

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, 2023

To,

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 2022-23 along with Notice of the Eighteenth Annual General Meeting

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), please find enclosed herewith the copy of the Annual Report for the Financial Year 2022-23 along with Notice of the Eighteenth Annual General Meeting (“AGM”) scheduled on Tuesday, July 11, 2023 at 04:00 P.M. (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).

Further, the aforesaid Annual Report along with Notice of the 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

 **MOTILAL OSWAL**

ANNUAL REPORT 2022-23

POWERING AHEAD



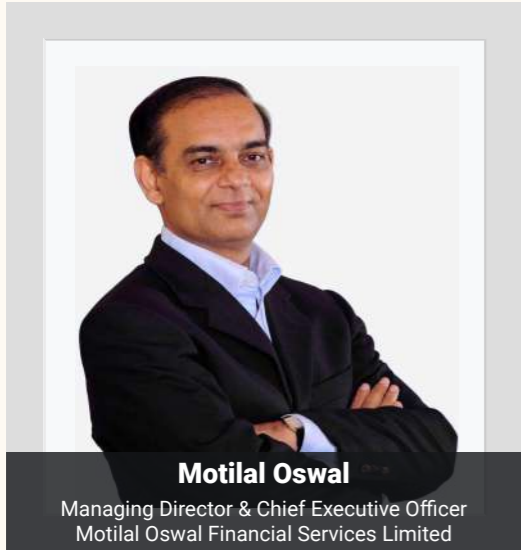


POWERING AHEAD

Powering Ahead embraces a mindset of perseverance, resilience, and determination to overcome obstacles and achieve our goals and it reflects our journey towards achieving our full potential and consistently surpassing expectations. As a testament to our unwavering commitment, we have achieved multiple milestones, including crossing the monumental 1 trillion mark in Asset Under Management (AUM) within our Asset and Wealth Management business. Furthermore, our attainment of the highest-ever Capital Market and Housing Finance Profit After Tax (PAT) highlights our steadfast pursuit of delivering exceptional results. Harnessing the energy from these accomplishments, we embrace this momentum to chart a path of continuous growth and excellence.

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MD'S MESSAGE

Dear Shareholders,

Indian economy proved to be remarkably resilient in FY2023 with GDP growth of 7.2% and continues to remain one of the fastest growing economy due to the strong macroeconomic fundamentals. Global economy faced uncertainty due to geopolitical tensions and continued lockdown in China. This led to significant disruption in global supply chain and consequently high inflation across the world. Several central banks including RBI were quick to react to this alarming situation and hiked interest rates to curb inflation. The proactive steps taken by RBI effectively curbed inflationary pressure and paved the way for a more stable economic environment.

At MOFSL, we reported highest ever operating revenue of ₹ 4,319 crore in FY2023, registering a growth of 8% YoY. Our operating PAT touched an all-time high of ₹ 879 crore. Our consolidated ROE stood at 18%. Our focus on knowledge, talent, processes, technology, brand & culture and inter-segment synergies have helped us to withstand market headwinds and achieve key milestones across all business verticals. We continue to remain optimistic on the growth potential of all our business verticals given the robust fundamental structure.

On the capital markets front, Indian equity markets ended on a flattish note. Number of new entrants into the stock market declined as industry witnessed 2.5 crore new demat account being opened in FY2023 as compared to 3.5 crore in previous financial year. While FIIs were on a selling spree for second consecutive year, DIIs offset the pressure and recorded highest ever inflows. On the back of our strengths- "Phygital Business model" and "Research and Advisory", our broking business recorded highest ever broking revenues, profits and Average Daily Turnover (ADTO) in FY2023. We added 6.5 lakh clients in FY2023, taking the total retail client base to ~35 lakh. We had one of the highest Average Revenue Per User (ARPU) in the industry. Our derivative market share was at multi period high in FY2023. Our distribution AUM stood at ₹ 21,300 crore and has huge head-room for growth. During the year, we launched Options Store and Research 360-degree App, further strengthening our offerings. In Institution business, our rankings and clientele continued to remain robust. We were awarded #1 Corporate Access Team in Asia Money Brokers Poll 2022. We completed the largest private equity deal for our Investment Banking business in FY2023 and 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 ₹ 45,620 crore. During the year, we onboarded Prateek Agrawal, an industry veteran, to lead business and investment strategy. We strengthened our Risk Management framework and revamped investment process to deliver consistent returns. All these measures led to turnaround in performance of our active MF schemes, which in turn led to improvement in gross sales and decline in redemptions. We have a diverse passive product basket spread across various categories including international ETFs and index funds. Fee earning PE and RE AUM stood at ₹ 10,280 crore. We launched IBEF IV, the biggest PE fund, in FY2022. The fund witnessed overwhelming response and we were able to attain final close at ₹ 4,500 crore within a year. Our wealth management business AUM recorded a growth of 51% YoY at ₹ 52,000 crore. Our net sales was at an all-time high of ₹ 5,800 crore in FY2023. We have bolstered our leadership team with senior management hiring to strengthen Ultra HNI offerings and advisory capabilities. Keeping in mind our growth aspirations, we on boarded 63 RMs during the financial year, taking the total count to 182. We will 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, FY2023 was a landmark year where we reported highest ever PAT of ₹ 136 crore, with a 44% YoY growth. Disbursements crossed ₹ 1,000 crore milestone, registering a growth of 57% YoY. During the year, ICRA upgraded rating to AA/Stable from AA-/Stable. We have joined hands with U.S. International Development Finance Corporation (DFC) in FY2022 and received a commitment of USD 50 mn, of which we have received USD 30 mn till March 2023. Apart from that, we continued to have strong Liability Mobilizations from various Banks & Institutions at competitive rates. Our cost of borrowings for FY2023 stood at 8.0%, down by 24 bps YoY. Further, we have expanded our sales force with 690+ sales employees currently in place and we are present in 109 locations across 12 states/UTs. Our collection efficiency remained robust at 100.1% in FY2023. We have strengthened legal unit to pursue legal actions aggressively such as SARFAESI, section 138 and arbitration cases. As of March 2023, our GNPA stood at 1.1% and NNPA at 0.5%.

In our fund based businesses, our total investments including alternate investments stood at ₹ 4,280 crore with a since inception IRR of 16%. Our QGLP philosophy, niche expertise in equities, proven track record and belief in 'skin in the game', augurs well for our fund based business.

Despite of various market headwinds, we have continued to delivered sustainable performance. Our retail broking business continued to consolidate its market position during FY2023 by adding franchisees and improving its market share through digital initiatives and benefitting from market expansion and industry consolidation. We continue to focus on our strategy to diversify our businesses towards linear sources of earnings. Our Asset Management business has seen improvement in performance and is likely to gain from process driven investing and its niche offerings. Our Wealth Management business is on its way to achieve scale as we have strengthened our leadership team and continued investments in Relationship Managers. Our Alternates business continue to deliver robust returns across Private Equity and Real Estate Funds. Our Housing finance business has witnessed turnaround by improving disbursements and profitability parameters and is now geared up for sustainable growth. There is immense potential and opportunities in the market for each of our businesses to flourish.

I am proud to say that our team displayed unwavering dedication and determination. We adapted swiftly to the changing circumstances, embracing new technologies and strategies to overcome the obstacles. Our employees showed immense resilience, working diligently to maintain productivity and deliver exceptional results.

FY2023 was undoubtedly a challenging year. However, it also served as a catalyst for growth and transformation. By leveraging the experiences gained and building on our strengths, we can emerge stronger, more resilient, and better equipped to face the uncertainties of the future.

I sincerely thank all the employees for their steadfast dedication towards the Company. I also want to express my gratitude to all the stakeholders who have shown support and rendered well-wishes for the Company.

With best wishes,

Motilal Oswal

Managing Director & Chief Executive Officer
Motilal Oswal Financial Services Limited

BOARD OF DIRECTORS



Raamdeo Agarwal
Non-Executive Chairman



Motilal Oswal
Managing Director (MD) &
Chief Executive Officer (CEO)



Navin Agarwal
Non-Executive Director, MOFSL
(MD & CEO, MOAMC)



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



Rajat Rajgarhia
CEO, Institutional Equities Business,
Whole-time Director, MOFSL



C. N. Murthy
Independent Director



Chandrashekhkar Karnik
Independent Director



Pankaj Bhansali
Independent Director



Divya Momaya
Independent Director



Swanubhuti Jain
Independent Director

KEY PEOPLE



Abhijit Tare
CEO, Investment Banking
Business



Ashish Shanker
MD & CEO,
Private Wealth Business



Vishal Tulsyan
MD & CEO,
Private Equity Business



Shalibhadra Shah
Chief Financial Officer



Niren Srivastava
Group Chief Human Resources Officer



Pankaj Purohit
Group Head, Information Technology

Kailash Purohit
Company Secretary and Compliance Officer

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

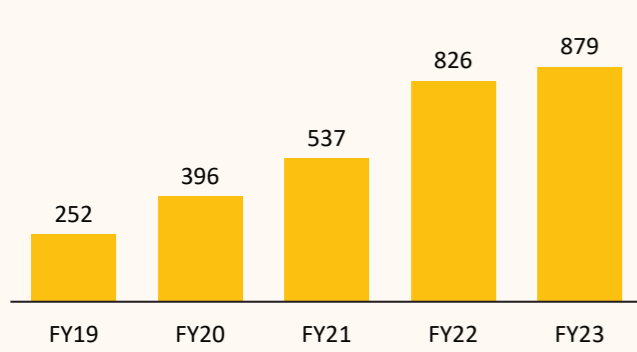
Internal Auditors
M/s. Aneja Associates

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

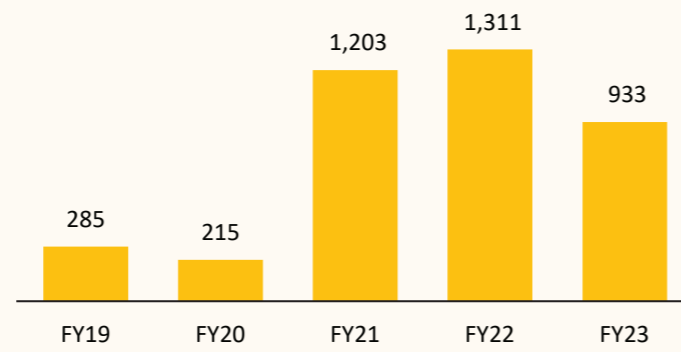
Registered Office
Motilal Oswal Financial Services Limited
Regd. Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025.
CIN: L67190MH2005PLC153397
Website: www.motilalosalgroup.com
Board: +91 22 7193 4200/7193 4263
Fax: +91 22 5036 2365
Email: shareholders@motilalosal.com

PERFORMANCE AT A GLANCE

Operating PAT Trend (₹ Cr)

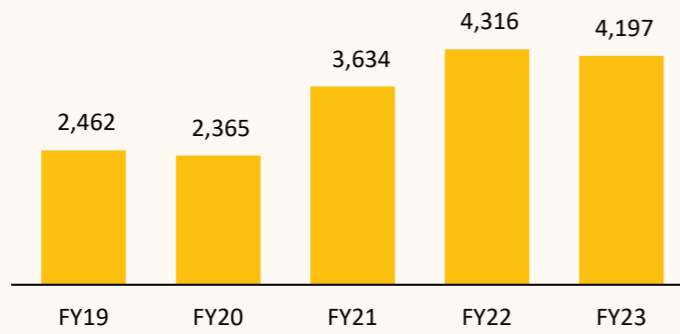


PAT Trend (₹ Cr)

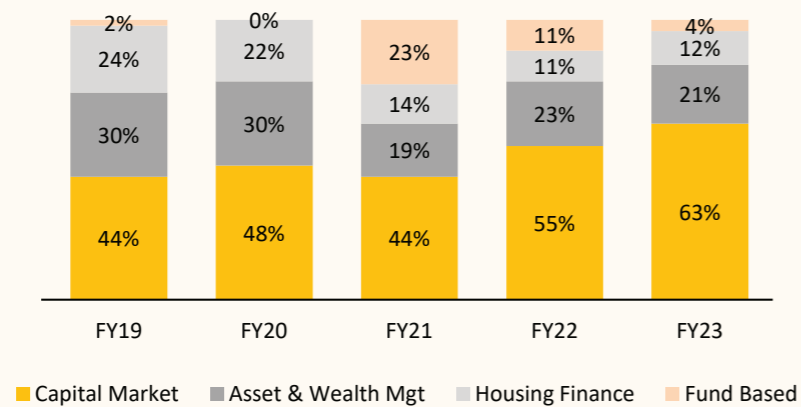


Operating PAT excludes profit share on exit of investments and MTM on fund based investments.

Revenue Trend (₹ Cr)

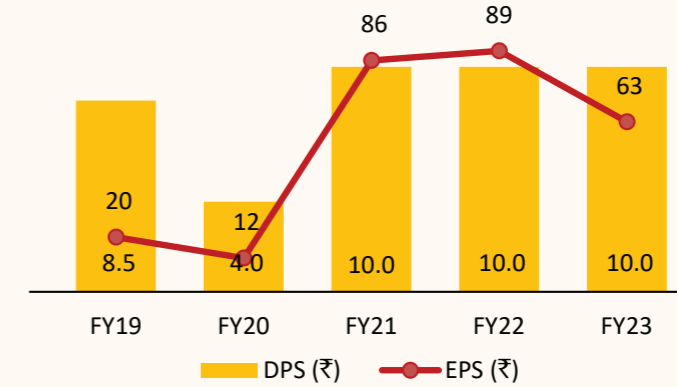


Revenue Mix Trend



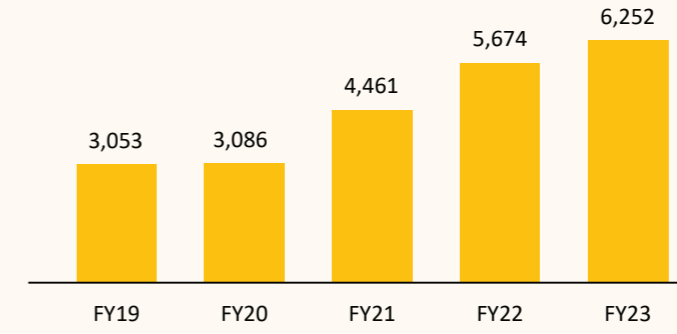
PERFORMANCE AT A GLANCE

Dividend & Earning per Share

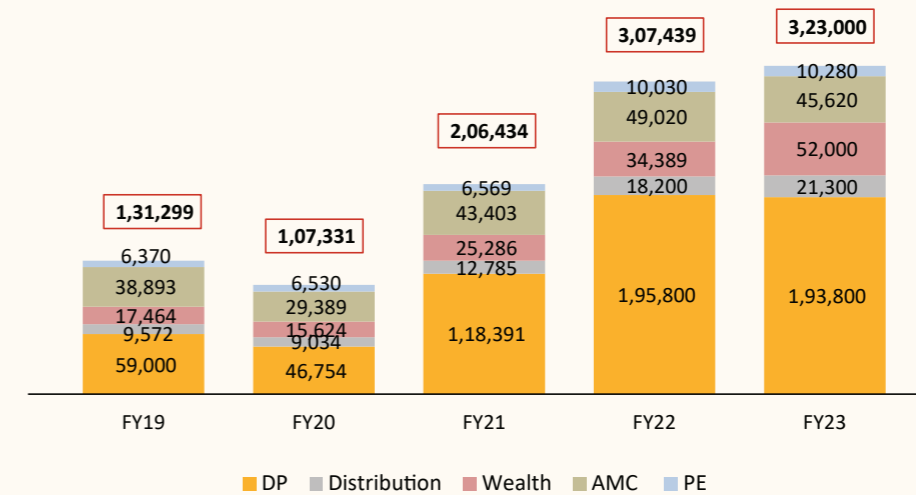


The Company has done Buyback of Equity shares of ₹150 cr & ₹ 200 cr in FY2021 & FY2023 respectively

Networth (₹ Cr)



Assets Under Advice (₹ Cr)



BUSINESS SNAPSHOT

Broking & Distribution

- Broking recorded highest ever ADTO, annual revenue and profit in FY2023.
- Amongst top 4 broking houses in terms of gross brokerage revenue.
- One of the highest ARPU's in the industry.
- Acquired 6.5 lakh new clients in FY2023; total client base at ~35 lakh.
- DP AUM stood at ₹ 1,93,800 crore as of March 2023.
- Our financial product distribution AUM witnessed a growth of 17% YoY to ₹ 21,300 crore as of March 2023.
- Net 1,100+ franchisees added in FY2023, taking total franchisee count to 8,033.
- Significant investment has been made in talent (+300 in FY2023), taking total headcount to ~6,200.
- Research and advisory continues to be the core of our broking business.
- Launched "Options Store"- industry first exclusive product to enable retail investors to take advantage of options trading.
- Launched "Research 360" - a one stop shop to get end to end market research for all investors and traders.

