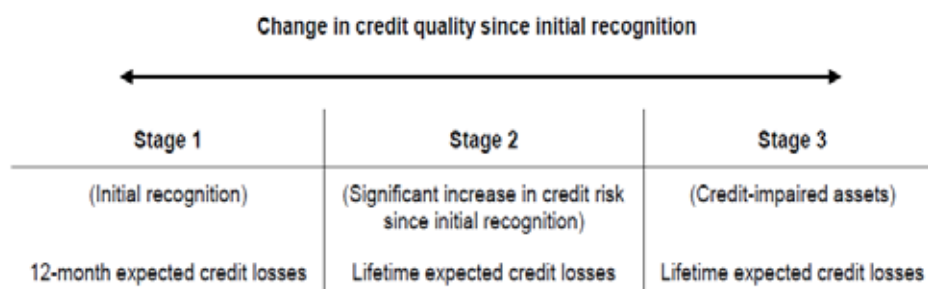
(I) Expected credit loss measurement for Loans :

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 Group.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

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

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



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

Significant increase in credit risk (SICR)

The Group 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

NOTES TO FINANCIAL STATEMENT (Contd..)

Default and credit-impaired assets

The Group 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 home finance loans 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 Group'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 subsidiary company Motilal Oswal Home Finance Limited 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 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 12M ECL. For stage 2, Stage 3 Financial Assets, the exposure at default is considered for events over the lifetime of the instruments.

NOTES TO FINANCIAL STATEMENT (Contd..)

- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

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

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. 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/refinance 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.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed. the Group given its experience of sale of properties taken into possession we have experienced that there is 22.5 % loss incurred on the Outstanding amount (Principal + Interest). Hence the Group have taken 22.5% as LGD for computation of ECL on Stage 1 / 2 and 3 books.
- For unsecured products basically written off cases , LGD's has been maintained at 100% as loss given default as the Group don't foresee any cash flow on those assets.

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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 on subsidiary company Motilal Oswal Home Finance Limited- COVID-19 – Regulatory Package

As per Ind AS 109 - Financial Instruments, the subsidiary company Motilal Oswal Home Finance Limited has rebut the presumption that the credit risk on a financial asset has increased significantly since initial

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (i) ceasing enforcement activity and
- (ii) where the Group'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 Group may write-off financial assets that are still subject to enforcement activity. The Group may still seek to recover amounts it is legally entitled to recover in full, but which have been fully / partially written off due to no reasonable expectation of full recovery.

NOTES TO FINANCIAL STATEMENT (Contd..)

Modification of financial assets

The Group sometimes modifies the terms of home 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 Group monitors the subsequent performance of modified assets and it 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. Currently there has not been any such case.

(II) Expected credit loss measurement for Trade receivables :

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

A simplified approach has been considered for measuring expected credit losses (ECLs) of 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 trade receivables. 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. Based on the Industry practices and business environment in which the entity operates, Management considers unsecured receivables as default if the payment is overdue for more than 90 days for direct customer. For franchisee customers, aggregate of unsecured receivables as reduced by franchisee deposit/ future brokerages are considered as default. Management would also consider balance in client's family accounts and collaterals in form other than the securities while considering the secured position of the client. Management would also consider impairment on client balance which are unsecured and overdue for less than 90 days on case to case basis, based on their scope of recoverability. For litigation cases, management could provide enhanced provision if the probability of outflow of economic resource is higher. If there are specific cases which are overdue for more than 90 days and the management is very confident of its recovery in near future, impairment loss would not be provided for such cases based on the approval of business head for each reporting period. Probability of default (PD) on these receivables is considered at 100% and treated as credit impaired.

(III) Expected credit loss measurement for Margin Trading Facility(MTF) loan :

Loans includes Margin Trading Facility(MTF), Loans to staff and loans to subsidiaries for which staged approach is taken into consideration for determination of ECL.

Stage 1 : All positions in the MTF loan book are considered as stage 1 asset for computation of expected credit loss. For exposures where there has not been a significant increase in credit risk since initial recognition and not credit impaired post origination. Loan to subsidiary and staff are considered in stage 1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

for determination of ECL. Exposure to credit risk in stage 1 is computed considering historical probability of default, market movements and macro-economic environment.

Stage 2 : Exposures under stage 2 include dues up to 90 days pertaining to principal amount, interest and any other charges on the MTF loan book which are unsecured. While arriving at the secured position of the client, management would also consider balance in client's family accounts, securities in other segment and collaterals in form other than the securities while considering the secured position of the client. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3 : Exposures under stage 3 include dues past 90 days pertaining to principal amount, interest and any other charges on MTF loan book which are unsecured.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

B 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's 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.

(i) 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 2022

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	Above 5 Years	Total
Financial assets				
Cash and cash equivalents	2,13,754	-	-	2,13,754
Bank balance other than cash and cash equivalents above	1,90,241	1,27,530	-	3,17,771
Receivables				
(I) Trade receivables	74,824	25,485	-	1,00,309
(II) Other receivables	23	-	-	23

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	Above 5 Years	Total
Loans	2,05,920	2,84,532	-	4,90,452
Investments	60,046	4,08,445	-	4,68,491
Other financial assets	1,242	34,352	-	35,594
Total financial assets	7,46,049	8,80,344	-	16,26,394
Financial liabilities				
Payables				
(I) Trade payables	3,45,153	24,933	-	3,70,086
Debt securities	2,76,980	1,19,900	-	3,96,880
Borrowings (Other than debt securities)	97,988	1,20,284	-	2,18,271
Deposits	-	98	-	98
Other financial liabilities	79,743	4,056	-	83,800
Total financial liabilities	7,99,864	2,69,271	-	10,69,135

As at 31 March 2021

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	Above 5 Years	Total
Financial assets				
Cash and cash equivalents	1,29,208	-	-	1,29,208
Bank balance other than cash and cash equivalents above	48,280	1,72,290	-	2,20,570
Receivables				
(I) Trade receivables	65,663	25,461	-	91,123
(II) Other receivables	60	-	-	60
Loans	41,173	4,10,862	-	4,52,035
Investments	64,901	3,27,334	-	3,92,235
Other financial assets	1,921	66,241	-	68,162
Total financial assets	3,51,204	10,02,189	-	13,53,393
Financial liabilities				
Payables				
(I) Trade payables	2,77,679	24,889	-	3,02,567
Debt securities	1,87,820	1,61,904	-	3,49,724
Borrowings (Other than debt securities)	1,84,183	35,377	-	2,19,560
Deposits	-	45	-	45
Other financial liabilities	51,970	1,701	-	53,671
Total financial liabilities	7,01,652	2,23,915	-	9,25,567

C Market Risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Foreign currency risk management

In respect of the foreign currency transactions, the Group does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Group.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings/ debt securities and loans with variable rates, which expose the Group to cash flow interest rate risk. The Group 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. Group tries to mitigate this risk by taking all positive measures which can boost profitability and strengthens company's balance sheet. Group takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders.

The Group'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.

(iii) Interest rate risk exposure

Out of the total Assets and Liabilities, exposure to the interest rate risk of the Group is mainly towards borrowings/ debt securities (other than non-convertible debentures and term loans) and loan assets.

(iv) 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 Group's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	31 March 2022	31 March 2021
Loans		
Interest rates – increase by 100 basis points	3,665	3,422
Interest rates – decrease by 100 basis points	(3,665)	(3,422)
Borrowings		
Interest rates – increase by 100 basis points	(2,342)	(2,044)
Interest rates – decrease by 100 basis points	2,342	2,044

(v) Exposure of 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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	31 March 2022	31 March 2021
Exposure to price risk	4,66,189	3,91,411

(vi) Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs / price with all other variables held constant. The below impact on the Company’s profit before tax is based on changes in the NAVs / price of the investments held at FVTPL/FVOCI at balance sheet date:

Sensitivity	31 March 2022	31 March 2021
Impact on profit before tax for 10% increase in NAV/price	46,619	39,141
Impact on profit before tax for 10% decrease in NAV/price	(46,619)	(39,141)

Note 57 : Capital management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Group’s capital management, capital includes issued capital and other equity reserves. The primary objective of the Group’s capital management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The capital composition is as follows:

Particulars	31 March 2022	31 March 2021
Gross debt*	6,22,811	5,76,134
Cash and cash equivalents	(2,13,754)	(1,29,208)
Net debt (A)	4,09,057	4,46,926
Total equity (B)	5,70,065	4,49,368
Gearing ratio (A / B)	0.72	0.99

*Debt includes debt securities and borrowings including outstanding interest.

Note: 58 Principles and assumptions used for consolidated financial statements and proforma adjustments:

- The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 “Consolidated Financial Statements” and (Ind AS) - 28 “Investments in Associates and Joint Ventures” issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Summary of significant accounting policies and other explanatory information to the consolidated financial statements, together referred to in as ‘Consolidated Financial Statements.’