Institutional Equities

- Ranked #1 in Corporate Access and Sales Person awards category at Asia Money Brokers Poll 2022.
- Focus driven differentiated research products with 250+ companies covering 20+ sectors.
- Continued to acquire new empanelment and maintained it with ~820 institutions.
- The 18th edition of our annual flagship conference- AGIC was attended by 160+ corporates and witnessed over 80% CXO level participation.
- Organized Ideation Conference, MOBIZ Conference, Fintech Day etc.

Investment Banking

- Completed IPOs of Tamilnad Mercantile Bank, DreamFolks and Radiant Cash Management Services.
- Successfully completed private equity fund raise for Simpolo Group.
- Continue to have rich pipeline, and are constantly engaging on a wide cross-section of mandated transactions across capital markets and advisory.

Asset Management

- AMC AUM stood at ₹ 45,620 crore as of March 2023.
- MF AUM stood at ₹ 29,560 crore, while Alternate AUM stood at ₹ 15,830 crore as of March 2023.
- Our share of Alternate assets, comprising of PMS & AIF, is one of the highest among AMC's at 35%.
- Launched 7 passive funds in FY2023.
- Onboarded Prateek Agrawal to lead business and investment strategy.
- Revamped Investment process with focus on consistent returns against achieving highest returns.
- Turnaround in performance across active MF schemes.

BUSINESS SNAPSHOT

Private Equity

- PE and RE Fee Earning AUM stood at ₹ 10,280 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 IV raised ₹ 4,500 crore within a year of launch. The fund has deployed ~₹ 1,600 crore across 6 investments.
- Expected to exit from all investments in IREF II during FY2024.

Wealth Management

- Wealth AUM was at an all-time high in FY2023 at ₹ 52,000 crore, up 51% YoY.
- Recorded highest ever net sales at ₹ 5,800 crore, up 8% YoY.
- Added gross 63 Wealth RMs in FY2023, taking total count to 182.
- Bolstered wealth team with senior management hiring to strengthen Ultra HNI offerings and advisory capabilities.
- 38% of RMs have more than 3 years of vintage.

Housing Finance

- Disbursements in FY2023 grew by 57% YoY to ₹ 1,007 crore. Business is geared up for stronger growth in disbursements.
- Loan Book was up by 10% YoY to ₹ 3,772 crore.
- ICRA upgraded rating to AA from AA-.
- Cost of borrowing for us has come down by 24 bps YoY in FY2023 at 8.0%. We raised ₹ 1,052 crore in FY2023 at 7.5%.
- New Book, which has originated post April 2018, contributed around 48% of loan book with GNPA of <1%.
- Joined hands with U.S. Development Finance Corporation, world's largest development finance institution, in FY2022 and has received commitment of USD 50 mn. Drawdown of USD 30 mn done till March 2023.
- GNPA and NNPA was 1.1% and 0.5% respectively.
- Collection efficiency stood at 100.1% (Total EMI collected/1 EMI Due) in FY2023.
- There was strong support from parent (Motilal Oswal Financial Services), total cumulative capital infusion at ₹ 850 crore, resulting into lower net leverage (Debt/Equity ratio) of 2.2x.
- Strong capital adequacy ratio of 51%.

5 YEARS PERFORMANCE HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE

₹ in Lakhs

Year Ended March 31	2023	2022	2021	2020	2019
Total Income	4,19,712	4,31,641	3,63,412	2,36,541	2,46,174
Total Expenditure	2,95,487	2,70,060	2,08,760	2,08,022	2,08,383
Profit before Exceptional Item and Tax	1,24,225	1,61,581	1,54,652	28,519	37,790
Exceptional Item Income (Expenses)	-	-	-8,810	-	-
Profit Before Tax	1,24,225	1,61,581	1,45,842	28,519	37,790
Tax Expenses	30,943	30,508	25,546	6,979	9,265
Profit after Tax before Associates, OCI & Minority Interests	93,282	1,31,073	1,20,296	21,540	28,525
Share of profit from associates (net of taxes)	196	172	6,177	-2,582	1,306
Profit after Tax before OCI & Minority Interests	93,478	1,31,245	1,26,473	18,958	29,831
Other comprehensive income	1,479	4,106	29,192	-5,986	-290
Profit after Tax before Minority Interests	88,830	1,35,351	1,55,665	12,972	29,542
Minority Interests Profit	310	270	431	618	436
Profit after Tax & Minority Interests	88,520	1,35,081	1,55,233	12,354	29,105
Paid up Equity Capital	1,479	1,491	1,485	1,481	1,457
Net Worth	6,25,223	5,67,437	4,46,142	3,08,630	3,05,344
Book Value Per Share	422.60	380.67	300.46	208.44	209.60
Basic EPS	62.89	89.14	85.67	12.47	20.21
Diluted EPS	62.66	88.38	83.70	12.20	19.67











ENVIRONMENTAL







- Reduce
- Reuse
- Recycle

a Reduce - Facilities

-  Installation of sensor based LED lights instead of conventional lights
-  Usage of self-closing faucet and installed sensor based urinal pot to reduce water usage
-  Installed IBMS (Integrated Building Management System) to save energy (Water Pump Automation, HVAC Switch on /off) & monitor building operation
-  Conducted Food wastage awareness drive
-  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
-  Emphasis on increased use of electronic means of communication







a Reduce - Information Technology

-  Shifting to virtual hyper converged servers to reduce carbon footprint and power consumption
-  Laptops are issued to employees instead of Desktops as they are energy efficient
-  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
-  Installed vertical garden in corporate office
-  Live plants are installed on each floor of corporate office
-  Through employee volunteering, we planted 400 fruit bearing trees in Mumbai and Wada. Also made seed balls for spreading greenery across the city.



c Recycle

-  Paper, tissue and cardboard waste are recycled
-  Installed Sewage Treatment Plant at corporate office for recycling of waste water which is then used for gardening



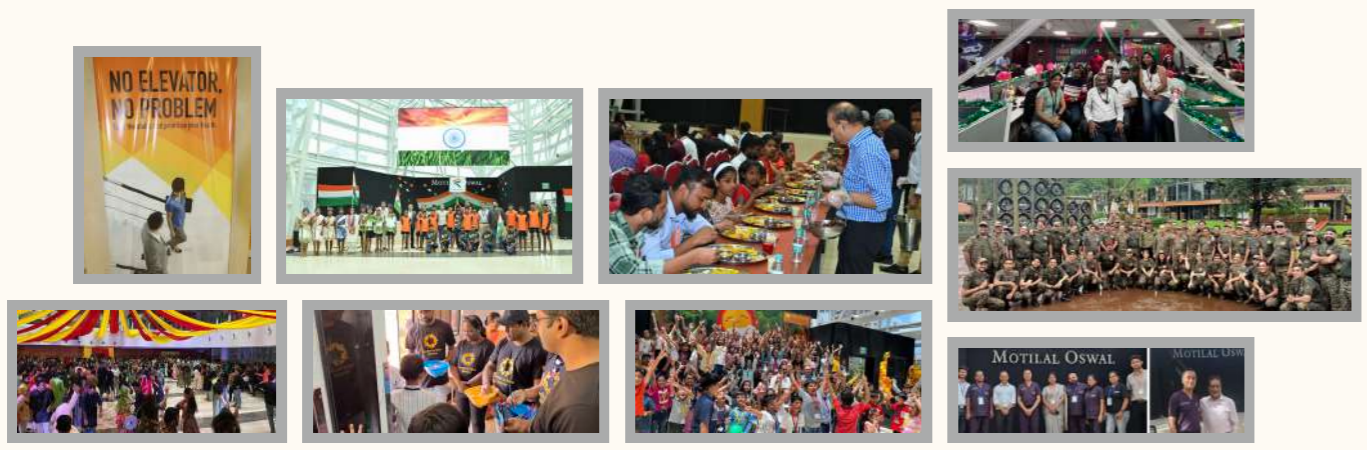
SOCIAL







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

a Employee Engagement

-  Organised a free health check-up event for employees
-  Conducted vaccination drive for booster dose
-  Paid paternity, maternity leave, work from home, physical & emotional wellbeing assistance program
-  Employee engagement programs- sports events & festival celebrations
-  Organized various Competition events- dance, singing, photography, master chef, etc.
-  Conducted summer camp for employee's children
-  Celebrated Thanksgiving week, acknowledging the contribution of our support staff
-  Employees are encouraged to use stairs instead of lift and walk 10,000 steps a day
-  Virtual yoga, health, diet tips, fitness challenge








b Learning & Development

-  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 12.4 Lakh soft skill training hours provided during the year



c Talent Attraction & Management

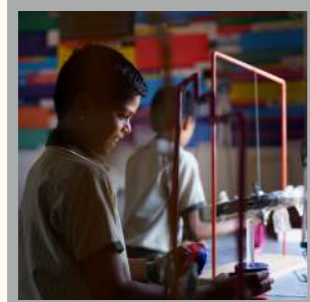
-  MT Spark Program: Learning through Job Rotations by hiring from Tier II and Tier III campus for all business
-  Hiring from premier management institutions
-  Campus engagement through guest lectures and launching competition
-  Dedicated Talent Development Program for developing High Potentials, fast-tracking for Hi-Pos
-  Development tools in the form of IDPs, coaching, CEO mentoring, Projects, Management Development Program



d CSR Activities

- 1  Global Parli- Sponsored mass tree plantation drive at Marathwada, planted approx. 10,000 + fruit bearing trees.
- 2  Installed rain water harvesting system in 6 schools at Wada benefiting 2,000+ students.
- 3  Organized teacher's development sessions for 22 schools at Wada focusing on innovative techniques of teaching.
- 4  RVG Educational Foundation-Providing scholarship to 80+ students from humble background pursuing CA education.
- 5  Friends of Tribal Society- Supporting 200 Ekal Vidyalayas in remote villages.
- 6  During Joy of Giving Week, we raised funds and collected material in support of children battling cancer, children in orphanages and for educational support.
- 7  Conducted mobile planetarium sessions in 11 schools covering 4,000 students.
- 8  Sponsoring an educational program focusing on improved learning of math, science and geography in 215 schools benefiting 9,500+ students.
- 9  Employees volunteered to paint walls in lines with BaLA (Building as Learning Aid) in a municipal school at Mumbai
- 10  Sponsored 8 students from Wada for National Jump Rope Competition. All the students scored Gold and Silver medals in different categories.
- 11  Sponsoring construction of a Science Lab in a charitable school in Mathura.
- 12  Sponsoring library in 4 schools in Wada.
- 13  200 computers were distributed among 15 schools at Wada.
- 14  Supporting construction of hostel at Sonipat and schools in Rajasthan, Uttarakhand & Karnataka.
- 15  Supported organization working for the aid of cancer patients and families and also sponsored heart surgeries of children.
- 16  **Welfare of differently abled** – Collaborated with Yuvak Pratishthan and Bharat Jain Mahamandal for the welfare of differently abled people by distributing hearing aids and creating accessibility for wheelchair users.

CSR Activities



GOVERNANCE





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





a Supervisory Board

-  Diverse Board Composition
-  50% Independent Directors including 2 women 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
-  Risk Management Enterprise Framework

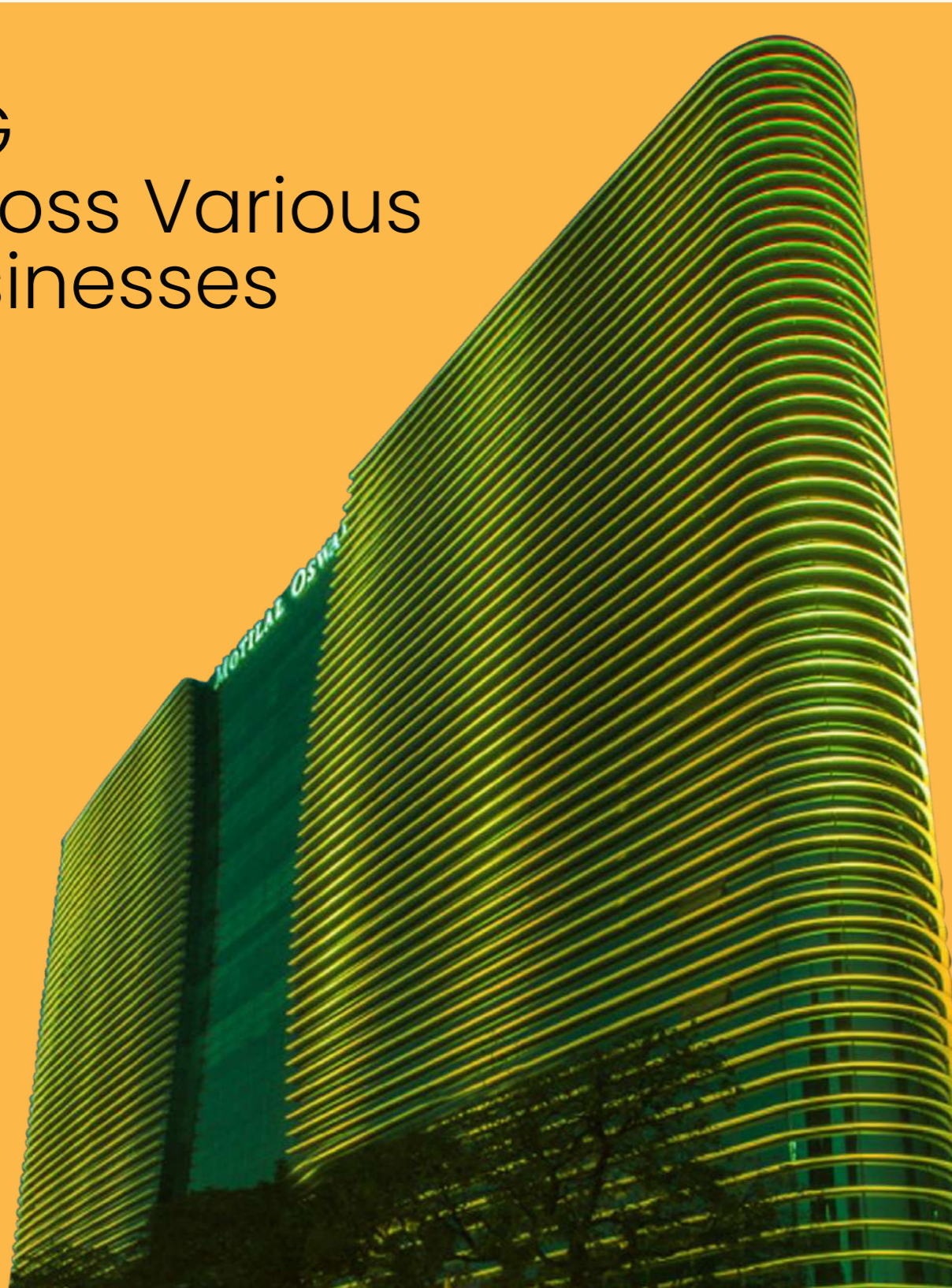
c Compensation Framework

-  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) Policy 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
-  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
-  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
-  Equal Opportunity Policy
-  Anti- Bribery and Anti-Corruption Policy
-  Business Responsibility & Sustainability Report

ESG Across Various Businesses





ASSET MANAGEMENT



Motilal Oswal Alternate (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.






a Employment Generation

-  65K+ new jobs have been created since MO Alternates' investment across 4 funds
-  ~25% of our investments are in companies based out of Tier II / III cities in India




b Gender Balance

-  10,000+ female jobs have been created since our investment
-  50%+ companies in the portfolio with at least one women on 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

-  Addressing sizable disease burden & health issues
-  Increasing affordability of healthcare provisions
-  Enhancing accessibility in Tier II / III towns & rural areas in India & other high underserved nations
-  Improving quality & delivery of local healthcare

f Community Development

-  Education & Skills
-  Healthcare
-  Access to energy
-  Charitable Donations
-  Sanitation

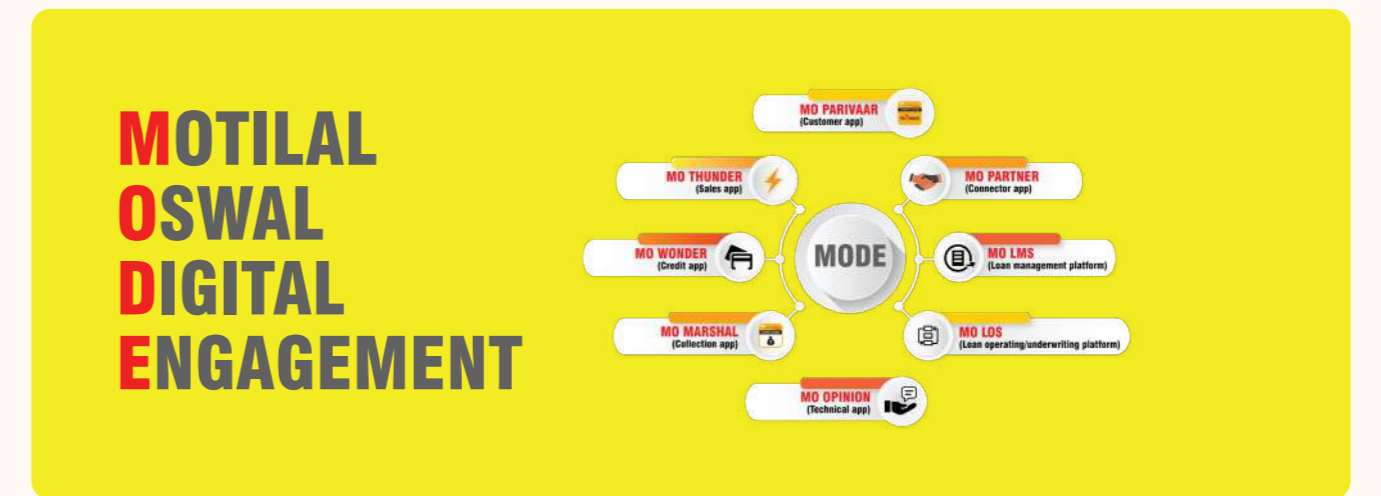
CAPITAL MARKET

- Launched 100% digital KYC process for the physical business channels (retail branch, omni, franchisees) which enabled easy and smooth customer on boarding
- Launched Research 360 app & website wherein any market investor can get access to market research, stock and investment analysis for Free.
- Launched community for customers on investor app where customers with similar interest can interact, engage, learn, share & grow
- Launched easy to invest and multi-leg options strategies to enable retail investors to take advantage of options trading with minimal risk
- Enabled Hybrid working set-up across different teams
- Employment generation- hired net 300+ people in FY2023
- Webinars conducted for free to spread market awareness and help new to market investors
- Rapid Application development platform with new age technologies to deliver smooth and easy user experience.



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 and no environmental harm is done while constructing a house.
- 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
- 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
- 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 consist of 50% of Independent Directors including independent women director



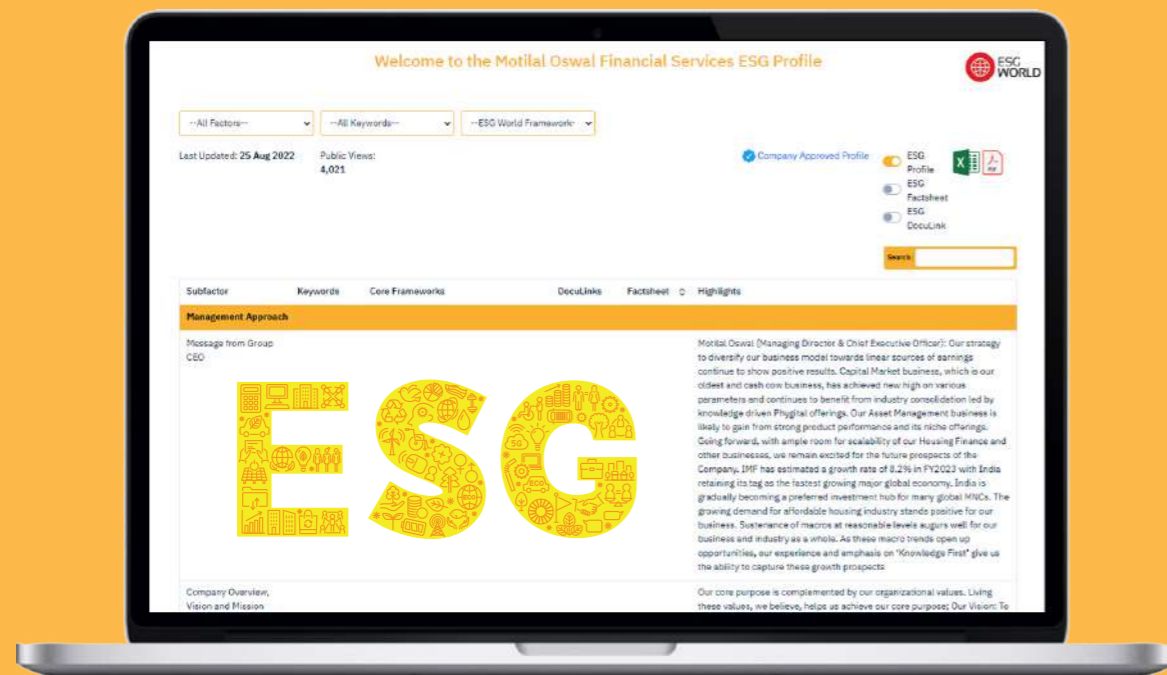
ESG Website

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.



Annual Report 2022-2023



BOARD'S REPORT

Dear Members,

The Directors of your Company have pleasure in presenting the Eighteenth Board's Report together with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the financial year ("FY") 2022-23 and FY 2021-22 is given below:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	4,19,712	4,31,641	2,69,271	2,61,546
Total Expense (Excluding Interest and Depreciation)	2,30,066	2,17,757	1,70,002	1,55,041
Profit before Interest, Depreciation and Taxation	1,89,646	2,13,884	99,269	106,505
Interest	59,583	47,477	21,733	16,216
Depreciation	5,838	4,826	5,006	3,876
Profit before taxation	1,24,225	1,61,581	72,530	86,413
Add/ (Less): Provision for Taxation				
Current Tax	29,062	23,588	15,829	14,807
Deferred Tax	1,823	7,109	35	1,123
Less: Tax for earlier year(s)	58	(189)	(225)	(199)
Tax Expenses	30,943	30,508	15,639	15,731
Profit after Taxation from Continuing Operations	93,282	1,31,073	56,891	70,682
Share of Profit from Associates and Joint Ventures (net of taxes)	196	172	-	-
Profit for the Period	93,478	1,31,245	56,891	70,682
Add/ Less: Other Comprehensive Income (OCI)				
Actuarial gain/ (loss)	169	176	64	(27)
Fair value gain/ (loss) of investment held through FVOCI	(5,467)	4,488	(3,976)	2,324
Tax on OCI	650	558	446	(259)
Total Comprehensive Income	88,830	1,35,351	53,425	72,720
Net profit attributable to:				
Owners of parent	88,520	1,35,081	-	-
Non-controlling interests	310	270	-	-
Add: Balance brought forward from previous year	4,30,698	3,20,438	3,07,292	2,53,272
Profit available for appropriation	93,169	1,30,974	56,891	70,682
Less: Appropriations				
Actuarial gain/(losses) on post retirement benefit plan (net of taxes)	125	131	48	(20)
Transfer to Statutory Reserve	(4,027)	(2,729)	-	-
Interim Dividend and Final Dividend	(14,825)	(8,674)	(14,823)	(7,365)
Buyback Transaction cost	(3,843)	-	(3,842)	-
ECL provision reserve	-	(28)	-	-
Business combination cost	(2,223)	-	(1,235)	(7,032)
Provision of Stamp Duty (Net of Tax impact)	-	(2,245)	-	(2,245)
Transfer to Non-controlling interest	(125)	(7,171)	-	-
Balance of Profit carried forward	4,98,950	4,30,698	3,44,331	3,07,292

BOARD'S REPORT (Contd..)

FINANCIAL PERFORMANCE

Standalone

The standalone revenue in FY 2022-23 stood at ₹ 2,69,271 Lakhs vs ₹ 2,61,546 Lakhs in FY 2021-22. Total expenses (before interest and depreciation) for the year stood at ₹ 1,70,002 Lakhs. People cost increased by 14% YoY to ₹ 61,095 Lakhs. Operating expenses increased by 2% YoY to ₹ 77,886 Lakhs. The profit before depreciation, interest and taxation (EBITDA) stood at ₹ 99,269 Lakhs. Reported net profit after tax for the year came in at ₹ 56,891 Lakhs.

Consolidated

The consolidated revenue for the year was ₹ 4,19,712 Lakhs. The average daily traded volumes (ADTO) for the equity markets during FY 2022-23 stood at ₹ 154 Lakh Crores, up 121% YoY from ₹ 70 Lakh Crores in FY 2021-22. The overall Cash market ADTO reported a decline of 21% YoY at ₹ 57,564 Crores in FY 2022-23. Within derivatives, futures volume decreased 4% YoY to ₹ 1.1 Lakh Crores while options rose 125% YoY to ₹ 152 Lakh Crores. Amongst cash market participants, retail constitutes 47% of total cash volume, institution 25% and prop 28%. The proportion of DII in the cash market was 10%. In FY 2022-23, 2.5 Crores new demat accounts were added as against 3.5 Crores in FY 2021-22. The number of demat accounts stood at 11.45 Crores in FY 2022-23, a growth of 28% YoY.

Key Highlights

- Capital market business (Broking + Investment Banking) income grew 11% YoY to ₹ 2,833 Crores.
- The Company had 35 Lakhs retail broking and distribution clients growing at a CAGR of 27% from FY 2017-18 to FY 2022-23. Client acquisition stood at 6.5 Lakhs during the year.
- Our financial product distribution AUM was ₹ 21,292 Crores as of March 2023, up 17% YoY.
- Investment banking business successfully completed 4 marquee deals in FY 2022-23. The team has a rich pipeline and continues to engage on a wide cross-section of mandated transactions across capital markets and advisory.
- Asset management income stood at ₹ 555 Crores. Total assets under management across mutual funds, PMS and AIF was ₹ 45,620 Crores, down 7% YoY. Within this, the mutual fund AUM stood at ₹ 29,560 Crores, while Alternates AUM (PMS and AIF) stood at ₹ 15,830 Crores.
- The private equity income grew by 36% YoY to ₹ 177 Crores. The income from wealth management business stood at ₹ 223 Crores, up 14% YoY. The wealth management AUM for FY 2022-23 was at ₹ 52,000 Crores, up 51% YoY.
- Housing finance gross income stood at ₹ 532 Crores. HFC loan book grew by 10% YoY to ₹ 3,772 Crores as of March 2023. Disbursements stood at ₹ 1,007 Crores, up 57% YoY.

In our fund based businesses, our total investments including alternate investments stood at ₹ 4,280 Crores with a since inception IRR of 16%.

Total expenses (before interest, depreciation and taxation) for the year was ₹ 2,30,066 Lakhs. Profit before depreciation, interest and taxation (EBITDA) stood at ₹ 1,89,646 Lakhs, a decrease of 11% from the previous year. Profit after tax for the year decreased by 29% to ₹ 93,282 Lakhs.

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

BOARD'S REPORT (Contd..)

FUTURE OUTLOOK

We have delivered sustainable performance in FY2023 despite of market headwinds. Our strategy is to further diversify our business model towards more annuity sources of earnings.

Our Asset Management business has seen improvement in performance which is expected to culminate into better fund flows. Our Wealth Management business is on its way to achieve scale as we continue to invest in Relationship Managers. Our Housing Finance business has witnessed turnaround by improving disbursement and profitability parameters. Our brand is now being recognized across each of our businesses. Each of our business segments offer huge headroom for growth and we are well placed to benefit from this.

CONSOLIDATED FINANCIAL STATEMENTS

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 Statements of the Company for the FY 2022-23 have been prepared in compliance with applicable Indian Accounting Standards and on the basis of the Audited Financial Statements of the Company and its subsidiaries, as approved by the respective Board of Directors ("Board").

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

ENVIRONMENT, SOCIAL AND GOVERNANCE 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 Governance(ESG) initiatives during FY 2022-23. The separate disclosure on ESG initiatives 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 and Analysis Report forming part of the Annual Report.

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

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year to which these financial statements relate and the date of this Report.

DIVIDEND

In terms of Regulation 43A of the Listing Regulations, the Board of the Company has approved the Dividend Distribution 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 the Company, based on the parameters laid down in the Dividend Distribution Policy, at its meeting held on January 24, 2023 had declared and paid an Interim Dividend of ₹ 7/- per Equity Share for the FY 2022-23, out of the profits of the Company for the third quarter and nine months ended December 31, 2022, on 14,78,75,116 Equity Shares having face value of ₹ 1/- each, aggregating to ₹ 103,51,25,812/-.

BOARD'S REPORT (Contd..)

Further, the Board at its Meeting held on April 27, 2023 have recommended a Final Dividend of ₹ 3/- per Equity Share having face value of ₹ 1/- each for FY 2022-23, 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 appear in the Register of Members/ Beneficial Holders as on July 04, 2023.

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.

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 (₹ Crore)	Rating/Outlook	Rating Action
CRISIL Limited	Commercial Papers	1,750	CRISIL A1+	Reaffirmed
	Non-Convertible Debentures	500	CRISIL AA Stable	Assigned
ICRA Limited	Commercial Papers	3,500	[ICRA]A1+	Assigned
	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
India Ratings & Research Private Limited	Commercial Papers	1,000	IND A1+	Assigned
		2,500	IND A1+	Affirmed
	Non-Convertible Debentures	300	IND AA/Stable	Affirmed
	Bank Lines – Unallocated	300	IND AA/Stable	Affirmed

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 3,38,752 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 and bought-back 14,54,545 Equity Shares.

Consequently, the paid up Share Capital of the Company as at March 31, 2023 stood at ₹ 14,79,47,126/- comprising of 14,79,47,126 Equity Shares having face value of ₹ 1/- each.

The Authorised Share Capital of the Company as on March 31, 2023 is ₹ 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/- .

BUY-BACK OF EQUITY SHARES

The Board of Directors at its Meeting held on May 17, 2022 had approved the proposal of Buy-back of fully paid up Equity Shares of face value of ₹ 1/- each not exceeding 14,54,545 equity shares (representing 0.98% of the total

BOARD'S REPORT (Contd..)

paid-up Equity Share Capital of the Company as on March 31, 2022) at a price of ₹ 1,100/- per Equity Share paid in cash for an aggregate amount not exceeding ₹ 160,00,00,000/- excluding transaction cost, which represents 5.09% and 4.11% of the fully paid-up Equity Share capital and free reserves as at March 31, 2022, respectively, through the "Tender Offer" route using mechanism for acquisition of shares through stock exchange as prescribed under the SEBI (Buy-Back of Securities) Regulations, 2018, as amended from time to time (the "Buy-back Regulations") and the Act read with the Rules made thereunder. The tender period for the Buy-back was open from Friday, June 24, 2022 and closed on Thursday, July 07, 2022. Accordingly, the Company has bought back 14,54,545 Equity Shares on July 18, 2022 (i.e. settlement date) and the said shares have been extinguished on July 22, 2022.

EMPLOYEE STOCK OPTION SCHEMES

The disclosures required to be made under the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("ESOP Regulations") (as amended from time to time), are available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/2012017271ESOP-Annexure-2022-23.pdf>.

Further, the Company confirms that all the Employee Stock Option Schemes of the Company are falling under direct route and not under 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 ESOP Regulations) of the Company and its subsidiary companies are entitled to participate in the 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 Share Capital of the Company at the time of grant of stock options to any employees of the Company/ Subsidiary Company. There has been no change in the ESOP Schemes during the year under review.

The Secretarial Auditor of the Company, M/s. U. Hegde & Associates, has certified that the Company's above-mentioned Schemes have been implemented in accordance with the ESOP Regulations and the Resolutions passed by the Members of the Company for the respective Schemes. The Certificate from the Secretarial Auditor, confirming compliance with the aforesaid provisions would be presented to the Members at the ensuing AGM of the Company. The Employee Stock Option Schemes are administered by the Nomination and Remuneration Committee ("NRC") of the Board of the Company, in accordance with the applicable provisions of the ESOP Regulations.

DEBENTURES

During the year under review, the Company has issued and allotted 284 Non-Convertible Debentures ("NCDs") of ₹ 10 Lakhs each aggregating to ₹ 28.40 Crore, on private placement basis. These NCDs are listed and traded on BSE Limited. Further, 3,622 NCDs of ₹ 10 Lakhs each aggregating to ₹ 362.2 Crore were redeemed during the year. Accordingly, 442 NCDs of ₹ 10 Lakhs each aggregating to ₹ 44.20 Crore are outstanding as on March 31, 2023.

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

BOARD'S REPORT (Contd..)

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.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in prescribed Form MGT-7 for the financial year ended March 31, 2023 is uploaded on the website of the Company at https://www.motilalosalgroup.com/Downloads/IR/691471774Form_MGT_7_AGM_Website_Upload.pdf

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

SUBSIDIARY COMPANIES

The Company 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.

As on March 31, 2023, the Company had 18 subsidiaries (including step down subsidiaries). There are no associate companies or joint venture within the meaning of Section 2(6) of the Act as on March 31, 2023.

Further, pursuant to the provisions of Section 136(1) of the Act, the Financial Statements for the period ended March 31, 2023 of each subsidiary of the Company is made available on the website of the Company at www.motilalosalgroup.com.