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The list of subsidiaries and associates in the consolidated financial statement are as under :-

Motilal Oswal Financial Services Limited ('the Company' or 'the holding company') shareholding in the following companies as on 31 March 2022 and 31 March 2021 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2022	As at 31 March 2021
I) Name of the Subsidiary Companies			
a) Direct Subsidiaries			
Motilal Oswal Commodities Broker Private Limited	India	100	100
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	India	100	100
MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited)	India	100	100
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	India	100	100
Motilal Oswal Wealth Management Limited	India	100	100
Motilal Oswal Asset Management Company Limited	India	100	98.64
Motilal Oswal Trustee Company Limited	India	100	100
Motilal Oswal Securities International Private Limited	India	100	100
Motilal Oswal Capital Markets (Singapore) Pte. Limited.	Singapore	100	100
Motilal Oswal Capital Markets (Hong Kong) Private Limited	Hong Kong	100	100
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd)	India	97.71	97.87
Motilal Oswal Finsec IFSC Limited	India	100	100
Glide Tech Investment Advisory Private Limited	India	100	100
TM Investment Technologies Pvt. Ltd	India	63.83	63.83
b) Step down Subsidiaries			
India Business Excellence Management Company	Mauritius	100.00	87.16
Motilal Oswal Asset Management (Mauritius) Limited	Mauritius	100.00	98.64
Motilal Oswal Capital Limited	India	100.00	98.64
II) Associate Enterprise			
India Reality Excellence Fund II LLP	India	20.44	20.44
III) Joint venture			
India Business Excellence Fund III (Till September 29, 2020)	India	0.00	0.00

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 59 Additional disclosure pertaining to Subsidiaries/Associate as per division III of Companies Act, 2013

FY 21-22

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Parent								
Motilal Oswal Financial Services Limited	74.76%	4,24,211	53.83%	70,510	49.63%	2,036	53.71%	72,547
Subsidiaries								
Indian								
Motilal Oswal Commodities Broker Private Limited	0.16%	882	0.00%	(2)	0.00%	-	0.00%	(2)
"Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)"	1.96%	11,123	1.21%	1,589	0.24%	10	1.18%	1,599
"Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)"	19.63%	1,11,386	10.42%	13,643	46.42%	1,904	11.51%	15,548
Motilal Oswal Wealth Management Limited	3.23%	18,317	6.27%	8,218	1.04%	43	6.12%	8,261
MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited)	1.39%	7,900	8.08%	10,588	0.35%	14	7.85%	10,603
Motilal Oswal Asset Management Company Limited	18.17%	1,03,120	21.71%	28,436	1.81%	74	21.11%	28,511
Motilal Oswal Trustee Company Limited	0.01%	62	0.01%	11	0.00%	0	0.01%	11
Motilal Oswal Securities International Private Limited	0.09%	506	0.02%	30	0.08%	3	0.02%	33
Motilal Oswal Home Finance Limited	17.75%	1,00,697	7.24%	9,489	0.31%	13	7.03%	9,502
Motilal Oswal Capital Limited	0.14%	814	0.00%	(1)	0.00%	-	0.00%	(1)
Glide Tech Investment Advisory Private Limited	0.07%	371	-0.05%	(63)	0.04%	2	-0.05%	(61)
Motilal Oswal Finsec IFSC Limited	0.25%	1,415	0.08%	108	0.05%	2	0.08%	110

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
TM Investment Technologies Pvt. Ltd.	0.16%	890	0.12%	153	0.12%	5	0.12%	158
Foreign								
Motilal Oswal Capital Markets (Honkong) Private Limited	0.02%	127	0.02%	22	0.00%	-	0.02%	22
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.22%	1,275	-0.02%	(30)	0.00%	-	-0.02%	(30)
India Business Excellence Management Company	0.37%	2,106	5.72%	7,491	0.00%	-	5.55%	7,491
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	0.11%	614	0.35%	457	0.00%	-	0.34%	457
Total	138.49%	7,85,815	115.01%	1,50,650	100.09%	4,106	114.58%	1,54,757
Associates								
Indian								
India Reality Excellence Fund II LLP	0.00%	-	0.13%	172	0.00%	-	0.13%	172
Total	0.00%	-	0.13%	172	0.00%	-	0.13%	172
Eliminations Adjusted	-38.02%	(2,15,750)	-14.95%	(19,578)	0.00%	0	-14.49%	(19,579)
Net Total	100.47%	5,70,065	100.20%	1,31,244	100.07%	4,106	100.22%	1,35,350
Non Controlling Interest in all Subsidiaries	-0.45%	(2,628)	-0.20%	(266)	-0.07%	(3)	-0.19%	(269)
Grand Total	100%	5,67,437	100%	1,30,978	100%	4,103	100%	1,35,081

FY 20-21

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Parent								
Motilal Oswal Financial Services Limited	69.86%	3,11,681	54.66%	68,889	83.58%	24,397	60.09%	93,286
Subsidiaries								
Indian								
Motilal Oswal Commodities Broker Private Limited	0.20%	884	-0.01%	(7)	0.00%	-	0.00%	(7)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	2.13%	9,524	-0.41%	(517)	-0.02%	(5)	-0.34%	(522)
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	16.25%	72,492	2.61%	3,296	16.02%	4,675	5.13%	7,970
Motilal Oswal Wealth Management Limited	2.25%	10,045	3.26%	4,108	0.13%	37	2.67%	4,145
MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited)	0.00%	-	1.91%	2,412	0.00%	(0)	1.55%	2,411
Motilal Oswal Asset Management Company Limited	16.94%	75,589	32.53%	41,001	0.15%	45	26.44%	41,046
Motilal Oswal Trustee Company Limited	0.01%	51	0.02%	20	0.00%	-	0.01%	20
Motilal Oswal Securities International Private Limited	0.11%	473	0.01%	11	0.00%	0	0.01%	12
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	20.39%	90,954	3.19%	4,023	0.14%	41	2.62%	4,064
Motilal Oswal Capital Limited	0.18%	814	0.01%	8	0.00%	-	0.01%	8
Glide Tech Investment Advisory Private Limited	0.03%	130	-0.16%	(206)	-0.01%	(3)	-0.13%	(209)
Motilal Oswal Finsec IFSC Limited	0.29%	1,305	0.08%	98	0.00%	(1)	0.06%	97
TM Investment Technologies Pvt. Ltd.	0.16%	726	-0.14%	(172)	-0.01%	(2)	-0.11%	(175)
Foreign								
Motilal Oswal Capital Markets (Honkong) Private Limited	0.02%	103	-0.03%	(40)	0.00%	-	-0.03%	(40)
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.32%	1,413	0.03%	33	0.00%	-	0.02%	33

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
India Business Excellence Management Company	0.36%	1,606	0.69%	869	0.00%	-	0.56%	869
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	0.09%	390	0.08%	107	0.00%	-	0.07%	107
Total	129.59%	5,78,180	98.33%	1,23,933	99.98%	29,183	98.63%	1,53,116
Associates & Joint Venture								
Indian								
India Reality Excellence Fund II LLP	0.69%	3,077	-0.76%	(955)	0.00%	-	-0.62%	(955)
India Business Excellence Fund III (up to 29 September 2020)	10.51%	46,900	5.66%	7,132	0.00%	-	4.59%	7,132
Total	11.20%	49,977	4.90%	6,177	0.00%	-	3.98%	6,177
Eliminations Adjusted	-40.07%	(1,78,788)	-2.89%	(3,638)	0.03%	10	-2.34%	(3,629)
Net Total	100.72%	4,49,369	100.34%	1,26,472	100.01%	29,192	100.27%	1,55,664
Minority Interest in all Subsidiaries	-0.71%	(3,227)	-0.34%	(428)	-0.01%	(3)	-0.27%	(431)
Grand Total	100%	4,46,142	100%	1,26,044	100%	29,189	100%	1,55,233

Note: 60 Borrowing obtained on the basis of Security of current assets

The quarterly returns or statements of current assets filed by the Company with Banks and financial institutions are in agreement with the books of accounts.

Note: 61 Compliance with approved Scheme of Arrangements

- (a). The Board of Directors of the holding Company at its Meeting held on 24 December 2020 has, inter-alia, subject to approval of shareholders of the holding Company and other applicable statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), approved the Scheme of Arrangement between Passionate Investment Management Private Limited (Ultimate Holding Company of Motilal Oswal Financial Services Limited) ("PIMPL or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MOAIA" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges and the Company has filed an application with Hon'ble NCLT. Pursuant to the directions issued by Hon'ble NCLT, the Meeting of equity shareholders was scheduled on 16 December 2021 and the Scheme was approved by shareholders with requisite majority. Consequently, the Hon'ble NCLT approved the Scheme of

NOTES TO FINANCIAL STATEMENT (Contd..)

Arrangement vide order dated 11 March 2022. The effect of the said Scheme was given on 30 March 2022 from the appointed date of 01 April 2020 by restating the financial statement for the year ended 31 March 2021.

- (b). The accounting treatment of the said Scheme given in the books of accounts is in accordance with the Scheme and in conformity with the accounting standards prescribed under section 133 of the Companies Act, 2013. Further, figures for the year ended 31 March 2021 as shown above are the restated figures based on the audited accounts of the Transferor, Transferee and Resulting Company.