Material Subsidiaries

As required under Regulation 16(1)(c) and 46 of the Listing Regulations, the Board 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.motilalosalgroup.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 entire Share Capital i.e. 50,000 Equity Shares having face value of ₹ 10/- each of MO Alternative IFSC Private Limited ("MO Alternative"). Accordingly, MO Alternative has become the Wholly-owned Subsidiary of the Company.

During the year under review, the Company has also set up a Representative Office in Dubai, United Arab Emirates.

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 and their contribution to the overall performance of the Company has been appended as "Annexure 1" to this Report.

BOARD'S REPORT (Contd..)

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of subsidiaries in Form AOC-1 is annexed to the Consolidated Financial Statements forming part of the Annual Report. Your Company will also e-mail the copy of separate Audited Financial Statements in respect of each of the Subsidiary Company upon request by any Member of the Company interested in obtaining the same.

In accordance with the provisions of Section 136 of the Act, the separate Audited Financial Statements in respect of each of the Subsidiary Company is also made 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.

The Company monitors performance of its subsidiary companies, *inter alia*, by the following means:

- Financial Statements, in particular investments made by the Subsidiary Companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board Meetings of the Subsidiary Companies are placed before the Company's Board quarterly.
- A statement containing all significant transactions and arrangements entered into by the Subsidiary Companies is placed before the Company's Board.
- Presentations are made to the Company's Board on business performance of major subsidiaries of the Company by the Senior Management.

BOARD, COMMITTEES OF THE BOARD & KEY MANAGERIAL PERSONNEL

Composition of Board

The composition of the Board 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 the Annual Report.

The Directors on the Board of the Company are persons with proven competency, integrity, experience, leadership qualities, financial and strategic insight. They have a strong commitment to the Company and devote sufficient time to the Meetings.

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

Director(s) liable to retire by rotation

In accordance with Section 152 of the Act and the Articles of Association of the Company, Mr. Motilal Oswal and Mr. Rajat Rajgarhia will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. Based on the recommendation of the NRC, the Board recommends their re-appointment(s) for the approval of the Members of the Company. The brief profile of Mr. Motilal Oswal and Mr. Rajat Rajgarhia are included in the Notice of the AGM of the Company.

Re-appointment of Directors

The Board, based on the performance evaluation and on recommendation of the NRC, has considered below re-appointments at its Meeting held on April 27, 2023 subject to approval of the Members of the Company and on terms and conditions including remuneration as mentioned in the Notice of the ensuing AGM.

BOARD'S REPORT (Contd..)

Sr. No.	Name of the Director	DIN	Designation	Term	Effective from
1.	Mr. Ajay Menon	00024589	Whole-time Director	5 years	August 21, 2023
2.	Mr. Chitradurga Narasimha Murthy (Mr. C. N. Murthy)	00057222	Independent Director	3 years	July 01, 2023
3.	Mr. Pankaj Bhansali	03154793	Independent Director	5 years	July 01, 2023
4.	Mrs. Divya Sameer Momaya	00365757	Independent Director	5 years	July 01, 2023
5.	Mr. Chandrashekhar Karnik	00003874	Independent Director	3 years	September 16, 2023
6.	Mrs. Swanubhuti Jain	09006117	Independent Director	5 years	December 24, 2023

The Resolutions seeking approval of Members for the re-appointment of all the Directors are detailed in the Notice of the ensuing AGM along with their brief profile.

Meetings of the Board

During the year under review, the Board met 5 (five) times to discuss and approve various matters including financials, buy-back and other businesses. For further details, please refer to the Report on Corporate Governance forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 (One Hundred and Twenty) days, as prescribed in the Act and the Listing Regulations.

Committees of the Board

The Board has set up various Committees in compliance with the requirements of the business & relevant provisions of applicable laws and layered down well documented terms of references of all the Committees. Details with respect to the Composition, terms of reference and number of meetings held, etc. are included in the Report on Corporate Governance forming part of the 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 28, 2022 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 Board, which is necessary to effectively and reasonably perform and discharge their duties.

Declaration by Independent Directors

All the Independent Directors of your Company have submitted their declaration of independence, as required, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are not disqualified from continuing as Independent Directors of your Company. 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 qualifications, expertise & experience (including the proficiency) and competency in the business & industry knowledge, financial expertise, digital & information technology, corporate governance, legal and compliance,

BOARD'S REPORT (Contd..)

marketing & sales, risk management, leadership & human resource development and general management as 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, 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 the 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. Accordingly, Mr. Pankaj Bhansali, Mrs. Divya Momaya and Mrs. Swanubhuti Jain have passed online proficiency self-assessment test conducted by the IICA while Mr. C. N. Murthy and Mr. Chandrashekhar Karnik are exempt to pass the online proficiency self-assessment test pursuant to the first proviso of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

As at March 31, 2023, 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

In terms of the provisions of Regulation 25 of the Listing Regulations, the Company has framed 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 Independent Directors are familiarised 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 Directors are also explained in detail the compliance required from them under the Act and the Listing Regulations. Further, on an ongoing basis as a part of Agenda of the 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/453138119Familiarization-Programmes-for-Independent-Director_2023.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 requires the 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.

The Company, based on the recommendation of the NRC, has framed a Nomination and Remuneration Policy relating to appointment of Directors, payment of managerial remuneration, Directors qualifications, positive attributes,

BOARD'S REPORT (Contd..)

independence of Directors and other related matters as provided under Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

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/101791301707.-MOFSL-Nomination-and-Remuneration-Policy.pdf>

The salient features of the Policy are given below:

Appointment criteria and qualifications:

1. The NRC 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 NRC 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.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the 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.

4. The Company shall not appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

➤ 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	- All Directors excluding the Director being evaluated - Board and Committees as a whole
Independent Directors	- Review the performance of Non-independent Directors and Chairperson of the Company

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

➤ Removal:

Due to reasons for any disqualification mentioned in the Act, the Rules made thereunder or under any other applicable provisions of the Act, Rules and Regulations, the NRC 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.

BOARD'S REPORT (Contd..)

➤ 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 NRC 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 the Rules made thereunder and Listing Regulations, for the time being in force.
3. Increments to the existing remuneration/ compensation structure may be recommended by the NRC 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, performance pay and long term variable pay based on business growth and other factors such as growth in Shareholder's value to ensure that it is competitive and reasonable.
5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and 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 NRC 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 NRC 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.

BOARD'S REPORT (Contd..)

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.

Provided that the Company may waive the recovery of any sum refundable to it after passing of the Special Resolution within two years from the date the sum becomes refundable.

➤ 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 thereunder 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 the 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/ Independent Directors within the monetary limit approved by the Shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive/Independent Directors in accordance with the provisions of Schedule V of the Act. If any Non-Executive/ Independent Directors 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, within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company.

Provided that the Company may waive the recovery of any sum refundable to it after passing of the Special Resolution within two years from the date the sum becomes refundable.

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 Board and the NRC reviewed the performance of the Individual Directors based on various aspects which, *inter alia*, included transparency, performance, 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.

BOARD'S REPORT (Contd..)

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Chairman of the Company 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 the Directors expressed satisfaction with the evaluation process.

SUCCESSION PLAN

The Board of Directors has satisfied itself that plans are in place for ensuring orderly succession for appointments to the Board and to Senior Management.

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, has been appended as "**Annexure 2**" to the this 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 the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information pertaining to the names and other particulars of employees will be available for inspection by Members 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. Any Member 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 2022-23, is forming part of the Annual Report.

Further, a Certificate from M/s. Singhi & Co., the Statutory Auditors of the Company confirming compliance with 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.

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, the Company has framed Vigil Mechanism/ Whistle

BOARD'S REPORT (Contd..)

Blower Policy ("Policy") to enable directors and employees to report genuine concerns or grievances, significant deviations from key management policies and report 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 & Listing Regulations and is available on the website of the Company and can be accessed at https://www.motilaloswalgroup.com/Downloads/IR/785307607MOFSL_Vigil-MechanismWhistle-Blower-Policy.pdf.

Prevention of Sexual Harassment of Women at Workplace

The Company has zero tolerance on sexual harassment at workplace. The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace and has also constituted an Internal Complaints Committee ("ICC") as stipulated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity.

During the year under review, ICC had received one complaint relating to sexual harassment, which has been investigated and closed.

RISK MANAGEMENT

Risk is an integral and unavoidable component of business. Though risks cannot be eliminated, an effective risk management program ensures that risks are reduced, avoided, mitigated or shared.

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 Report on Corporate Governance. The composition of the Committee is in conformity with the Listing Regulations, with majority of 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.

BOARD'S REPORT (Contd..)

Further, in terms of SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023 the Company is identified as Qualified Stock Broker and accordingly, the Board at its Meeting held on April 27, 2023 has taken necessary steps to ensure compliance with respect to enhanced obligations and responsibilities provided in aforesaid Circular.

In the opinion of the Board, there are no material 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 the Report on Corporate Governance which forms part of this Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an Environmental, Social, Governance & Sustainability perspective are provided in the Business Responsibility & Sustainability Report ("BRSR") which is presented in a separate section and forms part of the Annual Report and is also uploaded on the website of the Company at www.motilaloswalgroup.com. BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle, which is divided into essential and leadership indicators is also part of it.

The Business Responsibility & Sustainability Committee overviews the BRSR and policies as may be required from time to time.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Singhi & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company by the Members at the 17th AGM of the Company held on July 11, 2022 for a term of 5 (five) years commencing from 17th AGM till the conclusion of 22nd AGM of the Company.

The Auditors have confirmed that they are not disqualified to continue as Auditors and are eligible to hold office as Auditors of the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

Mr. Nikhil Singhi, Partner, M/s. Singhi & Co., Chartered Accountants, Statutory Auditors of the Company, 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, adverse remarks or disclaimer. 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

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. U. Hegde & Associates, Practising Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2022-23.

BOARD'S REPORT (Contd..)

Secretarial Audit and Annual Secretarial Compliance Report

The Secretarial Audit Report issued by the Secretarial Auditor has been appended as "**Annexure 3**" to this Report.

Pursuant to the provisions of Regulation 24A of the Listing Regulations, Annual Secretarial Compliance Report for the financial year ended March 31, 2023 was obtained from M/s. U. Hegde & Associates, Practicing Company Secretaries.

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

Secretarial Audit of Material Subsidiaries

In terms of Regulation 24A of the Listing Regulations, the Secretarial Audit Report of material subsidiaries i.e. MOHFL, MOAMC & MOFL received from their respective Secretarial Auditors for the FY 2022-23 are available at website of the Company at www.motilaloswalgroup.com.

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 AUDITORS

The Board at its Meeting held on April 28, 2022 had appointed M/s. Aneja Associates, Chartered Accountants, as Internal Auditors for the FY 2022-23 to conduct the internal audit of the various areas of operations and records of the Company. Further, the Board at its Meeting held on April 27, 2023 has appointed M/s. BDO India LLP and M/s. M S K C & Associates, Chartered Accountants as the Internal Auditors for a term of 5 (five) years commencing from FY 2023-24 to FY 2027-28.

The periodic reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the 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 observations were 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

- A) Conservation of energy:** Information on Conservation of energy as required under Section 134(3)(m) of the Act read with the Rules made thereunder is not applicable to the Company and hence, no annexure forms part of this report.
- B) Technology Absorption:** The Management keeps itself abreast of the technological advancements in the industry and has adopted the best in class technology across business, operations and functions.

BOARD'S REPORT (Contd..)

The Company is accelerating the technology and digital transformation on continuous basis. It stays invested in creating a seamless digital and customer experience across digital touchpoints. Your Company's focused approach is to keep on enhancing its in-house tech capabilities.

For detailed information on initiatives taken by the Company for technology absorption, please refer Business Responsibility & Sustainability Report forming part of the Annual Report.

- C) **Foreign Exchange Earnings and Outgo:** Please refer Note No. 47 to the Standalone Financial Statements, forming part of the Annual Report.

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

Pursuant to Regulation 34 and Schedule V of the 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, 2022	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, 2023	5	575

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which 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 the 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 newspapers 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 ₹ 2,44,174/- on June 24, 2022, ₹ 1,09,144/- on August 25, 2022, ₹ 2,72,370/- on March 29, 2023 and 1,381 Equity Shares to IEPF on December 07, 2022 and 204 Equity Shares on April 20, 2023. 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, the Board of the Company, to the best of their knowledge, belief, ability and explanations obtained by them, confirm that:

- 1) in the preparation of the Annual Financial Statements for the financial year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

BOARD'S REPORT (Contd..)

- 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, 2023 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 its responsibility towards society and strongly intends to contribute towards development of knowledge based economy.

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

The Company has also formulated a CSR Policy which is available on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/187119518002.-CSR-Policy_April-27,-2023.pdf

Further, the detailed CSR initiatives undertaken by the Company are available on the website of the Company at <https://www.motilaloswal.com/foundation/>.

The Company's CSR activities are mainly focused on Education. The social contribution made by the Company is covered in ESG section forming part of this Annual Report. 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 Companies Act, 1956 to various other not-for-profit organisations.

An Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as "**Annexure 4**" to this Report. Further, the Annual Action Plan on CSR activities for FY 2023-24 is also uploaded on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/257509837MOFSL-CSR-Annual-Action-Plan-2023-24.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, 2023 and the same forms part of this Annual Report.

BOARD'S REPORT (Contd..)

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/235673531Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf>.

All related party transactions entered into during the FY 2022-23 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.

Further, the Company has also obtained approval of the Members of the Company for entering into material related party transaction with MOHFL.

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 2022-23, is given under Note no. 51 to the Standalone Financial Statements, which forms part of the Annual Report.

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 the Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, 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.

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.
- Mr. Motilal Oswal, Managing Director and Chief Executive Officer of the Company draws remuneration from MOHFL, Subsidiary Company in capacity of Interim Managing Director. Further, Whole-time Directors of the Company do not receive any remuneration or commission from any of the subsidiaries.

BOARD'S REPORT (Contd..)

- 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 FY 2022-23.
- 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 27, 2023

Annexure 1 to the Board's Report

The financial performance of each of the subsidiaries included in the Consolidated Financial Statements 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 Asset Management Company Limited	56,345	72,748	(23%)	22,677	35,928	37%	16,951	28,436	40%
2	Motilal Oswal Home Finance Limited	53,193	52,841	1%	17,555	11,834	(48%)	13,637	9,492	(44%)
3	Motilal Oswal Finvest Limited	32,254	28,685	12%	8,589	16,459	48%	6,499	13,643	52%
4	Motilal Oswal Wealth Limited	21,662	24,262	(11%)	6,181	10,932	43%	4,507	8,218	45%
5	MO Alternate Investment Advisors Private Limited	16,273	21,797	(25%)	6,097	11,463	47%	4,334	10,589	59%
6	Motilal Oswal Investment Advisors Limited	3,378	4,149	(19%)	1,471	2,037	28%	1,131	1,589	29%
7	Glide Tech Investment Advisory Private Limited	997	492	103%	267	(88)	405%	199	(63)	416%
8	TM Investment Technologies Private Limited	540	733	(26%)	(47)	146	132%	(37)	153	124%
9	MO Alternative IFSC Private Limited	365	-	Refer Note	346	-	Refer Note	340	-	Refer Note
10	Motilal Oswal Securities International Private Limited	269	224	20%	36	29	(21%)	23	30	22%
11	Motilal Oswal Finsec IFSC Limited	224	152	48%	239	137	(74%)	136	108	(26%)
12	Motilal Oswal Capital Limited	87	67	31%	45	2	(2347%)	34	(1)	4667%
13	Motilal Oswal Trustee Company Limited	33	37	(10%)	7	14	46%	6	11	49%
14	Motilal Oswal Commodities Broker Private Limited	0	3	(86%)	0	(1)	150%	(1)	(1)	8%
(B)	COMPANIES INCORPORATED OUTSIDE INDIA									
15	Indian Business Excellence Management Company	672	10,855	(94%)	60	7,512	99%	60	7,491	99%
16	Motilal Oswal Asset Management (Mauritius) Private Limited	277	911	(70%)	(306)	457	167%	(316)	457	169%
17	Motilal Oswal Capital Markets (Singapore) Pte. Limited	266	351	(24%)	35	46	24%	16	44	64%
18	Motilal Oswal Capital Markets (Hong Kong) Pte. Limited	134	124	8%	23	22	(6%)	23	22	(6%)

Note: The Company acquired shares of MO Alternative IFSC Private Limited on December 12, 2022. From this date onwards, MO Alternative IFSC Private Limited has become a Wholly-owned Subsidiary Company. This business combination transaction is accounted for under acquisition method.

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

Place : Mumbai
Date : April 27, 2023

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

Annexure 2 to the Board's Report (Contd..)