Accounting treatment given in the books for the Scheme:

1. Amalgamation And Vesting Of Assets And Liabilities And Entire Business Of The Transferor Company 1

- 1.1 The Transferee Company 1 shall give effect to the amalgamation in its books of accounts as per the applicable accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, as may be amended from time to time and on the date determined in accordance with applicable Ind AS.
- 1.2 Upon effectiveness of the Scheme, the net assets of the Transferor Company 1 (excluding shares of the Transferee Company 1 held by the Transferor Company 1 which shall get cancelled) will be reflected at fair value as at the Effective Date.
- 1.3 The inter-company deposits/ inter-company loans and advances, if any, in the books of accounts of the Transferee Company 1 and the Transferor Company 1 shall stand cancelled as at the Effective Date.
- 1.4 The difference, if any, being excess or deficit arising pursuant to the amalgamation, after giving effect to the above adjustments, shall be accounted based on generally adopted accounting principles under Ind AS.
- 1.5 The Transferee Company 1 shall without any application or deed, issue and allot equity shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 1 and whose name appear in the register of members of the Transferor Company 1 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company 1/ the Transferee Company 1."

2. Amalgamation And Vesting Of Assets And Liabilities And Entire Business Of The Transferor Company 2

The Transferee Company 2 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 2.1 The Transferee Company 2 shall record the assets and liabilities of the Transferor Company 2, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 2 in accordance with Para 9 (iii) of Appendix C of Ind AS 103.
- 2.2 The Transferee Company 2 shall preserve the identity of the reserves of the Transferor Company 2 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 2 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 2.
- 2.3 The shares held by the Transferee Company 2 in the Transferor Company 2 on the Effective Date shall be cancelled.

NOTES TO FINANCIAL STATEMENT (Contd..)

- 2.4 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 2 and the Transferee Company 2 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 2.5 The difference between the net assets transferred to the Transferee Company 2 pursuant to Clause 2.1 as reduced by Reserves recorded in the Transferee Company 2 pursuant to Clause 2.2 and after giving effect Clause 2.3 and 2.4, the difference shall be adjusted against Capital Reserve of the Transferee Company 2.
- 2.6 In case of any difference in accounting policy between the Transferor Company 2 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 2 reflects the financial position on the basis of consistent accounting policy.
- 2.7 The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company 2 and therefore on amalgamation of the Transferor Company 2 into the Transferee Company 2 there shall be no issue of shares by the Transferee Company 2 in this regard as consideration.
- 2.8 Upon the Scheme coming into effect, all equity shares of the Transferor Company 2 held by the Transferee Company 2 (held either directly or through its nominees) shall stand cancelled without any further application, act or deed.
- 3. Demerger of The Fund Management Undertaking 1 From The Demerged Company 1 Into The Resulting Company**

- 3.1 The Demerged Company 1 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company 1

- 3.1.1 The Demerged Company 1 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 1, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 3.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 1 and the Resulting Company relating to the Fund Management Undertaking 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 3.1.3 The Demerged Company 1, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 1 ("Transferred Reserves").
- 3.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 3.1.1 and after giving effect to clause 3.1.2 and clause 3.1.3 above shall be adjusted to the other equity of the Demerged Company 1.

Accounting treatment in the books of the Holding Company of the Resulting Company

- 3.1.5 The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued and corresponding debit shall be made to Investment in Resulting Company Account.

NOTES TO FINANCIAL STATEMENT (Contd..)

Upon the Scheme becoming effective and upon the demerger of the Fund Management Undertaking 1 of the Demerged Company 1 into the Resulting Company in terms of this Scheme, the Holding Company of the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company 1 (except shares held by the Holding Company of the Resulting Company) and whose name appear in the register of members of the Demerged Company 1 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company 1/ the Holding Company of the Resulting Company.

4. Amalgamation Of The Transferor Company 3 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS) 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 4.1 The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 3, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 3 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 4.2 The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 3 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 3 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 4.3 The shares held by the Transferee Company 1 in the Transferor Company 3 on the Effective Date shall be cancelled.
- 4.4 The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 3.
- 4.5 Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 3 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
 - 4.5.1 The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 4.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 4.2 and after giving effect to Clause 4.3 to 4.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1.
- 4.6 In case of any difference in accounting policy between the Transferor Company 3 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy."
- 4.7 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 3 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 3 (except shares held by the Transferee Company 1) and whose name appear in the register of members of

NOTES TO FINANCIAL STATEMENT (Contd..)

the Transferor Company 3 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company.

5. Demerger Of The Fund Management Undertaking 2 From The Demerged Company 2 Into The Resulting Company

5.1. The Demerged Company 2 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company 2

5.1.1 The Demerged Company 2 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.

5.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 3 will stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.3 The Demerged Company 2, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 2 ("Transferred Reserves").

5.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 5.1.1 and after giving effect to clause 5.1.2 and clause 5.1.3 above shall be adjusted to the other equity of the Demerged Company 2.

5.2 The Holding Company of the Resulting Company shall account for the Scheme in its respective books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Holding Company of the Resulting Company

The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued pursuant to Clause 52 of this Scheme and corresponding debit shall be made to Investment in Resulting Company Account.

5.3 Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Demerged Company 2 will become a subsidiary of the Holding Company of the Resulting Company.

Upon the Scheme becoming effective and upon the demerger of the Fund Management Undertaking 2 of the Demerged Company 2 into the Resulting Company in terms of this Scheme, the Holding Company of the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company 2 (except shares held by the Holding Company of the Resulting Company) and whose name appear in the

NOTES TO FINANCIAL STATEMENT (Contd..)

register of members of the Demerged Company 2 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company 2/ the Holding Company of the Resulting Company.

6. Amalgamation Of The Transferor Company 4 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS) 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 6.1. The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 4, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 4 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 6.2. The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 4 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 4 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 6.3. The shares held by the Transferee Company 1 in the Transferor Company 4 on the Effective Date shall be cancelled.
- 6.4. The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 4 pursuant to Clause 62 of this Scheme.
- 6.5. Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 4 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 6.6. The difference between the net assets transferred to the Transferee Company 1 pursuant to Clause 6.1 as reduced by Reserves recorded in the Transferee Company 1 pursuant to Clause 5.6 and after giving effect to Clause 6.3 to 6.5, the difference shall be adjusted against Capital Reserve of the Transferee Company 1.
- 6.7. In case of any difference in accounting policy between the Transferor Company 4 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 6.8. Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Transferor Company 4 will become a subsidiary of the Transferee Company 1.

Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 4 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 4 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 4 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company 1.

NOTES TO FINANCIAL STATEMENT (Contd..)

Additional disclosures as per Ind AS 103 - Business Combinations:

(c) Voting interest required

- Amalgamation of PIMPL with MOFSL and consequently equity shares were issued by the Company to the shareholders of PIMPL.
- Post the demerger of MOPE its investment/fund based segment got merged with the Company and consequently equity shares were issued by the Company to the shareholders of MOPE.
- Post the demerger of MORE II its investment/fund based segment got merged with the Company and consequently equity shares were issued by the Company to the shareholders of MORE II.

(d) Rationale for business combination

- Business Combination will lead to clear cut and straight forward shareholding structure, eliminate needless layers of shareholding tiers and at the same time demonstrate the Promoter Group's direct commitment and engagement which will improve the confidence of all shareholders.
- Concentrated management focus on the business in a more professional manner.
- Develop combined long-term corporate strategies and financial policies.
- Operational rationalization, organizational efficiency and optimal utilization of resources.
- From a governance perspective and keeping in mind amendments as per Section 2(87) and Section 186 of the Companies Act, 2013, group intends to reduce the three-layers and simplify the corporate structure.
- Reduced layer of entities shall enhance flexibility to incorporate subsidiaries and/or acquire companies or any other body corporates with controlling stake as per their business strategies.

(e) Acquisition date & date of control:- 01 April 2020

(f) Consideration transferred

- To the shareholders of the PIMPL –
8,49,21,363 fully paid up equity shares of the face value of Re. 1/- each of Motilal Oswal Financial Services Limited shall be issued and allotted to the equity shareholders of the PIMPL in the proportion of their holding in the Company.
- To the shareholders of the MOPE –
14,72,445 fully paid up equity shares at Rs.636.10/- each of the Company shall be issued and allotted to the equity shareholders of MOPE
- To the shareholders of the MORE II –
3,96,000 fully paid up equity shares at Rs.636.10/- each of the Company shall be issued and allotted to the equity shareholders of MORE II

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(g) Identifiable assets acquired and liabilities assumed

Particulars	As at March 31 2021	Adjustments on account of amalgamation			As at April 01 2021 (Restated)
	As per signed annual report	PIMPL	MORE II	MOPE	
Assets					
Financial Assets					
Cash and Cash Equivalent	1,29,202	6	-	-	1,29,208
Bank balance other than cash and cash equivalent above	2,20,472	99	-	-	2,20,570
Trade Receivables	91,169	14	-	-	91,184
Other Financial Assets	68,130	31	-	-	68,162
Non Financial Assets					
Current Tax Asset	3,719	375	-	-	4,094
Liabilities					
Financial Liabilities					
Other Financial Liabilities	53,670	1	-	-	53,671
Non Finance Liabilities					
Deffered tax Liability (net)	13,097	(21)	-	-	13,076
Other Non Financial Liabilities	4,310	(4)	-	-	4,306
Equity					
Equity Share Capital	1,466	-	4	15	1,485
Other Equity	4,41,794	548	867	1,448	4,44,657
Non-controlling interest	5,560	-	(871)	(1,463)	3,227

(h) Acquisition-related costs

i) Recognised as an expense in the statement of P&L

Nature of Expense	Year ended 31 March 2022	Year ended 31 March 2021	Expense head	Note number reference
Legal and Professional Fees	-	33	Other Expense	Note 37
Filing and Listing Fees	-	8	Other Expense	Note 37

ii) Not recognised as an expense in the statement of P&L

Transferor Company 1 i.e. Provision for stamp duty amounting to Rs. 3,000 lakhs towards the issuance of shares to the shareholders of PIMPL (i.e. promoters) has been adjusted (net of income tax benefit of Rs. 2,245 lakhs) from the free reserves of the Company. This treatment has been carried out in the financial statements as per the requirement of para 37 of Ind AS 32 "Financial Instruments: Presentation", which states that the transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit).