Statement of disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the 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 2022-23, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2022-23:

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	3.72	NA ⁽¹⁾
2.	Mr. Motilal Oswal	Managing Director and Chief Executive Officer	74.61	Nil
3.	Mr. Navin Agarwal	Non-Executive Director	NA ⁽²⁾	NA ⁽²⁾
4.	Mr. Ajay Menon	Whole-time Director	320.88	27.27
5.	Mr. Rajat Rajgarhia	Whole-time Director	139.78	Nil
6.	Mr. C.N. Murthy	Independent Director	1.24	Nil
7.	Mr. Chandrashekhar Karnik	Independent Director	1.39	
8.	Mr. Pankaj Bhansali	Independent Director	0.93	
9.	Mrs. Divya Momaya	Independent Director		
10.	Mrs. Swanubhuti Jain	Independent Director		
11.	Mr. Shalibhadra Shah	Chief Financial Officer	56.73	20.00
12.	Mr. Kailash Purohit	Company Secretary and Compliance Officer	11.07	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: 2%
- (iii) Permanent employees on the rolls of Company as on March 31, 2023: 7,303
- (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:

Annexure 2 to the Board's Report

Particulars	% Increase in Remuneration
Employees other than Managerial Personnel	(13.00)
Managerial Personnel	14.45

- (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

Place: Mumbai
Date: April 27, 2023

Sd/-
Raamdeo Agarawal
Chairman
(DIN: 00024533)

Annexure 3 to the Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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" or "the Company"). 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, 2023 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 the Company for the financial year ended on March 31, 2023 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 & Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules & 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 and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

Annexure 3 to the Board's Report (Contd..)

- (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 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 & its officers 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 the 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 the 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 the Company's operations:

- 1) The Company has allotted 3,38,752 (Three Lakhs Thirty Eight Thousand Seven Hundred and Fifty Two) equity shares of ₹ 1/- each under various ESOP Schemes implemented by the Company.
- 2) Issuance and allotment of 284 (Two Hundred and Eighty Four) Secured, Rated, Listed, Principle Protected Market Linked Redeemable Non-Convertible Debentures (MLDs) of ₹ 10 Lakhs each and listing of the said MLDs on the Wholesale Debt Market Segment of BSE.

Annexure 3 to the Board's Report (Contd..)

- 3) The Company has bought back 14,54,545 (Fourteen Lakhs Fifty Four Thousand Five Hundred and Forty Five) fully paid up equity shares of the face value of ₹ 1/- each at a price of ₹ 1,100/- (Indian Rupees One Thousand One Hundred Only) per equity share pursuant to the provisions of Section 68 of the Act & the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

**For U. Hegde & Associates,
Company Secretaries**

Sd/-

Umashankar K Hegde

(Proprietor)

COP No. - 11161

M. No. - A22133

ICSI Unique Code: S2012MH18 8100

Peer Review Certificate No. - 1263/2021

UDIN: - A022133E000212026

Place: Mumbai

Date: April 27, 2023

Annexure 3 to the Board's Report

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 Unique Code: S2012MH18 8100

Peer Review Certificate No. - 1263/2021

UDIN: - A022133E000212026

Place: Mumbai

Date: April 27, 2023

Annexure 4 to the Board's Report

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 to children and their families to move from poverty and dependence to self-reliance. Motilal Oswal Financial Services Limited 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 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 CSR 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 the CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of the CSR Committee held during the year	Number of meetings of the 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/2020371534MOFSL--Composition-of-Board-and-Committees_27.04.2023.pdf
CSR Policy	https://www.motilaloswalgroup.com/Downloads/IR/187119518002.-CSR-Policy_April-27,-2023.pdf
CSR Projects i.e. Annual Action Plan	https://www.motilaloswalgroup.com/Downloads/IR/257509837MOFSL-CSR-Annual-Action-Plan-2023-24.pdf

4. Provide the executive summary along with web-link(s) 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:

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

Annexure 4 to the Board's Report (Contd..)

5. (a) **Average net profit of the Company as per Section 135(5)** : ₹ 4,51,93,21,494/-
(The Company has considered revised financials for the financial year 2020-21 pursuant to the Scheme of Arrangement)
- (b) **Two percent of average net profit of the Company as per Section 135(5)** : ₹ 9,03,86,430/-
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years** : Nil
- (d) **Amount required to be set-off for the financial year, if any** : ₹ 4,39,90,743/-
- (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]** : ₹ 4,63,95,687/-
6. (a) **Amount spent on CSR Projects (other than Ongoing Project)** : ₹ 5,37,12,780/-
- (b) **Amount spent in Administrative Overheads** : Nil
- (c) **Amount spent on Impact Assessment, if applicable** : Not Applicable
- (d) **Total amount spent for the financial year [(a)+(b)+(c)]** : ₹ 5,37,12,780/-

(e) **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	Date of Transfer
5,37,12,780	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) **Excess amount for set-off, if any:**

Sr. No.	Particulars	Amount (in ₹)	Amount after Adjustment (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	9,03,86,430	-
	Excess amount spent in the year 2021-22 and available for set-off in the financial year 2022-23	4,39,90,743	-
	Total amount to be spent in the financial year 2022-23	-	4,63,95,687
(ii)	Total amount spent for the financial year	-	5,37,12,780
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-	73,17,093
(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)]	-	73,17,093

Annexure 4 to the Board's Report

7. Details of Unspent CSR amount for the preceding three financial years: Nil

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting the financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

9. 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 27, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

India entered FY2023 amidst uncertain macroeconomic environment. The threat posed by the Omicron coronavirus subtype quickly subsided but at the same time geopolitical conflicts arose between Russia and Ukraine. In addition to that, China's decision to continue lockdown in its cities due to the increasing number of Covid cases had a detrimental impact on the global supply chain. This led to significant increase in oil and food prices which in turn lead to rise in inflation across the global economies.

Due to the escalating inflation rates, several central banks have embarked on a course of action to increase interest rates. Notably, the US Federal Reserve responded by raising interest rates 10 times in a span of 14 months, resulting in a rate of 5.25%, the highest level observed in 16 years, in an endeavor to stabilize prices. Similarly, the European Central Bank opted to raise rates for the first time in 11 years.

In India, retail inflation, as indicated by the Consumer Price Index, attained an eight-year peak in April 2022 and consistently exceeded the upper tolerance threshold of 6.0% set by the Reserve Bank of India (RBI) for a significant portion of the year. The Monetary Policy Committee (MPC) of the RBI took a unanimous decision during an off-cycle meeting in May 2022 to increase the repo rate by 40 basis points. Subsequently, additional rate hikes were implemented, culminating in the sixth continuous rate hike since May 2022. In aggregate, the repo rate was raised by 250 basis points during the fiscal year 2023, reaching a level of 6.5%. Meanwhile, the reverse repo rate remained unchanged at 3.35%. Consequently, retail inflation subsided to a 15-month low of 5.66% in March 2023. In April 2023, the MPC maintained the repo rate at 6.5% while affirming its commitment to a gradual withdrawal of accommodative measures.

India's GDP experienced double-digit growth of 13.1% in Q1FY2023 partially due to the base effect. However, growth slowed down in Q2FY2023 and Q3FY2023, reaching 6.2% and 4.5% respectively, due to high inflation and weakening demand. In Q4FY2023, growth bounced back to 6.1%, pushing the overall growth rate to 7.2% for FY2023. India continues to be one of the fastest growing major economies globally in FY2023.

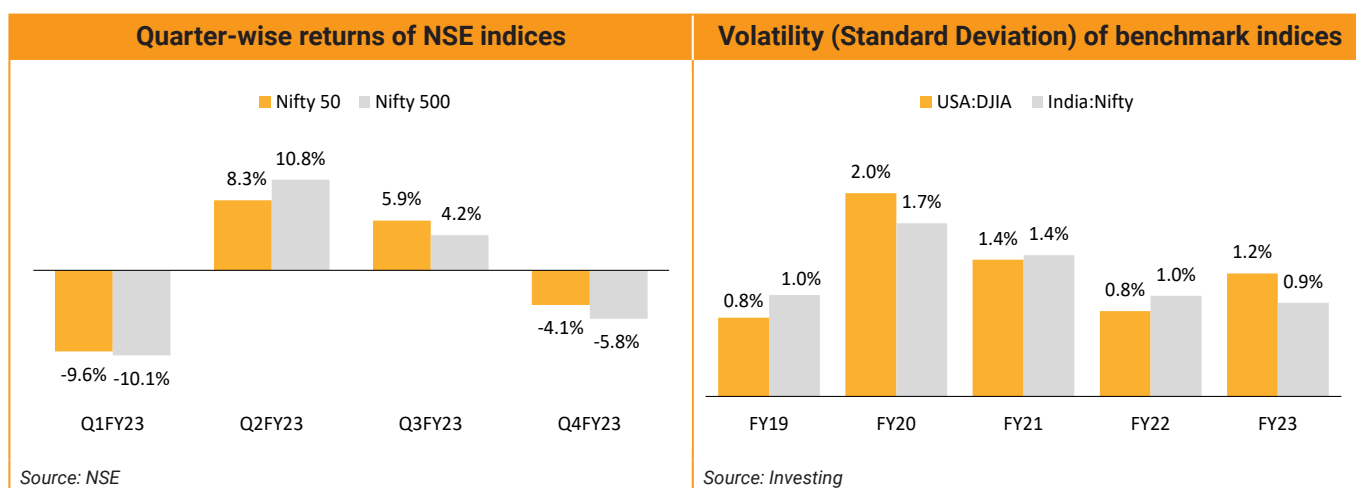
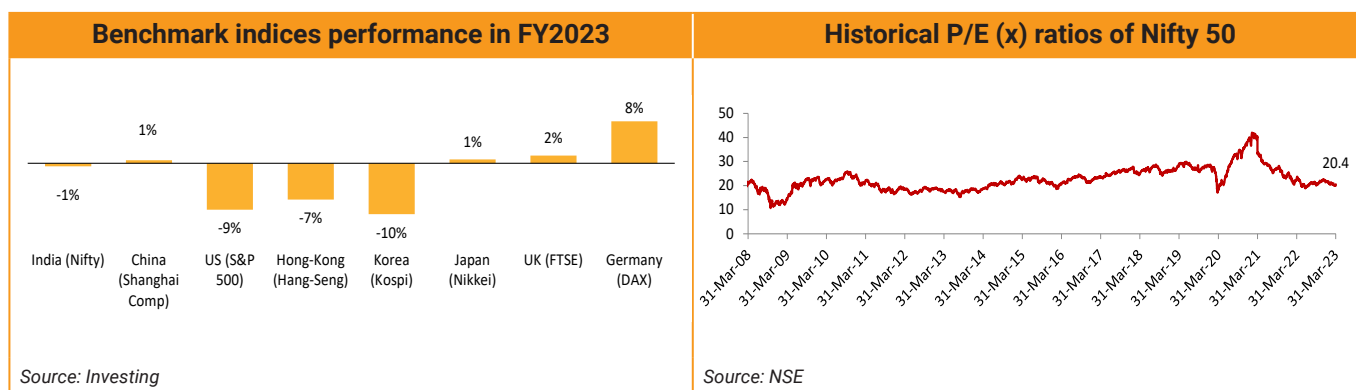
The International Monetary Fund (IMF) revised India's growth forecast for FY2024 to 5.9% from its previous estimate of 6.1%, citing a slowdown in domestic consumption and challenging external conditions. Additionally, the IMF reduced India's growth forecast for FY2025 by 50 basis points to 6.3%. Despite these downward revisions, India will still maintain its position as one of the fastest-growing major economies globally. The Indian economy has demonstrated remarkable resilience in the face of the deteriorating global situation due to strong macroeconomic fundamentals. Steps to promote ease of doing business, skilled manpower, presence of natural resources, liberal FDI policies, huge domestic market and prospects of healthy GDP growth have made India an attractive destination for foreign investors. Thus, going forward, India is expected to see relatively stronger growth.

Equity Markets

Indian markets had a quiet FY2023 with major indices closing flat. The year started with ongoing Russia-Ukraine geopolitical tensions, accelerated monetary tightening by major central banks, volatility in commodity prices etc. Equity markets, which were down during the first quarter, bounced back with Sensex and Nifty achieving an all-time high of 63,284 and 18,812 respectively in the month of December 2022. The key factors that supported the bullish run were relative strong domestic growth, robust corporate earnings, optimistic growth outlook, large inflows into domestic institutional investors etc. Sensex and Nifty closed at 58,992 and 17,360 respectively in March 2023, down from all-time high due to US banking crisis where multiple banks were declared insolvent. Still, India was the second-best equity market performer among the emerging markets in FY2023 after South Africa.

India recorded FII outflows for the second consecutive year to the tune of ₹ 376 crore. June 2022 witnessed monthly FII outflows at ₹ 50,203 crore, 2nd highest ever after March 2020. On the contrary, DIIs recorded highest ever inflows of ₹ 2.6 lakh crore.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)



Business Streams:

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, Alternates Asset, Housing Finance and Loan Against Securities. 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.

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)	PP-MLD AA (Stable)
Non-Convertible Debentures	AA (Stable)	AA (Stable)	AA (Stable)
Long-term Fund-based/ Non-fund Based Bank Lines	-	AA (Stable)	AA (Stable)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

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	PPMLD AA (Stable)	PP-MLD AA (Stable)	PP-MLD AA (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+	-
Long Term			
Market Linked Debentures	PPMLD AA (Stable)	-	-
Non-Convertible Debentures	AA (Stable)	AA (Stable)	AA (Stable)
Bank Borrowings	AA (Stable)	-	AA (Stable)

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

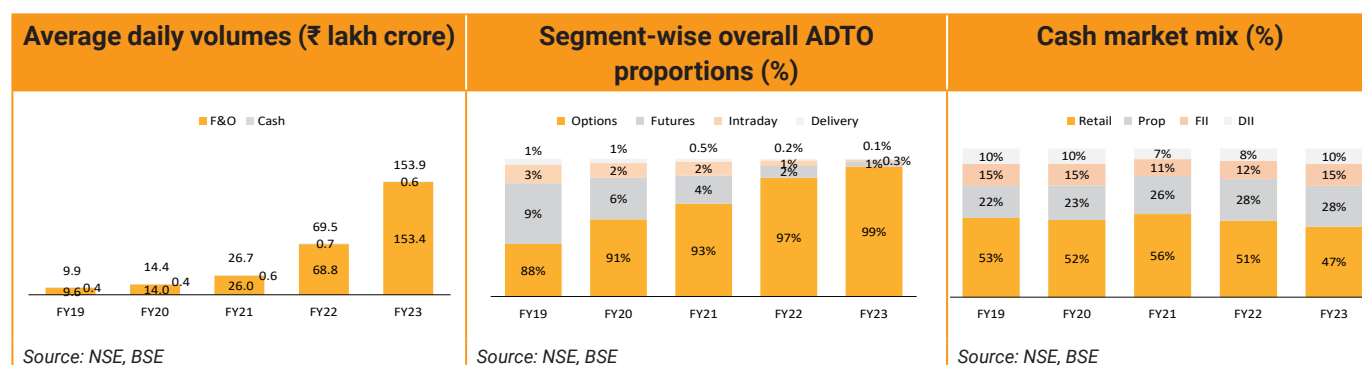
Nature of Borrowing	Rating/Outlook		
	CRISIL	ICRA	India Ratings
Short Term			
Commercial Paper	A1+	A1+	A1+

Capital Market Business

Broking Business

Industry Facts

The average daily traded volumes (ADTO) for the equity markets during FY2023 stood at ₹ 153.9 lakh crore, up 121% YoY from ₹ 69.5 lakh crore in FY2022. The overall Cash market ADTO declined by 21% YoY at ₹ 57,564 crore in FY2023. Within derivatives, options volume rose 125% YoY to ₹ 152.2 lakh crore, while futures volume declined by 4% YoY to ₹ 1.1 lakh crore. Amongst cash market participants, retail constituted 47% of total cash volume, institution 25% and and proprietary (prop) 28%. The proportion of DII in the cash market was 10%.