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Non-controlling interest

Amount of Non-controlling interest in the acquiree at the acquisition date is Rs.11,885 lakhs. The Discounted Cash Flow (DCF) technique was used for valuation of Non controlling interest. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(j) Revenue & profit or loss of the acquiree included in Consolidated P&L

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
Transferor Company 1 - PIMPL	102	58	308	482

(k) Combined revenue & profit or loss of the merged entity

Name of the Entities	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	PAT	Revenue	PAT
MOFSL	2,61,144	70,682	2,22,462	75,066
MOAIA	21,798	10,588	9,255	2,412

(l) Nature of business of the combining entities

Name of combining entities	General nature of business of combining entities
Transferor Company 1 - PIMPL	Stock Broking services
Demerged Company 1 - MOPE	Investment Manager of Private Equity funds
Transferor Company 2 - MORE	Investment Manager of Real Estate funds
Demerged Company 2 - MORE II	Investment Manager of Real Estate funds

(m) Description and number of shares issued, together with the % of each entity's equity shares exchanged to effect the business combination

Name of combining entities	Description of shares issued	Number of shares issued	% of entity's equity share exchanged to extent of business combination
Shareholders of Transferor Company 1 - PIMPL	Equity Shares	8,63,74,063	57.94%
Demerged Company 1 - MOPE	Equity Shares	9,06,120	0.61%
Transferor Company 3 - MOPE	Equity Shares	5,66,325	0.38%
Demerged Company 2 - MORE II	Equity Shares	3,72,000	0.25%
Transferor Company 4 - MORE II	Equity Shares	24,000	0.02%

(n) The amount of any difference between the consideration and the value of net identifiable assets acquired and the treatment thereof : Nil

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note: 62 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Note: 63 The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

Note: 64 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 65: Foreign currency transactions:

(i) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling and conveyance expenses	11	22
Legal and professional charges	50	40
Marketing & brand promotion expense	151	12
Membership and subscription	42	22
Repairs and maintenance	332	294
Remuneration to auditors	-	21
Insurance	0	4
Rates and taxes	1	1
Advisory and other fees	394	282
Miscellaneous expenses	2	4
Total	984	701

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Research and advisory fees	1,289	1,348
Total	1,289	1,348

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(iii) Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	USD (USA Dollar)	1	1
	INR (Indian Rupees)	91	54
	GBP (Pound Sterling)	0	0
	INR (Indian Rupees)	10	11
	EUR(EURO Dollar)	0	0
	INR (Indian Rupees)	4	2
	SGD (Singapore Dollar)	2	2
	INR (Indian Rupees)	112	104
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	1	1
	INR (Indian Rupees)	91	54
	GBP (Pound Sterling)	0	0
	INR (Indian Rupees)	10	11
	EUR(EURO Dollar)	0	0
	INR (Indian Rupees)	4	2
	SGD (Singapore Dollar)	2	2
	INR (Indian Rupees)	112	104
Unhedged foreign currency exposure	USD (USA Dollar)	1	1
	INR (Indian Rupees)	91	54
	GBP (Pound Sterling)	0	0
	INR (Indian Rupees)	10	11
	EUR(EURO Dollar)	0	0
	INR (Indian Rupees)	4	2
	SGD (Singapore Dollar)	2	2
	INR (Indian Rupees)	112	104

b) Payables

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	USD (USA Dollar)	0	0
	INR (Indian Rupees)	34	21
	HKD (Hongkong Dollar)	4	4
	INR (Indian Rupees)	36	41
	SGD (Singapore Dollar)	3	3
	INR (Indian Rupees)	151	159

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency payable in next 5 years including interest	USD (USA Dollar)	0	0
	INR (Indian Rupees)	34	21
	HKD (Hongkong Dollar)	4	4
	INR (Indian Rupees)	36	41
	SGD (Singapore Dollar)	3	3
	INR (Indian Rupees)	151	159
Unhedged foreign currency exposure	USD (USA Dollar)	0	0
	INR (Indian Rupees)	34	21
	HKD (Hongkong Dollar)	4	4
	INR (Indian Rupees)	36	41
	SGD (Singapore Dollar)	3	3
	INR (Indian Rupees)	151	159

c) Investments

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	60	60
	INR (Indian Rupees)	412	412
	USD (USA Dollar)	1	-
	INR (Indian Rupees)	57	-
	SGD (Singapore Dollar)	3	23
	INR (Indian Rupees)	130	1,041
Foreign currency exposure in next 5 years including interest	HKD (Hongkong Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
	USD (USA Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
	SGD (Singapore Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	60	60
	INR (Indian Rupees)	412	412
	USD (USA Dollar)	1	-
	INR (Indian Rupees)	57	-
	SGD (Singapore Dollar)	3	23
	INR (Indian Rupees)	130	1,041

NOTES TO FINANCIAL STATEMENT (Contd..)

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

d) Deposits

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Foreign currency exposure outstanding	USD (USA Dollar)	2	0
	INR (Indian Rupees)	137	20
Foreign currency exposure in next 5 years including interest	USD (USA Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	USD (USA Dollar)	2	0
	INR (Indian Rupees)	137	20

Note 66: Negative price settlement of Futures April West Texas Intermediate(WTI) Contract

Exceptional item in the year ended 31 March 2021 comprises of bad debts of Rs. 8,810 Lakhs on account of outstanding dues from client towards settlement obligation. MCX vide its circular dated 21 April 2020 has considered the negative price for settlement of futures contract on expiry. Thus the customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering into the contract, the customers were required to pay only the margin as was required by the exchange including mark to market losses. Since MCX has effected the settlement of such contract upon expiry at negative price, the client's account was debited with above amount as settlement obligation on account of negative price settlement in respect of its outstanding contract. Since the client have defaulted to honour the settlement obligation required by MCX, Company has paid the said amount to MCX on behalf of its clients. For recovering the said amount from client, Company has filed an arbitration claim for recovery of outstanding dues, against the clients before Arbitral Tribunal of MCX, and the Company has received arbitration awards amounting to Rs. 8,676 Lakhs in its favour. However the clients have filed an appellate arbitrations before Appellate Arbitral Tribunal of MCX, challenging the awards passed in favour of the Company. Client's appeal has been dismissed vide order dated 25 October 2021. The client has filed an application u/s 34 of Arbitration Act to challenge the Award of Appellate Arbitral Tribunal and the same is currently pending. Further, the Company has filed petition u/s 9 of Arbitration Act before the courts and the courts have directed the clients not to dispose of their assets till the next date of hearing.

Note 67: Amounts below 0.50 lakhs are rounded off and shown as "0".

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

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

Sd/-
Nikhil Singhi
Partner
Membership No: 061567

Place : Mumbai
Date : 28 April 2022

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

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 28 April 2022

Sd/-
Raamdeo Agrawal
Non-Executive Chairman
DIN : 00024533

Sd/-
Kailash Purohit
Company Secretary

Financial Highlights of Subsidiary

Financial Highlights of Subsidiary For year ended 31 March 2021

Form AOC-I

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

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

Part "A": Subsidiaries

1	2	3	4	5	6	7	8	9		
SI. No.	Name of the subsidiary	1	2	3	4	5	6	7	8	9
1	Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited) (MOIAL)	16-06-2006	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (MOAIPL)	"Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd) (MOFL)	Motilal Oswal Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	"Glide Tech Investment Advisory Private Limited (GTIAPL)	"TM Investment Technologies Pvt. Ltd. (TMITPL)"
2	The date since when subsidiary was acquired	06-04-2006	04-09-2009	18-12-2007	14-11-2008	14-11-2008	14-11-2008	19-09-2016**	25-11-2019	24-07-2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company								
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Share capital	100	41	313	5,893	6,774	10	800	400	900
6	Reserves & surplus	9,424	843	4,101	66,599	68,815	41	14	(270)	(174)
7	Total assets	11,242	26,430	9,482	1,50,623	91,324	53	826	174	772
8	Total Liabilities	1,718	25,545	5,068	78,132	15,735	2	11	43	46
9	Investments	10,451	-	632	80,783	73,326	45	251	-	-
10	Turnover	1,008	1	9,255	10,491	80,950	38	86	-	4
11	Profit before taxation	(785)	(7)	3,283	3,531	48,435	23	11	(249)	(172)
12	Provision for taxation	(268)	(0)	871	235	7,434	2	3	(43)	-
13	Profit after taxation	(517)	(7)	2,412	3,296	41,001	20	8	(206)	(172)
14	Other Comprehensive Income	(5)	-	9	4,675	45	-	-	(3)	(2)