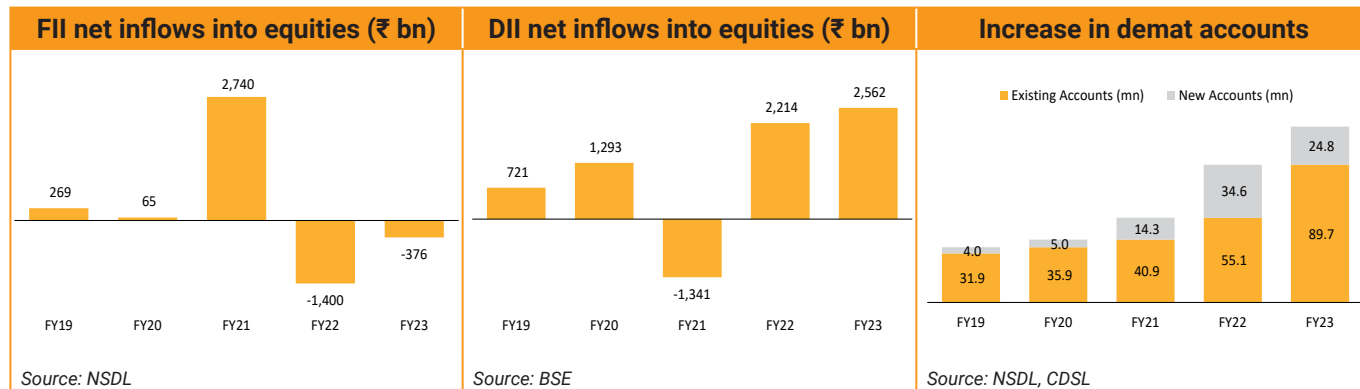
MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

In FY2023, 2.5 crores new demat accounts were opened as against 3.5 crores in FY2022. This drop is attributed to various factors like volatile market conditions, tepid IPO markets etc. CDSL, the largest depository in India in terms of number of demat clients, crossed 8 crore mark. The total number of demat accounts, across CDSL and NSDL, stood at 11.45 crores as of 31st March 2023, registering a growth of 28% YoY.

Indian equities witnessed net outflows from FIIs in FY2023. On the contrary, DIIs have offset FIIs selling pressure and recorded highest ever inflows of ₹ 2.6 lakh crore.

During the financial year, SEBI issued new guidelines for settlement of running accounts of clients' funds or securities lying with stock brokers. Under the new guidelines, SEBI decided that the settlement of running account of funds of the client shall be done by the Trading Member after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter for all the clients. Further, clients can also opt for monthly settlement. The new regulation came into effect from October 1, 2022. Indian stock markets also shifted to a shorter trading cycle settlement (T+1) on January 27, 2023 to bring in operational efficiency.

To curb possible misuse of clients' funds by brokers, the board of SEBI approved a proposal to introduce a regulatory framework on upstreaming of clients' funds by Stock Brokers (SBs)/ non-bank Clearing Members (CMs) to Clearing Corporations (CCs). Under the approved framework, clients' funds shall be upstreamed on End of Day basis, so as to ensure that clients' funds are not retained by SBs/non-bank CMs. The funds shall be upstreamed only in the form of cash, lien on Fixed Deposit Receipts, or pledge of units of Mutual Fund Overnight Schemes. Further, stock brokers would no longer be allowed to use their clients' funds for bank guarantees (BGs) from May 1, 2023 and existing BGs created out of clients' funds shall be wound down by September 30, 2023.

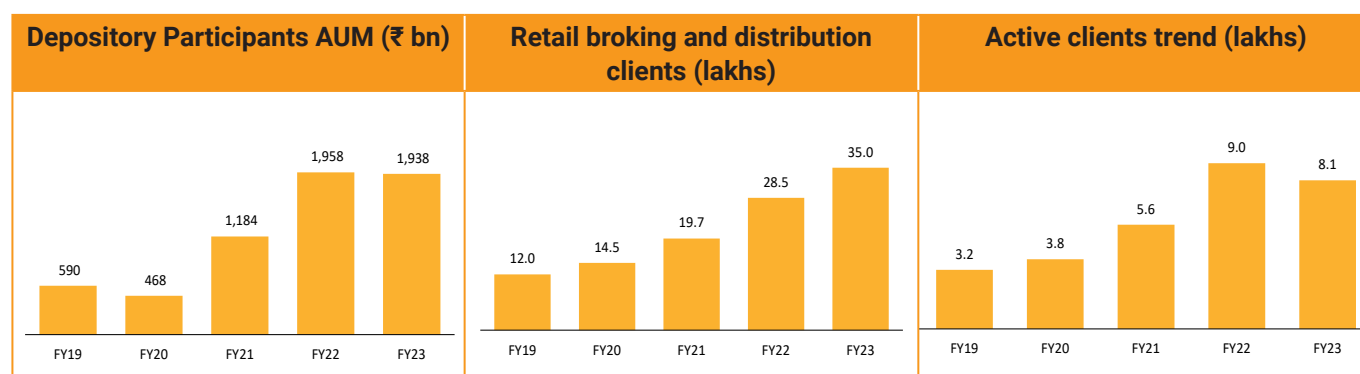


Our Broking Business

Research and advisory is the foundation of the company's broking services. Broking business serves participant across retail, HNIs, domestic institutions and FIIs. 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, private equity and real estate funds, insurance and other investment products.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)



Our broking business focuses on **“Phygital Business model”** which offers best of both the worlds. We have a client base of ~35 lakhs, which grew at 23% YoY. During the year, the company added 6.5 lakh clients. We continue to strengthen our franchisee-based model in light of our 36 years of experience and consolidation opportunities in the brokerage industry. Our focus is to help new and existing franchisees develop an entrepreneurial spirit. Our strategy of acquiring smaller regional brokers and turning them into franchisees has resulted in significant expansion of our client base and penetration into new geographies. During FY2023, we added net 1,100+ franchisees, taking total count to 8,033.

Through enhanced customer experiences, high-quality advisory, digital initiatives, distribution of assets-based products, system-driven trading products, and network expansion, our business aims to increase scale and remain competitive. We have robust dedicated advisory desks for mass-retail and affluent clients. We set ourselves apart from discount brokers as we concentrate on knowledge and advisory.

During FY2023, we undertook a number of digital initiatives and revamped our digital ecosystem. We launched **“Options Store”** - industry first exclusive product to enable retail investors to take advantage of options trading and later on launched Pro mode for advance traders with features to create customise strategies. We introduced **“Research 360”** – a one stop shop to get end to end market research for investors and traders. We also collaborated with various Fintechs and Financial Institutions for acquisition, product, investment and technology. Further, we are planning to launch our Super App in FY2024.

In order to achieve linearity in the cyclical nature of the broking business, our focus continues to strengthen our distribution business. Our financial product distribution AUM was ₹ 21,300 crore as of March 2023, registering a growth of 17% YoY. Given the 55 lakh client base of our group, there remains a huge headroom to cross sell financial products and scale up this business.

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 leading to overall client base of 820+ institutions. We witnessed top domestic client rankings in several key accounts led by broad-based team servicing. We stood #1 in Corporate Access Team & Sales Person and #2 in Overall Sales & Execution Team category in Asia Money Poll 2022. 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 conducted 18th AGIC in September 2022 which was attended by 160+ corporates and witnessed over 80% CXO level participation. We also organized Ideation conference, MOBIZ conference, Capex conclave, Fintech Day etc. which were attended by numerous participants.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

Investment Banking

Industry Facts

IPO markets remain subdued in FY2023, after having an exceptional year in FY2022 on account of volatile market scenario and moderate listing performance. FY2023 witnessed 37 main board IPOs as compared to 53 in FY2022. The amount of funds raised through main board IPOs was ₹ 52,116 crore compared to all-time high of ₹ 1,11,547 crore in FY2022. The year recorded India's largest IPO- LIC at ₹ 20,557 crore. Other major listing in the exchanges included Delhivery (₹ 5,235 crore), Global Health (₹ 2,206 crore) and Five Star Business Finance (₹ 1,593 crore). Most of the IPOs (25 out of 37) came in just 3 months (May, November and December) which clearly depicted volatile market conditions prevailed through major part of the year. The average number of applications from retail dropped to 5.6 lakhs in comparison to 13.3 lakhs in FY2022.

Our Investment Banking Business

FY2023 was a challenging year for our investment banking business because of tepid market. We completed total 4 deals in FY2023 which includes IPOs of Dreamfolks Services, Tamilnad Mercantile Bank, Radiant Cash Management and fund raise for Simpolo Group. Dreamfolks witnessed overall subscription of around 56 times and fund raise for Simpolo Group was the largest private equity deal for our IB business. 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.

The Capital Market business revenue grew by 11% YoY to ₹ 2,833 crore in FY2023 predominately due to 6% YoY growth in gross brokerage to ₹ 1,675 crore & 34% YoY in interest income to ₹ 743 crore. PAT for this business stood at ₹ 505 crore led by healthy volume growth of 2.8 times on YoY basis. Retail F&O market share improved by 116 bps on a YoY basis to 3.9%.

Asset & Wealth Management Business

Asset Management

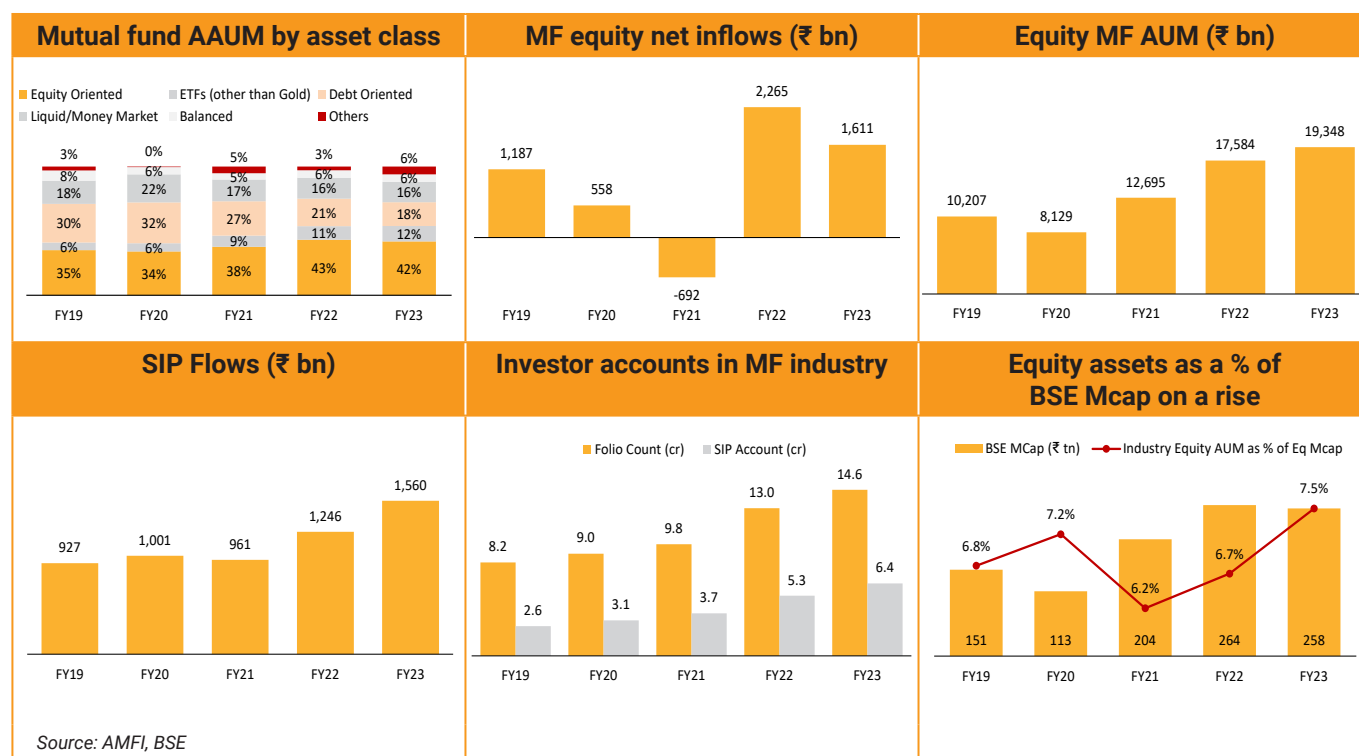
Industry Facts

Overall mutual fund industry AUM was ₹ 39.4 lakh crore in FY2023, a jump of 5% YoY. On the front of equity mutual fund (excluding arbitrage), AUM stood at ₹ 19.3 lakh crore, registering a growth of 10% YoY and contributing 49% of the total AUM. Equity category witnessed net inflows of ₹ 1.6 lakh crore in FY2023, a reduction of 29% YoY. Around 2.5 crores of new SIPs were registered in FY2023 as compared to 2.7 crores in FY2022. SIP monthly contribution touched an all-time high of ₹ 14,276 crore in March 2023. SIP flows for FY2023 stood at ₹ 1,55,972 crore vs ₹ 1,24,566 crore in FY2022.

FY2023 started with the deadline for SEBI's regulation banning the use of broker's pool accounts for mutual fund transactions extended to July 1, 2022. Subsequently, the regulator barred mutual funds from launching fresh schemes for the first three months of FY2023 until the industry complied with the new rules. SEBI also included asset management companies in the stringent SEBI Prohibition of Insider Trading regulations and specified a list of people who will be considered insiders. Further, fund houses are also required to publish MF holdings of their fund managers and designated people on stock exchanges. Long-term capital gains (LTCG) tax benefit on debt mutual funds, ETFs, international funds, gold funds, and certain categories of hybrid funds (that invest less than 35% in Indian equities) were removed. In effect, they will be treated as short-term capital gain (STCG), in much the same way as bank FDs.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

On PMS front, SEBI introduced performance benchmarking and categorization for the PMS industry, akin to the current norms in mutual funds. The move will help investors assess and compare the performance of service providers and came into effect from April 1, 2023. Moving to bring parity between multiple modes of investment and reduce mis-selling and high commission charges, SEBI introduced direct plan for AIF investors and removed upfront commission model. These rules will become effective from May 1, 2023.



Our Asset Management Business

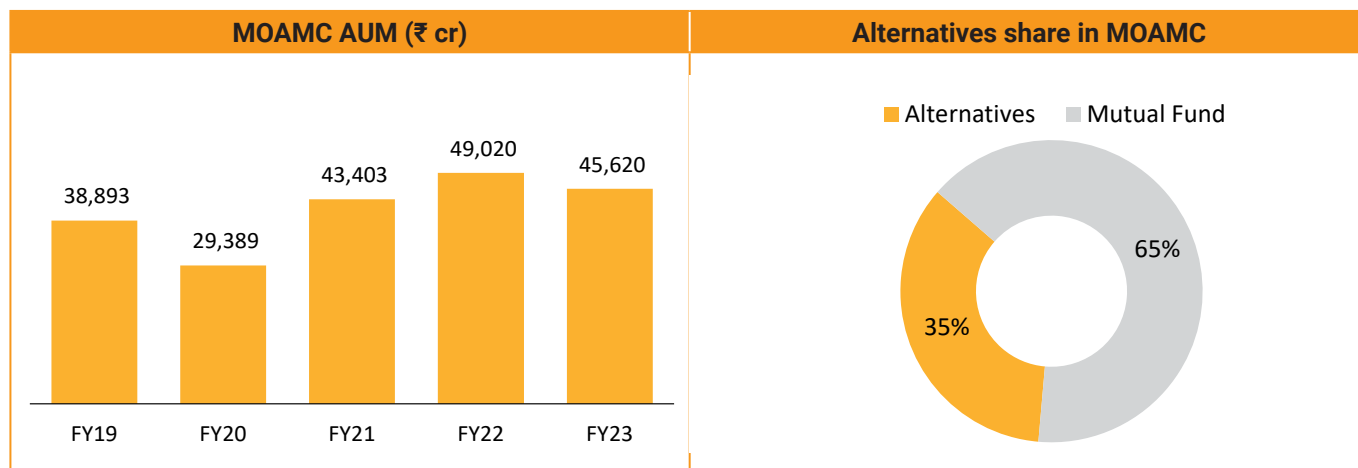
Motilal Oswal Asset Management (MOAMC) operates MF, PMS and AIF in the public equities space. MOAMC has crafted its niche with majority of AUM in equities. Total AUM stood at ₹ 45,620 crore as of March 31, 2023. Our mutual fund AUM stood at ₹ 29,560 crore, PMS AUM stood at ₹ 10,210 crore and AIF AUM stood at ₹ 5,620 crore. We have a diverse passive product basket with a variety of categories to choose from- Indian equities, International Equities, Factors, Sectors, Commodities, Multi Asset and Debt. During FY2023, we launched 7 passive funds- 3 index funds, 3 ETFs and 1 FoF. 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. On Alternate side, we launched 4 AIFs. We added around 2.6 lakh SIPs in FY2023. Inflows from SIP remained subdued during the year at ₹ 1,550 crore on account of RBI restriction on international investing.

We onboarded Prateek Agrawal, an industry veteran, to lead business and investment strategy in FY2023. We strengthened Risk Management framework and revamped investment processes with focus on consistent returns. All these measures led to turnaround in performance of our active MF schemes, which in turn led to improvement in gross sales and decline in redemptions. We firmly believe in our Quality, Growth, Longevity and Price (QGLP) philosophy and will continue to hold and improvise it.

On a blended basis, our net yield stood at 76 bps in FY2023. Alternates contributes about 35% of total AMC AUM which is one of the highest in the industry. As of March 2023, ~43% of our Alternates 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. We have

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

significantly invested in branding and advertising in past few years and the same is expected to reap benefits in terms of brand-recall in the long run.