Financial Highlights of Subsidiary

Sl. No.	1	2	3	4	5	6	7	8	9
1	Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited) (MOIAL)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	MO Alternate Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (MOAIPL)	"Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd) (MOFL)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	"Glide Tech Investment Advisory Private Limited (GTIAPL)	"TM Investment Technologies Pvt. Ltd. (TMITPL)"
16	Total Comprehensive Income	(522)	2,421	7,971	41,046	20	8	(209)	(174)
17	Proposed dividend	-	-	-	-	-	-	-	-
18	% of shareholding	100	100	100	98.64	100	98.64	100	63.83
Sl. No.	10	11	12	13	14	15	16	17	
1	Motilal Oswal Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCMSPL)	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd (MOHFL))	Motilal Oswal Management Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)	"Motilal Oswal Finsec IFSC Limited (MOFIL)	
2	Motilal Oswal Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCMSPL)	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd (MOHFL))	Motilal Oswal Management Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)	"Motilal Oswal Finsec IFSC Limited (MOFIL)	
3	The date since when subsidiary was acquired	29-09-2008	27-06-2011	30-09-2011	30-09-2011	01-10-2013	21-03-2014*	07-05-2018	
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	"1 HKD = Rs. 9.558	"1 SGD = Rs. 54.247"	NA	"1 USD = Rs. 73.297"	NA	
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	1HKD = Rs. 9.558	"1 SGD = Rs. 54.247"	NA	"1 USD = Rs. 73.297"	NA	
6	Share capital	8	457	412	1,041	60,178	479	18	
7	Reserves & surplus	10,037	16	(309)	372	30,775	(90)	1,588	
8	Total assets	12,611	480	60	1,559	3,89,758	499	1,615	
9	Total liabilities	2,566	7	(42)	146	2,98,805	110	8	
10	Investments	8,897	-	-	-	-	0	1	
11	Turnover	14,226	95	59	263	54,552	422	1,708	
12	Profit before taxation	5,228	14	(40)	34	9,045	107	891	
13	Provision for taxation	1,121	3	-	1	5,022	-	22	

The reporting period of all the subsidiaries is similar as of holding company

Financial Highlights of Subsidiary

1	2	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCMSPL)	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd (MOHFL))	Motilal Oswal Asset Management (Mauritius) Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)	"Motilal Oswal Finsec IFSC Limited (MOFIL)
14	Profit after taxation	4,108	11	(40)	33	4,023	107	869	98
15	Other Comprehensive Income	38	0	-	-	41	-	-	(1)
16	Total Comprehensive Income	4,145	12	(40)	33	4,064	107	869	97
17	Proposed dividend	-	-	-	-	-	-	-	-
18	% of shareholding	100	100	100	100	97.87	98.64	100	100

* through MOAIPL; ** through MOAMC

Notes:-

1. There are no subsidiaries which were liquidated or sold off during the year under review. Further, refer note no. 62 on the Scheme of Arrangement
2. Share application money is not included in total liability as well as share capital.
3. Turnover includes other income.
4. Percentage of shareholding is Effective Shareholding.

Financial Highlights of Subsidiary

Financial Highlights of Subsidiary For year ended 31 March 2022

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1	2	3	4	5	6	7	8	9	
Sl. No.	Name of the subsidiary	Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited) (MOIAL)	MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (MOAIPL)	"Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd) (MOFL)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	Glide Tech Investment Advisory Private Limited (GTIAPL)	TM Investment Technologies Pvt. Ltd. (TMITPL)
3	The date since when subsidiary was acquired	16-06-2006	04-09-2009	18-12-2007	14-11-2008	14-11-2008	19-09-2016**	25-11-2019	24-07-2020
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period								
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA	NA
6	Share capital	100	300	7,619	6,774	10	800	700	900
7	Reserves & surplus	11,023	7,600	1,03,767	96,346	52	14	(329)	(10)
8	Total assets	12,224	19,237	2,63,295	1,23,555	66	823	707	1,291
9	Total Liabilities	1,101	11,338	1,51,909	20,435	4	9	336	401
10	Investments	10,833	236	1,21,504	95,755	49	261	2	-
11	Turnover	4,149	21,798	28,685	72,628	37	67	492	733
12	Profit before taxation	2,037	11,462	16,459	35,928	14	2	(88)	146
13	Provision for taxation	448	873	2,816	7,491	3	3	(25)	(7)
14	Profit after taxation	1,589	10,588	13,643	28,436	11	(1)	(63)	153
15	Other Comprehensive Income	10	14	1,904	74	0	-	2	5

The reporting period of all the subsidiaries is similar as of holding company

Financial Highlights of Subsidiary

1	2	3	4	5	6	7	8	9		
1	Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited) (MOIAL)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (MOAIPL)	"Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd) (MOFL)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	Glide Tech Investment Advisory Private Limited (GTIAPL)	TM Investment Technologies Pvt. Ltd. (TMITPL)	
16	Total Comprehensive Income	(2)	10,603	15,548	28,511	11	(1)	(61)	158	
17	Proposed dividend	-	-	-	-	-	-	-	-	
18	% of shareholding	100	100	100	100	100	100	100	63.83	
1	Sl. No.	10	11	12	13	14	15	16	17	
2	Name of the subsidiary	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	"Motilal Oswal Markets (Singapore) Pte. Limited. (MOCMSPL)	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd (MOHFL)	Motilal Oswal Asset Management Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)	Motilal Oswal Finsec IFSC Limited (MOFIL)	
3	The date since when subsidiary was acquired	29-09-2008	27-06-2011	30-09-2011	30-09-2011	01-10-2013	08-01-2015**	21-03-2014*	07-05-2018	
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company								
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	1HKD = Rs. 9.653	1 SGD = Rs. 55.826	NA	1 USD = Rs. 75.587	1 USD = Rs. 75.587	NA	
6	Share capital	8	457	412	1,041	60,271	479	18	1,200	
7	Reserves & surplus	18,309	49	(285)	235	40,426	134	2,088	215	
8	Total assets	21,908	606	137	1,399	3,76,302	706	2,590	1,425	
9	Total liabilities	3,591	99	10	124	2,75,605	92	484	10	
10	Investments	9,412	-	-	-	-	0	1	-	
11	Turnover	24,262	224	124	227	52,620	911	10,849	152	
12	Profit before taxation	10,932	29	22	(28)	11,831	457	7,512	137	

Financial Highlights of Subsidiary

1	2	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	"Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCMSPL)	Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd (MOHFL)	Motilal Oswal Asset Management Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)	Motilal Oswal Finsec IFSC Limited (MOFIL)
13	Provision for taxation	2,713	(1)	-	2	2,342	-	22	30
14	Profit after taxation	8,218	30	22	(30)	9,489	457	7,491	108
15	Other Comprehensive Income	43	3	-	-	13	-	-	2
16	Total Comprehensive Income	8,261	33	22	(30)	9,502	457	7,491	110
17	Proposed dividend	-	-	-	-	-	-	-	-
18	% of shareholding	100	100	100	100	97.71	100	100	100

* through MOA/PL; ** through MOAMC

Notes:-

1. There are no subsidiaries which were liquidated or sold off during the year under review. Further, refer note no. 62 on the Scheme of Arrangement
2. Share application money is not included in total liability as well as share capital.
3. Turnover includes other income also.
4. Percentage of shareholding is Effective Shareholding of holding company i.e. Motilal Oswal Financial Services Limited.

EQUITY EXPERTS
FOR
[35]
YEARS

MOTILAL OSWAL

MOTILAL OSWAL FINANCIAL SERVICES LTD.

Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025

www.motilaloswalgroup.com



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025, Maharashtra, India E-mail: shareholders@motilaloswal.com

Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200 / +91 22 7193 4263 | Fax: +91 22 5036 2365

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Seventeenth Annual General Meeting** ("AGM") of the Members of Motilal Oswal Financial Services Limited ("the Company") will be held on **Monday, July 11, 2022 at 4:00 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the below businesses. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.

ORDINARY BUSINESSSES:

1. To consider and adopt the Audited Standalone Financial Statement of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2022.
2. To consider and adopt the Audited Consolidated Financial Statement of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2022.
3. To declare a final dividend of ₹3/- per equity share of face value of ₹1/- each and to confirm the interim dividend paid of ₹7/- per equity share of face value of ₹1/- each to its equity shareholders for the financial year ended March 31, 2022.
4. Appointment of a Director in place of Mr. Raamdeo Agarawal (DIN: 00024533), who retires by rotation, and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Raamdeo Agarawal (DIN: 00024533), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation.

5. Appointment of a Director in place of Mr. Navin Agarwal (DIN: 00024561), who retires by rotation, and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Navin Agarwal (DIN: 00024561), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.

6. Appointment of Statutory Auditors and fix their remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and recommendations of the

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Audit Committee and the Board of Directors of the Company, M/s. Singhi & Co., Chartered Accountants, bearing Firm Registration No. 302049E, be and is hereby appointed as the Statutory Auditor of the Company for a term of 5 (five) consecutive years, i.e. from the conclusion of Seventeenth Annual General Meeting ("AGM") until the conclusion of the Twenty Second AGM of the Company.

RESOLVED FURTHER THAT the Board (including any Committee thereof) be and is hereby authorised to fix the remuneration of Statutory Auditors as may be mutually agreed upon and re-imbursment of out of pocket expenses incurred by them for the purpose of audit of the Company and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESSES:

ITEM NO. 7

Material Related Party Transaction(s) with Motilal Oswal Home Finance Limited, a subsidiary of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's policy on Materiality and dealing with Related Party Transaction(s), provisions of the Memorandum and Articles of Association of the Company and recommendations of the Audit Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) for entering into related party transactions and / or carrying out and / or continuing with contracts / arrangements / transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with Motilal Oswal Home Finance Limited ("MOHFL"), a subsidiary of the Company, from the date of this Annual General Meeting ("AGM") upto the date of the next AGM for a period not exceeding fifteen months with respect to below mentioned related party transactions:

Nature of Transaction	Amount (₹ in Crores)
Granting Loans	500
Availing loan and borrowing	200
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	100
Total	800

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, including without limitation to settle any question, difficulty or doubt that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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ITEM NO. 8

Approval for payment of remuneration by way of commission to Non-Executive Directors including Independent Directors of the Company

To consider and, if thought fit, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for payment of remuneration to the Non-Executive Directors of the Company, such sum by way of commission as the Board of Directors may, from time to time, determine based on performance and guidelines of the Company in such a manner that such commission in aggregate shall not exceed 1% (one percent) of the net profits or such other percentage of the net profits of the Company in any financial year, as may be specified under the Act, from time to time and computed in the manner provided under Section 198 of the Act of the Company.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year the Company has no profits or its profits are inadequate, commission may be paid to Non-Executive Directors subject to provisions of Schedule V of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including seeking all necessary approvals and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited

Place : Mumbai
Date : June 17, 2022

Sd/ -
Kailash Purohit
Company Secretary & Compliance Officer
(ACS No.: 28740)

Notes:

1. In view of the COVID-19 pandemic and social distancing norms, the Ministry of Corporate Affairs ("MCA") vide its circular dated April 8, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022 and such other related circulars issued from time to time (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("the AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members (also referred to as "Shareholders") at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars (amended from time to time), the AGM of the Company is being held through VC / OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

For this purpose, necessary arrangements have been made by the Company with Central Depository Services (India) Limited ("CDSL") and instructions for the process to be followed for attending and participating in the ensuing AGM through VC/OAVM is forming part of this Notice.

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2. The Explanatory Statement as required under Section 102 of the Act relating to the Special Businesses to be transacted at the AGM, is annexed hereto. Further, the Explanatory Statement relating to Ordinary Businesses in Item No. 4 & 5 to be transacted at the AGM is also annexed hereto.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and MCA Circulars, the Company is providing facility of Remote e-Voting (e-Voting from a place other than venue of the Meeting) and e-Voting during AGM, to its Members in respect of the businesses to be transacted at the AGM.

For this purpose, necessary arrangements have been made by the Company with CDSL to facilitate Remote e-Voting and e-Voting during AGM. The instructions for the process to be followed for Remote e-Voting and e-Voting during AGM is forming part of this Notice.

4. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circulars, since the AGM will be held through VC/OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form is not annexed to this Notice.
5. Pursuant to Section 113 of the Act, representatives of Corporate Members may be appointed for the purpose of voting through Remote e-Voting or for participation and voting in the AGM to be conducted through VC / OAVM. Corporate Members intending to attend the AGM through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF / JPG Format), authorizing its representative to attend and vote on their behalf at the AGM. The said Resolution/Authorisation shall be sent to the Company by e-mail through its registered e-mail address at shareholders@motilaloswal.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. In compliance with the aforesaid MCA and SEBI Circulars, this Notice of the AGM along with the Annual Report for FY 2021-22 is being sent only through electronic mode to those Members whose name appear in the Register of Members / Beneficial Owners maintained by the Depositories as on benpos date i.e. Friday, June 10, 2022 and whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report for FY 2021-22 will also be available on website of the Company, i.e. www.motilaloswalgroup.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the CDSL at www.evotingindia.com.
7. Process for registration of email id for obtaining Annual Report in electronic mode and User ID / password for e-Voting is annexed to this Notice.
8. The Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com.
9. The Company has appointed Mr. Umashankar K. Hegde, Practicing Company Secretary, as the Scrutinizer for scrutinizing the e-Voting process to ensure that the process is carried out in a fair and transparent manner.
10. Interim dividend for the financial year ended March 31, 2022 of ₹7/- per Equity Share having face value of ₹1/- each was paid by February 16, 2022.
11. The Member whose name appears on the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Monday, July 04, 2022 will only be considered for the purpose of e-Voting.

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12. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members / Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Monday, July 04, 2022.
13. The Remote e-Voting period commences on Friday, July 08, 2022 at IST 9.30 a.m. and ends on Sunday, July 10, 2022 at IST 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, July 04, 2022 may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting thereafter.
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. The Members attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-Voting, may vote during the AGM through e-Voting for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-Voting may attend the AGM but shall not vote at the AGM.
16. A person who is not a Member as on the cut-off date i.e. Monday, July 04, 2022 should treat this Notice for information purpose only. However, the Members who are holding shares in physical form or who have not registered their e-mail address with the Company / Depositories or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Monday, July 04, 2022 may obtain the User ID and password by following the instructions as mentioned in the Notice of the AGM.
17. Members can avail the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with rules thereunder. Members desiring to avail this facility may send their nomination in Form SH-13 duly filled in to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Link Intime India Private Limited. Further, Members desirous of cancelling / varying nomination pursuant to the provisions of the Act are requested to send their requests in Form ISR – 3 or SH-14 to RTA of the Company. These forms will be made available on request.
18. In case the final dividend as recommended by the Board is declared at the AGM, payment of such dividend will be made on or before Tuesday, August 09, 2022 to those Members whose name appear in the Register of Members/Beneficial Owners as on the Record Date i.e. Monday, July 04, 2022.
19. As per the Listing Regulations and pursuant to SEBI Circular dated April 20, 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Accordingly, the dividend, if declared, will be paid through electronic mode, where the bank account details of the shareholders are available. In case, where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as banker's cheque or demand draft incorporating bank account details of such Members.
20. The Members holding shares in dematerialized form are requested to update with their respective Depository Participant, their bank account details (account number, 9 digit MICR code and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / RTA before Monday, July 04, 2022 by quoting the Folio No. and attaching a photocopy of the cancelled cheque leaf of their bank account and a self-attested copy of their PAN card. Further, the Members holding shares in physical form may avail investor services to register PAN, email address, bank details and other KYC details or changes/update thereof by sending requests in Form ISR – 1 to the RTA.
21. The Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Further, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in a dematerialized form with a depository except in case of

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transmission or transposition of securities as per the Listing Regulations. Therefore, the Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.

22. The Finance Act, 2020 has abolished the Dividend Distribution Tax (DDT) and has introduced the system of dividend taxation in the hands of the shareholders with effect from April 1, 2020. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of payment of dividend, if declared, to its shareholders (resident as well as non-resident). A list of documents / declarations required to be provided by the resident shareholders and list of documents / declarations required to claim the benefit of Double Tax Avoidance Agreement ("DTAA") by the non-resident shareholders are available on the Company's website at www.motilaloswalgroup.com.

23. Unclaimed Dividend

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund ("IEPF").

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at www.motilaloswalgroup.com and Ministry of Corporate Affairs at www.iepf.gov.in. The Members can contact Link Intime India Private Limited for claiming the unclaimed dividends standing to the credit in their account.

24. Shares transferred to IEPF:

The Equity shares in respect to which dividend has not been encashed for seven consecutive years or more are required to transfer to IEPF pursuant to Section 124(6) of the Act. Relevant details in this respect are posted on the website of the Company at www.motilaloswalgroup.com in Investor Relations section.

In this regard, the Company has sent intimations to the Members from time to time. The Members are requested to contact Company or RTA to claim their dividend and in case of any pending legal disputes, provide certified copy of order from Court / Authority restraining transfer, payment of dividend etc. During the financial year 2021-22, the Company has transferred 14 equity shares on October 19, 2021 to IEPF.

25. Members are hereby informed that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:

- a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
- b. Freezing of folios in cases where PAN is not linked with Aadhaar by the last date as may be specified by the Central Board of Direct Taxes.
- c. Folios wherein any one of the said document(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
- d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated

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in the system, the RTA/Company shall verify and process the service requests and issue a "Letter of confirmation" in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

26. Additional Information of Directors seeking appointment / re-appointment as per Item No. 4 and 5 at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings ("SS-2"), is annexed to the Notice.
27. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, CDSL, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
28. Since the AGM will be held through VC / OAVM, the Route Map of the venue and Attendance Slip are not annexed to this Notice.

Voting Results:

1. The Scrutinizer shall, after the conclusion of the AGM, electronically submit the Consolidated Scrutinizer's Report (i.e. votes cast through Remote e-Voting and e-Voting during AGM) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the AGM or to any other person authorised by the Chairman of the Company.
2. Based on the Scrutinizer's Report, the Company will submit within two working days of the conclusion of the AGM, to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
3. The result declared along with Scrutinizer's Report will be placed on the website of the Company at www.motilaloswalgroup.com and on the website of CDSL at www.evotingindia.com.

INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM

I. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for individual shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL") / National Securities Depository Limited ("NSDL") is given below:

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Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com / Evoting / Evoting Login. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

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Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

II. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM

- (i) The equity shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders / Members" tab to cast your votes.
- (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

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- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Equity Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both i.e. for equity shareholders holding shares in Demat Form and Physical Form) <ul style="list-style-type: none">Equity shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot Form indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the Company / Depository Participant, please enter the DP ID and Client ID / Folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, equity shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For equity shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number ("EVSN") for the relevant "Motilal Oswal Financial Services Limited" on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

NOTICE (Contd..)