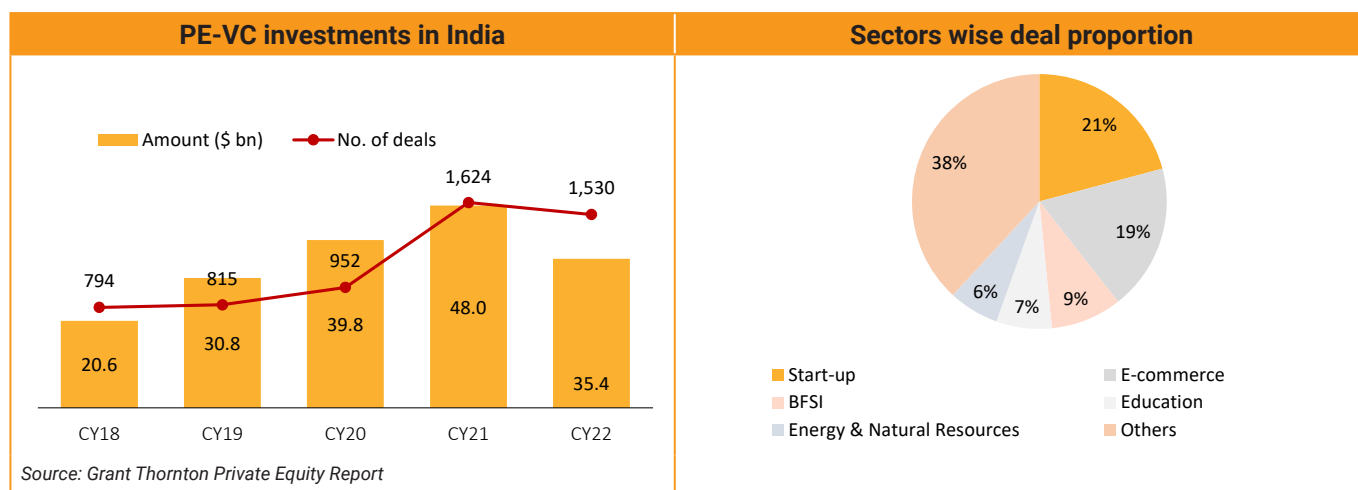


Private Equity

Industry Facts

2022 witnessed start-up attention beginning to wear off as macroeconomic factors slowed consumer spending. PE-VC firms invested \$35 billion in Indian companies across 1,530 deals as compared to \$48 billion across 1,624 deals in 2021. The start-up sector attracted the most investment with \$7.4 bn worth of investment across 991 deals. The start-up sector was followed by e-commerce, BFSI and education sector. The year witnessed 12 deals worth \$500 mn or more, led by Bodhi Tree Systems’ \$1.8 billion investment in Viacom18 Media. Bengaluru which is the “Silicon Valley of India” tops the charts in terms of volumes as it is home to a majority of companies. Mumbai topped the charts in terms of values and accounted for 27% of total values.

The Indian economy continues to be a favorable spot for PE players given the robust credit cycle, improving capex cycle, rising incomes leading to higher consumption and supportive government policies. Indian economy’s tremendous performance in 2022 and the positive outlook for growth in the coming decade make India one of the best investment destinations for both foreign and domestic investors across multiple sectors. Further, expectations of peaking interest rates and an uptick in IPOs and other investment exits improve the prospects.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

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. IBEF I has exited from all investments and delivered a portfolio XIRR of ~27%. IBEF II has committed 100% across 11 investments so far after raising commitments from marquee institutions and portfolio exits from the fund have commenced. IBEF III was launched in FY2018, which, after exhausting its green-shoe option, stands fully raised at ~₹ 2,300 crore. IBEF III has fully deployed across 11 investments. Our 4th growth fund, IBEF-IV, with a target size of ₹ 4,500 crore, was launched in FY2022. The fund witnessed overwhelming response from investors as we were able to raise the full amount within a year of launch. The fund has invested around 36% across 6 companies.

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 13 complete exits and has returned money equaling 152% of the Fund corpus back to the investors. IREF III has made 26 investments. The Fund has secured 18 full exits and has returned money equaling 117% of the investible fund. IREF IV has deployed ₹ 2,017 crore across 36 investments. IREF V, with a fund size of ₹ 1,210 crore, has deployed ₹ 885 crore across 16 investments.

Wealth Management

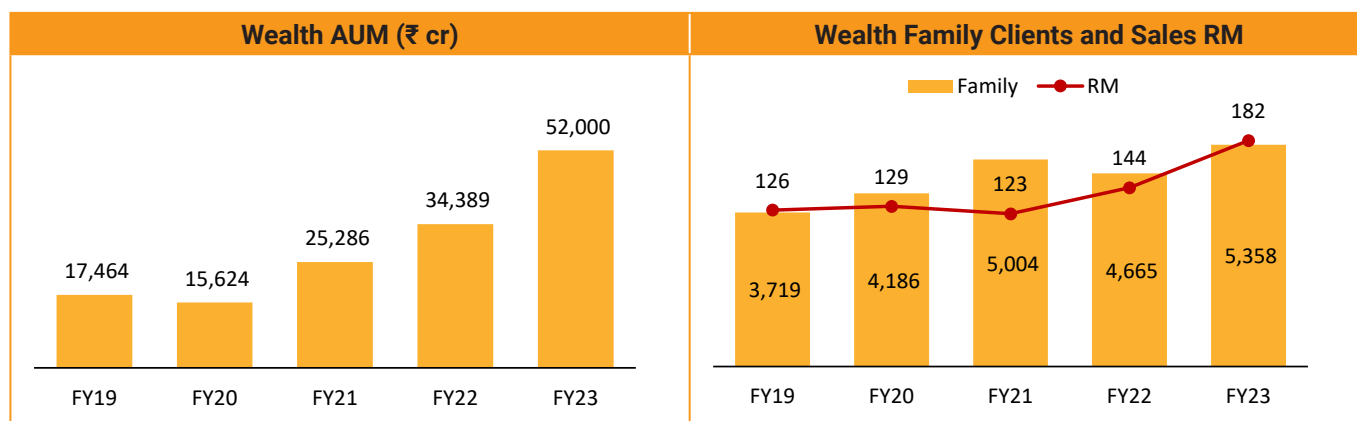
Industry Facts

As per Knight Frank's latest edition of The Wealth Report 2023, the number of ultra-high net worth individuals (UHNWIs) has globally declined by 3.8% in 2022 after a rise of 9.3% in 2021 as the wealth and the investment portfolio were impacted by economic slowdowns, frequent rate hikes and rising geopolitical uncertainties. On the other hand, number of high net worth individuals (HNWIs), those with USD 1 million or more in net assets expanded by 3%. In India, the number of UHNWIs fell by 7.5% YoY in 2022, however the HNI population continued to remain on a growth path registering a YoY growth of 4.5% and India's billionaire population rose by 11% YoY in 2022. India's UHNWI with net worth over USD 30 million is expected to rise by 58.4% in the next five years. Three out of the top ten highest growth spots across the world were currently held by Asian markets in the ultra-wealthy population. By 2027, it is projected that Asia will surpass Europe in terms of UNHWI count and will stand second to the Americas.

Our Wealth Management Business

Our wealth AUM crossed ₹ 50,000 crore mark in FY2023 and was at an all-time high of ₹ 52,000 crore as of March 31, 2023, registering a growth of 51% YoY. We reported highest ever net sales of ₹ 5,800 crore in FY2023, witnessing a jump of 8% YoY. Our aim is to significantly scale up this business in the next few years. In light of that, we have bolstered our leadership team with senior management hiring to strengthen Ultra HNI offerings, regional heads and advisory capabilities. Overall 63 new RMs were hired in FY2023, taking the total count to 182. We will continue to invest in this business by appointing more RMs. We have diversified product basket across various asset classes. Further, our adoption of open architecture model is enabling the incremental sales to be driven by non-captive products, resulting in more diversified products offering. No. of families stood at 5,358 as of March 2023, a growth of 15% YoY. Our product mix contains ~70% of the equity products which helps in garnering higher yields. Around 51% of revenues were generated from trail bearing (recurring) assets and that covered 71% of fixed costs in FY2023. This will provide cushion to margins in downturn.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)



The Asset & Wealth Management business revenue was flat at ₹ 955 crore in FY2023 mainly due to subdued equity markets. The business reported PAT of ₹ 258 crore.

Housing Finance

Industry Facts

As per ICRA's report, the total outstanding housing finance credit for NBFC-HFC as on December 2022 stood at ₹ 13.2 lakh crore. Within HFCs, the loan book of affordable housing segment stood at ₹ 83,052 crore, registering a robust YoY growth of 25%. The share of AHFCs remains small in the overall housing finance industry, which is estimated at 6%. With on-book portfolio growth and continued recoveries driven by healthy collections, the GNPA's continued to trend downwards quarter on quarter. GNPA's stood at 2.8% as on December 31, 2022 vis-à-vis 3.2% as on March 31, 2022. ICRA expects disbursement to remain healthy and retained its estimates of 11-13% growth in HFC's on-book portfolio in FY2023 and projects similar growth in FY2024.

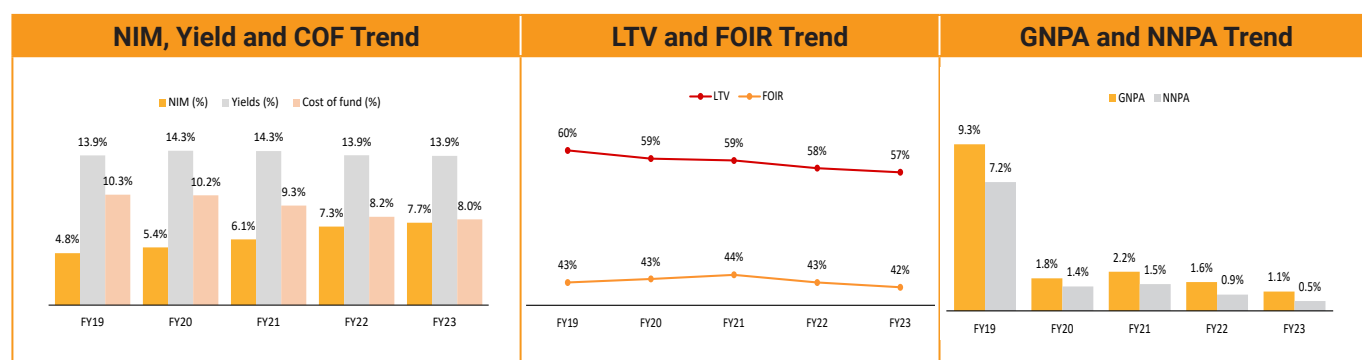
Our Housing Finance Business

Motilal Oswal Home Finance Ltd. (MOHFL) continue to focus on providing 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, 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.

MOHFL had signed a MOU with National Housing Bank (NHB) which is the Central Nodal Agency under the Pradhan Mantri Awas Yojana (PMAY) for the Credit Linked Subsidy Scheme (CLSS). MOHFL has assisted various economically weaker sections of the society to claim subsidy under this scheme.

FY2023 was a landmark year for us as we recorded highest ever profit after tax of ₹ 136 crore, registering a staggering growth of 44% YoY. Disbursements crossed ₹ 1,000 crore milestone, with YoY growth of 57%. Loan book was up by 10% YoY to ₹ 3,772 crore. ROA improved by 97 bps to 3.5% largely driven by better utilization of existing infrastructure, control over delinquencies and reduction in cost of funds. In FY2023, cost of funds was down by 24 bps YoY to reach 8.0%, resulting in improvement in spread and NIM at 5.9% and 7.7% respectively as compared to 5.7% and 7.3% in FY2022. MOHFL looks forward to a linear growth in AUM and improved profitability/ROA/ROEs.

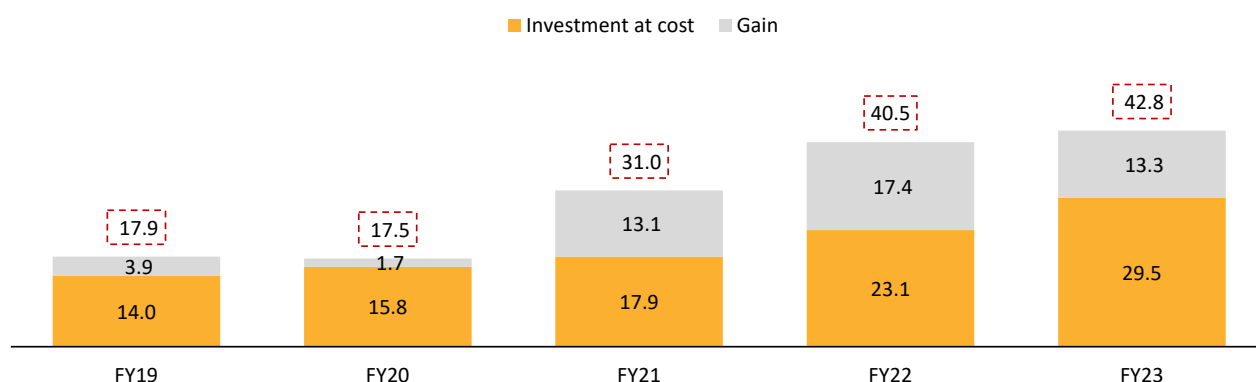
MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)



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 on March 31, 2023 our total listed equity investments stood at ₹ 2,730 crore. Our total investments including alternate investments stood at ₹ 4,280 crore.

Strong Growth in investments over the years (₹ bn)



Key Ratios

The ROE during FY2023 stood at 18%. EBITDA and Net profit margins stood at 45% and 22% respectively in FY2023. Net Debt to Equity ratio stood at 1.1x.

Human Resources

As of March 2023, the employee strength stood at 9,885.

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

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

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 Agarawal 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.

▪ **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 robust digital platforms to service customers.

MANAGEMENT DISCUSSION AND ANALYSIS

▪ **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 robust 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 due to our robust business model that can withstand the cyclical fluctuations in business volumes and simultaneously capture the opportunities provided by the structural growth of India.

Risks and concerns

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.

Outlook of the Company

We have delivered sustainable performance in FY2023 despite of market headwinds. Our strategy is to further diversify our business model towards more annuity sources of earnings. Our Asset Management business has seen improvement in performance. Our Wealth Management business is on its way to achieve scale as we continue to invest in Relationship Managers. Our Housing Finance business has witnessed turnaround by improving disbursement and profitability parameters. Our brand is now being recognized across each of our businesses. Each of our business segments offer huge headroom for growth and we are well placed to benefit from this.

REPORT ON CORPORATE GOVERNANCE (Contd..)

REPORT ON CORPORATE GOVERNANCE

[As per Regulation 34(3) read along with Schedule V(C) of the 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 the Board:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time). As on March 31, 2023, the Board consists of Ten Directors comprising of Three Executive Directors, Two Non-Executive Directors and Five Independent Directors including Two women 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 were 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 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, Further, apart from receiving commission and sitting fees, 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.

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.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 the Board is taken by passing the 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 the 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 the 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 the 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 the 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 the 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, Key Managerial Personnel and Senior Management Personnel. The Board reviews compliance reports of all laws applicable to the Company on quarterly basis.

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.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 the 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 the 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") 2022-23, the Board met 5 (Five) times i.e. on April 28, 2022, May 17, 2022, July 28, 2022, October 21, 2022 and January 24, 2023. 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 2022-23, at the previous Annual General Meeting ("AGM") held on July 11, 2022 and also the number of other Directorships and Memberships/ Chairpersonship of the Committees held by them as on March 31, 2023 are as follows:

Name of the Director	Category	DIN	Board Meetings		Attendance at the previous AGM	Number of Directorships and Committee Membership/ Chairpersonship (including in the Company)			No. of Independent Directorships (including in the 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	5	5	Present	7	3	2	-
Mr. Motilal Oswal	P, MD & CEO	00024503	5	5	Present	5	3	-	-
Mr. Navin Agarwal	NED	00024561	5	5	Present	5	1	-	-
Mr. Ajay Menon	WTD	00024589	5	5	Present	4	-	-	-

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 the Company)			No. of Independent Directorships (including in the Company) ⁽³⁾
			No. of meetings held during the year	No. of meetings attended		Directorship ⁽¹⁾	Member ⁽²⁾	Chairperson ⁽²⁾	
Mr. Rajat Rajgarhia	WTD	07682114	5	5	Present	3	-	-	-
Mr. C. N. Murthy	ID	00057222	5	5	Present	1	1	-	1
Mr. Chandrashekhar Karnik	ID	00003874	5	3	Present	1	2	-	1
Mr. Pankaj Bhansali	ID	03154793	5	5	Present	5	1	1	1
Mrs. Divya Momaya	ID	00365757	5	5	Present	6	6	2	2
Mrs. Swanubhuti Jain	ID	09006117	5	5	Present	4	1	-	3

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

Notes:

- ⁽¹⁾ Section 8 companies are excluded.
- ⁽²⁾ Memberships include Chairpersonship. Only memberships of the 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 (Ten) Committees and Chairperson of more than 5 (Five) 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, 2023:

The details of directorship held by Directors of the Company in other listed entities as on March 31, 2023 are as follows:

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

⁽¹⁾ Only equity listed entities are considered.