(xvi) If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Equity Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at shareholders@motilaloswal.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding attending AGM and e-voting from CDSL e-Voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

III. INSTRUCTIONS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Member who has casted their vote(s) through e-Voting during the AGM and if the same member has not participated in the meeting through VC/OAVM facility, then the vote(s) casted by such member shall be considered invalid as the facility of e-Voting during the meeting is available only to the members attending the meeting.

NOTICE (Contd..)

IV. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting. The link for VC/OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.
2. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 Members on first come first served basis.

This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
4. Members are encouraged to join the AGM through Laptops /iPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. The Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail Id mentioning their name, demat account number / folio number, email id, mobile number at shareholders@motilaloswal.com up to Monday, July 04, 2022 (IST 5.00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
8. The Members who do not wish to speak during the AGM but have queries may send their queries from their registered e-mail Id mentioning their name, demat account number / folio number, email id, mobile number at shareholders@motilaloswal.com up to Monday, July 04, 2022 (IST 5.00 p.m.). These queries will be replied by the Company appropriately during the AGM. Alternatively, Members can also put question on the Q&A box available at the time of the AGM.
9. Members who need technical assistance before or during the AGM can send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

V. INSTRUCTIONS FOR SHAREHOLDERS FOR REGISTRATION OF E-MAIL ADDRESS

I. Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the Company by sending the mail to the Company at shareholders@motilaloswal.com. The Members are requested to provide details such as Name, DP ID, Client ID / PAN, mobile number and e-mail id.

NOTICE (Contd..)

II. Permanent Registration for Demat Shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant ("DP") by following the procedure prescribed by the DP.

III. Registration for Shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with RTA of the Company i.e. Link Intime India Private Limited by sending the request at rnt.helpdesk@linkintime.co.in. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and the image of share certificate in PDF or JPEG format (up to 1 MB).

NOTICE (Contd..)

ANNEXURE TO THE NOTICE

The Statement under Section 102 of the Companies Act, 2013 ("the Act")

ITEM NO. 4 & 5

In terms of the provisions of Section 152 of the Companies Act, 2013 ("Act") and in accordance with the Articles of Association of the Company, the two third of the total number of Directors, excluding Independent Directors, shall be eligible to retire by rotation, out of which, one-third shall retire. The Directors which are liable to retire by rotation would be those who have been longest in office since their last appointment.

Accordingly, Mr. Motilal Oswal, Mr. Raamdeo Agarawal, Mr. Navin Agarwal, Mr. Ajay Menon and Mr. Rajat Rajgarhia, non-independent directors are eligible to retire by rotation. However, Mr. Raamdeo Agarawal and Mr. Navin Agarwal, being longest in the office will retire by rotation and would be eligible for re-appointment in the forthcoming Annual General Meeting ("AGM").

The brief profile along with other relevant details of the Directors seeking re-appointment are annexed herein below.

Accordingly, the Board recommends the Ordinary Resolution(s) set out in Item No. 4 and 5 of the Notice for approval of the Members.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions.

ITEM NO. 6

Consequent to resignation of M/s. Walker Chandiook & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company w.e.f. August 12, 2021, the Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on August 13, 2021 had appointed M/s. Singhi & Co., Chartered Accountants (Firm Registration No.: 302049E), as Statutory Auditors of the Company, subject to approval of the Members of the Company, to hold office till the conclusion of Seventeenth Annual General Meeting ("AGM"), to fill the casual vacancy caused due to resignation of M/s. Walker Chandiook & Co. LLP.

Thereafter, the Members of the Company approved the appointment of M/s. Singhi & Co., as Statutory Auditors of the Company through Postal Ballot on October 19, 2021 to hold office till the conclusion of Seventeenth AGM of the Company M/s. Singhi & Co., is a leading firm of Chartered Accountants in India with over 600 people providing high quality services in the fields of Audit & Assurance, Risk Consulting & Internal Audit, Corporate Finance, Tax, Outsourcing and Management Consulting. The firm was founded in the year 1940 by Late Mr. R. C. Singhi. The firm has its head office in Kolkata and offices in key cities such as Mumbai, Delhi, Chennai, Guwahati, Bangalore, Nagpur, Hyderabad and Ahmedabad. The firm has collaborated with Moore Global Network.

On the recommendation of the Audit Committee, the Board at its meeting held on April 28, 2022 had recommended the appointment of M/s. Singhi & Co., as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Seventeenth AGM till the conclusion of the Twenty Second AGM of the Company at such remuneration plus out of pocket expenses and applicable taxes, as may be fixed by the Board/Committee.

The Company has received the consent letter and eligibility certificate from M/s. Singhi & Co., to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act.

In view of the aforesaid, the Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of the Members.

NOTICE (Contd..)

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ITEM NO. 7

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), all Material Related Party Transactions ("RPTs") shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis.

A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crores or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower. Regulation 2(1)(zc) of the Listing Regulations defines RPTs to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 has clarified and specified that the shareholders' approval of omnibus RPTs approved in an Annual General Meeting ("AGM") shall be valid upto the date of the next AGM for a period not exceeding fifteen months. Therefore, the Company is required to obtain shareholders' approval in every AGM.

Background, details and benefits of the transaction:

Motilal Oswal Home Finance Limited ("MOHFL"), a debenture listed entity, is a material subsidiary of Company and consequently a related party of the Company. MOHFL is engaged in the business of Housing Finance.

The Members of the Company had provided approval for entering into related party transactions with MOHFL (including transactions already entered), in one or more tranches, within a period of four years from December 27, 2018 (i.e. date of passing resolution) vide Postal Ballot on December 27, 2018.

Further to the said approval through Postal Ballot, the Company had again passed an Ordinary Resolution in the Fourteenth AGM held on July 31, 2019, for enhancing and entering into below mentioned related party transactions with MOHFL within a period of four years from July 31, 2019 till July 20, 2023:-

Nature of Transaction	Amount (₹ in Crores)
Acquisition of Securities by way of Subscription, Purchase or otherwise.	1,500
Give any guarantee or provide security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	3,000
Granting Loans.	1,500
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	250
Total	6,250

NOTICE (Contd..)

In view of the aforementioned clarification issued by SEBI regarding validity of Shareholders' approval of omnibus RPTs, it is now proposed to take fresh approval of the Members of the Company for entering into related party transactions with MOHFL, as per details given below:

Nature of Transaction	Amount (₹ in Crores)
Granting Loans	500
Availing loan and borrowing	200
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	100
Total	800

As the proposed transaction with MOHFL will exceed the prescribed material threshold limits, the approval of the Members of the Company is sought by way of an Ordinary Resolution for entering into aforesaid related party transactions with MOHFL, in one or more tranches, from the date of this AGM upto the date of the next AGM, for a period not exceeding fifteen months.

The Company and MOHFL, being part of the same group, these transactions, not only cater to the requirement of working capital but also ensures smooth business operations for both the companies. Further, the proposed transactions are within the permissible limits under provisions of the Companies Act, 2013 ("Act") (as amended from time to time).

The Audit Committee, after reviewing all necessary information, has granted its approval for RPT, with MOHFL for an aggregate value of up to ₹800 Crores, entered/to be entered from the date of this AGM to the date of next AGM. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the Resolution set out in Item No. 7 of the Notice for approval of the Members of the Company.

The particulars of the transaction(s) pursuant to the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 are as under:-

Particular	Information
Name of the Related Party	Motilal Oswal Home Finance Limited ("MOHFL"), material subsidiary of the Company
Name of the Director(s) or Key Managerial Personnel ("KMP") who is related, if any;	1) Mr. Motilal Oswal – Promoter, Managing Director & CEO and KMP 2) Mr. Raamdeo Agarawal - Promoter and Non-Executive Chairman
Nature of relationship	MOHFL is a material subsidiary of the Company and Mr. Motilal Oswal, Promoter and Managing Director & CEO and Mr. Raamdeo Agarawal, Promoter and Non-Executive Chairman of the Company, are also Promoter and Directors of MOHFL

NOTICE (Contd..)

Particular	Information	
Nature, Material terms, particulars of the contract or arrangements; and Monetary Value	Nature of Transaction	Amount (₹ in Crores)
	Granting Loans.	500
	Availing loan and borrowing	200
	Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	100
	Total	800
Whether the transactions have been approved by Audit Committee and the Board of Directors	The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meeting held on April 28, 2022.	
Any other information relevant or important for the members to take a decision on the proposed resolution.	Not Applicable	
A summary of the information provided by the management of the Company to the Audit Committee:	The details of the proposed transactions including the nature, terms, value percentage of the Company's annual consolidated turnover, tenure and proposed limits etc. were placed before the Audit Committee at its meeting held on April 28, 2022 and summary of the same is contained herein.	
Justification for why the proposed transaction is in the interest of the listed entity:	<p>MOHFL is the closely held material subsidiary of the Company i.e. MOFSL alongwith Group hold ~98% of shares of MOHFL. Further, to meet the working capital requirements of MOHFL, the Company, being holding company provides financial assistance to MOHFL from time to time. The proposed transaction of loan commitment to MOHFL also help MOHFL to avail long term borrowing from other financial institutions at lower rate.</p> <p>Further, as part of Treasury Management and to meet short term requirements, the Company also avail loans from MOHFL as and when required.</p> <p>Due to common infrastructure and business support, the Company undertake various transactions in normal course of business like business support charges, Rent/Leasing, cross charge for ESOP, etc.</p> <p>The said transactions are executed in the best interest of the Company and are carried out on arm's length basis.</p>	
Disclosure related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Details of the source of funds in connection with the proposed transaction	Own Fund
	Financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure;	The Company is not borrowing any fund for the aforesaid truncation, hence the question of indebtedness does not arise.

NOTICE (Contd..)

Particular	Information												
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Information</th> </tr> </thead> <tbody> <tr> <td>Applicable terms</td> <td>As mutually agreed under the agreement of loan and borrowing between the Company and MOHFL</td> </tr> <tr> <td>Tenure</td> <td>Upto 1 year (repayable on demand)</td> </tr> <tr> <td>Interest Rate</td> <td>Rate of Interest would be the cost of fund plus spread. Currently rate of interest is in the range of 11% p.a. to 13% p.a. However, considering change in market scenario the Company may change the rate of interest.</td> </tr> <tr> <td>Repayment Schedule</td> <td>On demand</td> </tr> <tr> <td>Security</td> <td>Unsecured</td> </tr> </tbody> </table>	Particulars	Information	Applicable terms	As mutually agreed under the agreement of loan and borrowing between the Company and MOHFL	Tenure	Upto 1 year (repayable on demand)	Interest Rate	Rate of Interest would be the cost of fund plus spread. Currently rate of interest is in the range of 11% p.a. to 13% p.a. However, considering change in market scenario the Company may change the rate of interest.	Repayment Schedule	On demand	Security	Unsecured
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Security	Unsecured												
	<table border="1"> <tbody> <tr> <td>The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.</td> <td>Working capital requirement and other general corporate purpose.</td> </tr> </tbody> </table>	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Working capital requirement and other general corporate purpose.										
The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Working capital requirement and other general corporate purpose.												
Valuation or other external party report	Valuation report wherever required will be obtained for proposed related party transaction(s) and will be made available to the shareholders on request.												
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	152.38%												
% of the annual turnover of the Company as on March 31, 2022, that is represented by the proposed RPT	18.62%												

The Board expects growth in the business of MOHFL and so is of the opinion that the aforesaid related party transaction is in the best interests of the Company and accordingly recommends the Resolution set forth in Item No. 7 of the Notice for the approval of the Members.

All the related parties shall abstain from voting on the said Resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ITEM NO. 8

With the enhanced Corporate Governance requirements under the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

NOTICE (Contd..)

(as amended from time to time) coupled with the size, complexity and global operations of the Company, the role and responsibilities of the Board, particularly Non-Executive Directors including Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight. In view of the above, the Nomination & Remuneration Committee ("NRC") and the Board of Directors at their respective meetings held on April 28, 2022, subject to approval of the Members of the Company, had recommended and approved payment of remuneration to Non-Executive Directors of the Company by way of commission, such sum not exceeding 1% (one percent) of the net profits of the Company in any financial year, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time.

Regulation 17(6) of the Listing Regulations, empowers the Board of Directors to recommend all fees and compensation, if any, to be paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting. This commission will be distributed amongst all or some of the Non-Executive Directors, taking into consideration parameters such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board as prescribed under the Nomination and Remuneration Policy of the Company.

Pursuant to Section 149(9), an independent director is entitled to receive (a) sitting fee for Board/Committee meetings as may be prescribed under second proviso in Section 197(5); (b) reimbursement of expenses for attending the Board/Committee meetings; (c) profit related commission as may be approved by the members. Hence the Company may pay profit related commission to the Independent Directors with prior approval of the members.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

The Members of the Company at its Annual General Meeting held on July 27, 2017 approved payment of remuneration by way of commission to the Non-Executive Directors of the Company including Independent Directors, not exceeding limits prescribed in Section 197 of the Act for each financial year, for a period of five years with effect from April 1, 2017.

Since approval granted by the Members of the Company is valid till FY 2021-22, it is proposed to obtain fresh approval from the Members for payment of remuneration to Non-Executive Directors a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act and other applicable provisions.

In view of the above, the Board recommends the Special Resolution set out in Item No. 8 of the Notice for approval of the Members.

Save and except the Non-Executives Directors including Independent Directors of the Company, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ANNEXURE TO ITEM NO. 4 & 5

Pursuant to the Provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) details in respect of Director seeking Appointment/Reappointment at the Annual General Meeting is furnished below:

Name of Director	Mr. Raamdeo Agarawal	Mr. Navin Agarwal
DIN	00024533	00024561
Date of Birth	July 1, 1956	June 4, 1971
Age	65 Years	51 Years

NOTICE (Contd..)

Name of Director	Mr. Raamdeo Agarawal	Mr. Navin Agarwal
Qualifications	Chartered Accountant	Chartered Accountant, Cost & Works Accountant, Company Secretary and Chartered Financial Analyst
Effective Date of Appointment/ Re-appointment on the Board	May 18, 2005	May 18, 2005
Remuneration	The remuneration details are mentioned in Board's Report and Report on Corporate Governance forming part of Annual Report of the Company	The remuneration details are mentioned in Board's Report and Report on Corporate Governance forming part of Annual Report of the Company
Experience/Brief Profile and Expertise in specific functional area	<p>Mr. Raamdeo Agarawal is Chairman and Non-executive Director of the Company. He started the business along with co-promoter, Mr. Motilal Oswal, in 1987.</p> <p>He is an Associate of Institute of Chartered Accountants of India and also a member of the National Committee on Capital Markets of the Confederation of Indian Industry. Mr. Agrawal specialises in equity research.</p> <p>He has been authoring the annual Motilal Oswal Wealth Creation Study since 1996. In 1986, he wrote the book 'Corporate Numbers Game', along with co-author, Late. Ram K Piparia. He has been featured on 'Wizards of Dalal Street on CNBC TV 18'. He has also authored the book "The Art of Wealth Creation" which compiles insights from his 22 "Wealth Creation Studies".</p> <p>Mr. Agarawal has received the "Rashtriya Samman Patra" awarded by the Government of India for being amongst the highest Income Tax payers in the country for a period of 5 years from FY95–FY99 and for a consistent track record of highest integrity.</p>	<p>Mr. Navin Agarwal is a Non-executive Director of Motilal Oswal Financial Services Limited. He joined Motilal Oswal Group in 2000 and has been responsible for building a market-leading position in various businesses. He is a part of the Executive Board that drives business strategy and reviews for all businesses besides capital allocation of the group.</p> <p>He started his career as an Analyst in 1994, went on to Head of Research and subsequently took up the additional responsibility of Portfolio Management.</p> <p>Mr. Agarwal is affiliated with prestigious organizations like Institute of Chartered Accountants of India, Institute of Cost and Works Accountant of India, Institute of Company Secretaries of India and CFA Institute, Virginia.</p> <p>Mr. Agarwal has also co-authored a Book 'India's Money Monarchs' featuring interactions with India's leading investment managers</p>
Terms and conditions of appointment/re-appointment	Re-appointed as a Director liable to retire by rotation	Appointed as a Director liable to retire by rotation.

NOTICE (Contd..)

Name of Director	Mr. Raamdeo Agarawal	Mr. Navin Agarwal
Directorships held in other companies (excluding foreign companies) as on date	<ol style="list-style-type: none"> 1) Motilal Oswal Home Finance Limited 2) Motilal Oswal Asset Management Company Limited 3) Motilal Oswal Investment Advisors Limited 4) Motilal Oswal Foundation 5) Glide Tech Investment Advisory Private Limited. 6) MO Alternate Investment Advisors Private Limited (Formerly Motilal Oswal Fincap Private Limited) 7) TM Investment Technologies Private Limited 	<ol style="list-style-type: none"> 1) Motilal Oswal Capital Limited 2) Motilal Oswal Asset Management Company Limited 3) Glide Tech Investment Advisory Private Limited 4) MO Alternative IFSC Private Limited
Memberships of committees across companies (only Statutory Committees as required to be constituted under the Act are considered)	<p>A. Audit Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Asset Management Company Limited <p>B. Stakeholders Relationship Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited <p>C. Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Asset Management Company Limited <p>D. Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Asset Management Company Limited 3) Motilal Oswal Investment Advisors Limited 4) Motilal Oswal Home Finance Limited <p>E. Risk Management Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Home Finance Limited 	<p>A. Stakeholders Relationship Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited <p>B. Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Asset Management Company Limited <p>C. Risk Management Committee</p> <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited

NOTICE (Contd..)

Name of Director	Mr. Raamdeo Agarawal	Mr. Navin Agarwal
Chairmanship of Committees across companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Stakeholders Relationship Committee Motilal Oswal Financial Services Limited B. Corporate Social Responsibility Committee Motilal Oswal Asset Management Company Limited	Not Applicable
Shareholding in the Company (Equity) as on the date of notice	4,03,69,047 Equity Shares of ₹ 1/- each	77,04,010 Equity Shares of ₹ 1/- each
Relationship with other Directors / Manager / Key Managerial Personnel	None	None
Number of Board meetings attended during the FY2021-22	Six out of Six Meetings	Six out of Six Meetings

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited

Place : Mumbai
Date : June 17, 2022

Sd/ -
Kailash Purohit
Company Secretary & Compliance Officer
(ACS No.: 28740)