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 28, 2022 during the year under review, pursuant to the provisions of the Act and the Listing Regulations. The Chairperson of aforesaid Meeting of Independent Directors was Mr. C. N. Murthy.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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/453138119Familiarization-Programmes-for-Independent-Director_2023.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 and 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 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. 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 approval:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Corporate Social Responsibility Committee
- 5) Risk Management Committee

REPORT ON CORPORATE GOVERNANCE (Contd..)

- 6) Finance Committee
- 7) Business Responsibility & Sustainability Committee
- 8) Information Technology and Cybersecurity 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; and
 - 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 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;

REPORT ON CORPORATE GOVERNANCE (Contd..)

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; and
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 2022-23, the Audit Committee met 4 (Four) times i.e. on April 28, 2022, July 28, 2022, October 21, 2022 and January 24, 2023. 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:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Pankaj Bhansali	ID	Chairperson	4	4
Mr. C.N. Murthy	ID	Member	4	4
Mr. Chandrashekhar Karnik	ID	Member	4	3
Mrs. Divya Momaya	ID	Member	4	4

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

REPORT ON CORPORATE GOVERNANCE (Contd..)

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); and
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 the NRC pursuant to circulars, notifications issued by Statutory & Regulatory authorities from time to time.

Composition, Meetings and Attendance:

During the FY 2022-23, the Committee met 4 (Four) times i.e. on April 28, 2022, July 28, 2022, October 21, 2022 and January 24, 2023. 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	Chairperson	4	4
Mr. Chandrashekhar Karnik	ID	Member	4	3
Mr. Pankaj Bhansali	ID	Member	4	4
Mrs. Divya Momaya	ID	Member	4	4

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 include 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/101791301707.-MOFSL-Nomination-and-Remuneration-Policy.pdf>

Performance Evaluation:

In terms of provisions of the Act read with Rules made there under and Regulation 17 & 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, 2023. 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.

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 & Chief Executive Officer, Mr. Ajay Menon, and Mr. Rajat Rajgarhia, Whole-time Directors, draw 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 have any other material pecuniary relationship or transactions with the Company, its Promoters, Directors, Management, Subsidiary Companies and 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	2,41,20,000 ⁽²⁾	-	10,000	2,41,30,000
Mr. Ajay Menon	WTD	1,33,42,596 ⁽²⁾	9,00,00,000	2,39,100	10,35,81,696
Mr. Rajat Rajgarhia	WTD	1,75,56,000	2,73,00,000	2,39,500	4,50,95,500
Total		5,50,18,596	11,73,00,000	4,88,600	17,28,07,196

REPORT ON CORPORATE GOVERNANCE (Contd..)

(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. Further, the Board at its Meeting held on April 27, 2023 has revised the sitting fees payable to Independent Directors to ₹ 40,000 and ₹ 20,000 for every meeting of Board and Committee(s) respectively.

The shareholders of the Company at the AGM held on July 11, 2022 approved the payment of Commission up to an amount not exceeding 1% (One Percent) 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 i.e. from FY 2022-23 till FY 2026-27.

The Committee at its Meeting held on April 27, 2023 has approved the payment of Commission of ₹ 4,50,000/- to Mr. Chandrashekhar Karnik, ₹ 4,00,000/- to Mr. C. N. Murthy and ₹ 3,00,000/- each to Mr. Pankaj Bhansali, Mrs. Divya Momaya and Mrs. Swanubhuti Jain, Independent Directors of the Company for the FY 2022-23. Since, Mr. Karnik & Mr. Murthy undertake various leadership training sessions for Senior Management of Motilal Oswal Group, the Committee approved the remuneration of ₹ 1,50,000/- & ₹ 1,00,000/-, respectively, by way of Commission for their services offered to Company in addition to ₹ 3,00,000/- for the FY 2022-23.

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 the 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/- 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.

Details of the sitting fees & commission paid to the Non-Executive Directors for the FY 2022-23 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	1,00,000	1,00,000	4,00,000	6,00,000

REPORT ON CORPORATE GOVERNANCE (Contd..)

Name of the Director	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. Chandrashekhar Karnik	ID	60,000	70,000	4,50,000	5,80,000
Mr. Pankaj Bhansali	ID	1,00,000	1,00,000	3,00,000	5,00,000
Mrs. Divya Momaya	ID	1,00,000	80,000	3,00,000	4,80,000
Mrs. Swanubhuti Jain	ID	1,00,000	-	3,00,000	4,00,000
Total		4,60,000	3,50,000	29,50,000	37,60,000

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, 2023 is given herein below:

Name of the Director	Category	No. of Equity Shares held
Mr. Raamdeo Agarawal	NED	4,00,82,015
Mr. Navin Agrawal	NED	76,35,072
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		4,77,17,087

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 the 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;

REPORT ON CORPORATE GOVERNANCE (Contd..)

6. 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;
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 and 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; and
12. Any other matters that can facilitate better investor services and relations.

Composition, Meetings and Attendance:

During the FY 2022-23, the Committee met twice i.e. on April 28, 2022 and October 21, 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. Raamdeo Agarawal	C & NED	Chairman	2	2
Mr. Motilal Oswal	MD & CEO	Member	2	2
Mr. Navin Agarwal	NED	Member	2	2
Mr. Chandrashekhar Karnik	ID	Member	2	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 2022-23 are given herein below:

Sr. No.	Nature of Complaint	Pending as on April 1, 2022	Received during the year	Disposed-off during the year	Pending as on March 31, 2023
i.	SEBI/ Stock Exchange Complaints	0	0	0	0
ii.	Non-receipt of Dividend/ Interest	0	1	1	0
iii.	Non-receipt of Share Certificate	0	0	0	0
iv.	Non-receipt of Annual Report	0	0	0	0
v.	Others	0	0	0	0
	Total	0	1	1	0

REPORT ON CORPORATE GOVERNANCE (Contd..)

SEBI Complaints Redress System (SCORES)

The 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 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, 2023.

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 the CSR Committee pursuant to circulars, notifications issued by Statutory & Regulatory Authorities from time to time.

Composition, Meetings and Attendance:

During the FY 2022-23, the Committee met twice i.e. on April 28, 2022 and October 21, 2022. 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 & CEO	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 the CSR Policy and initiatives & activities undertaken by the Company on CSR during the FY 2022-23 is annexed as "Annexure 4" to the Board's Report.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 forming part of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

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 in terms of circulars/ notifications issued by Securities and Exchange Board of India ("SEBI"), Insurance Regulatory and Development Authority of India ("IRDA") or such other regulatory/ statutory authorities from time to time;
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 analysis the 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 willful defaulters;
10. Monitoring and Reviewing of the Risk Management Plan including Cyber Security;
11. Carrying out such other responsibility as may be provided under SEBI Circular for enhanced obligations and responsibilities on Qualified Stock Brokers (QSBs) and other Circulars and Notifications issued by SEBI from time to time; and
12. Carrying out such other activities/ actionables pertaining to various businesses/ licenses of the Company as may be required from time to time by SEBI, IRDA, Depositories, Stock Exchange(s) and other regulatory authorities and to carry out such other incidental & ancillary matters.

Composition:

During the FY 2022-23, the Committee met twice i.e. on July 21, 2022 and January 16, 2023. 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. Motilal Oswal	MD & CEO	Chairman	2	2
Mr. Navin Agarwal	NED	Member	2	2
Mr. Ajay Menon	WTD	Member	2	2
Mr. Pankaj Bhansali	ID	Member	2	2
Mr. Shalibhadra Shah	CFO*	Member	2	2
Mr. Nilesh Gokral ⁽¹⁾	CRO [#]	Member	-	-

* CFO: Chief Financial Officer

CRO: Chief Risk Officer

⁽¹⁾ Appointed as Member w.e.f. April 27, 2023.

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 ₹ 20,000 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 Companies Act, 2013 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;

REPORT ON CORPORATE GOVERNANCE (Contd..)

- 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;
- 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/ actionable 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; and
- 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

REPORT ON CORPORATE GOVERNANCE (Contd..)

7) Business Responsibility & Sustainability Committee

The terms of reference of the Committee are as follows:

1. Frame and overview policies pertaining to principles of Business Responsibility & Sustainability Reporting ("BRSR"), as may be required from time to time;
2. Decision making on sustainability related issues;
3. Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Committee;
4. Overview and recommend the Business Responsibility/ Business Responsibility & Sustainability Report to the Board;
5. Oversee the implementation of the BRSR Guidelines;
6. Undertake various Environment, Social and Governance (ESG) initiatives; and
7. Such other powers to be exercised by the Business Responsibility & Sustainability Committee pursuant to circulars, notifications issued by Statutory & Regulatory Authorities 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. Navin Agarwal	NED	Member
Mr. Sudhir Dhar ⁽¹⁾	Group Head – Human Resources and Administration	Member
Mr. Shalibhadra Shah ⁽²⁾	CFO	Member

⁽¹⁾ Ceased to be a Member w.e.f. July 07, 2022.

⁽²⁾ Appointed as a Member w.e.f. July 28, 2022.

8) Information Technology and Cybersecurity Committee

The terms of reference of the Committee are as follows:

1. Prevention of cyber security incidents through continuous threat analysis, network and host scanning for vulnerabilities and breaches, deploying adequate and appropriate technology to prevent attacks originating from external environment and internal controls to manage insider threats etc.;
2. Monitoring, detection and analysis of potential intrusions/ security incidents in real time and through historical trending on security-relevant data sources;
3. Operating network defence technologies such as Intrusion Detection Systems (IDSes) and data collection/ analysis systems;

REPORT ON CORPORATE GOVERNANCE (Contd..)

4. Conducting cyber-attack simulation on quarterly basis to aid in developing cyber resiliency measures and test the adequacy and effectiveness of the framework adopted;
5. Conducting awareness and training programs for employees with regard to cyber security and situational awareness on quarterly basis;
6. Prevention of attacks similar to those already faced;
7. Review the implementation of the Cyber Security and Cyber Resilience Policy;
8. Review and recommend amendments to Information Technology and Cyber Security related Policies of the Company;
9. Review of current IT and Cyber Security and Cyber Resilience Capabilities;
10. Set goals for a target level of Cyber Resilience;
11. Establish plans to improve and strengthen Cyber Security and Cyber Resilience;
12. To carry out all the activities/ actionable 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 Securities and Exchange Board of India ("SEBI"), Insurance Regulatory and Development Authority of India ("IRDA"), Depositories, Stock Exchange(s) and other regulatory/ statutory/ judiciary authorities and to carry out such other incidental & ancillary matters; and
13. 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	Senior Group Vice President - IT	Member
Mr. Atul Sashittal	Representative- Edivanz Financing Private Limited	Member
Mr. Chandrashekar Chettiar ⁽¹⁾	Chief Information Security Officer	Member

⁽¹⁾ Appointed as Member w.e.f. April 27, 2023.

Policy on Prevention of Sexual Harassment 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 on Prevention of Sexual Harassment at Workplace' 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, 2022	filed during the year	Disposed-off during the year	Pending as on March 31, 2023
1.	Sexual Harassment	0	1	1	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:

No.	Date	Venue	Time	Special Resolutions passed
15 th AGM	July 30, 2020	Through 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.
16 th AGM	August 09, 2021	Through 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.
17 th AGM	July 11, 2022	Through 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 for payment of remuneration by way of commission to Non-Executive Directors including Independent Directors of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Postal Ballot Resolution

During the FY 2022-23, the Company has not passed any Resolution for obtaining approval of members through Postal Ballot.

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 communication including the following:

- Dissemination of information on the website of the Stock Exchanges;
- Investor presentations;
- Press/ Media releases;
- Annual reports;
- Investor/ analysts calls, conferences and meet;
- Uploading relevant information on the Company's website; and
- General Meeting.

Financial Results:

The Company publishes quarterly, half-yearly and annual results generally in Financial Express 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.

Annual Report:

Pursuant to the MCA Circulars and SEBI Circulars, the Annual Report for FY 2022-23 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/ Media Release & Investor/ 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 of the Company 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, NSE Digital Portal and the Listing Centre.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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	Friday, July 11, 2023
	Time	04:00 P.M.
	Venue	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") (Deemed Venue)
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 at its Meeting held on April 27, 2023, has recommended a final dividend of ₹ 3/- per Equity Share having face value of ₹ 1/- each for the FY 2022-23. Dividend, if declared, shall be paid/ dispatched on or before August 09, 2023.	
Listing on Stock Exchanges	Name	Address
	BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
	NSE	Exchange Plaza Bldg., 5th Floor, Plot No. C- 1, 'G' Block, Bandra- Kurla Complex, Mumbai - 400 051
The requisite annual listing fees for the financial year 2022-23 have been paid in full to BSE and NSE.		
None of the securities of the Company have been suspended for trading at any point of time during the year.		
Stock Code/ ISIN	Equity	BSE Code: 532892
		NSE Code: MOTILALOFS
		ISIN: INE338101027
	Debt	BSE Code: 973481
		ISIN: INE338107073
		BSE Code: 973938
		ISIN: INE338107081

Market Price Data:

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

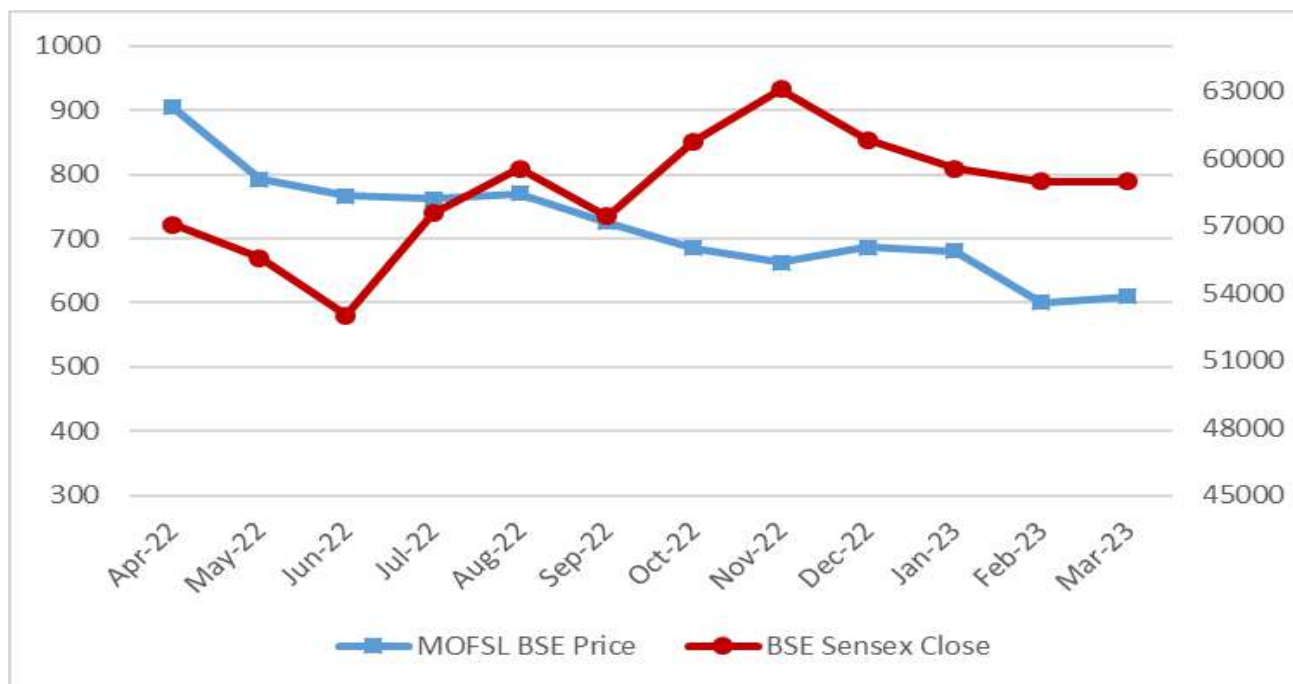
Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2022	960.00	858.70	960.00	858.05
May, 2022	926.10	756.40	926.70	756.05
June, 2022	832.25	714.30	848.60	714.00
July, 2022	814.80	742.90	814.60	745.00
August, 2022	793.70	752.55	790.05	753.05
September, 2022	823.65	717.00	823.85	720.00
October, 2022	747.70	682.20	748.70	682.10
November, 2022	709.20	652.10	708.50	653.00
December, 2022	728.05	651.00	728.45	655.20
January, 2023	751.15	664.25	752.00	664.05
February, 2023	706.95	597.50	703.00	597.20
March, 2023	622.30	550.75	650.40	551.25

REPORT ON CORPORATE GOVERNANCE (Contd..)

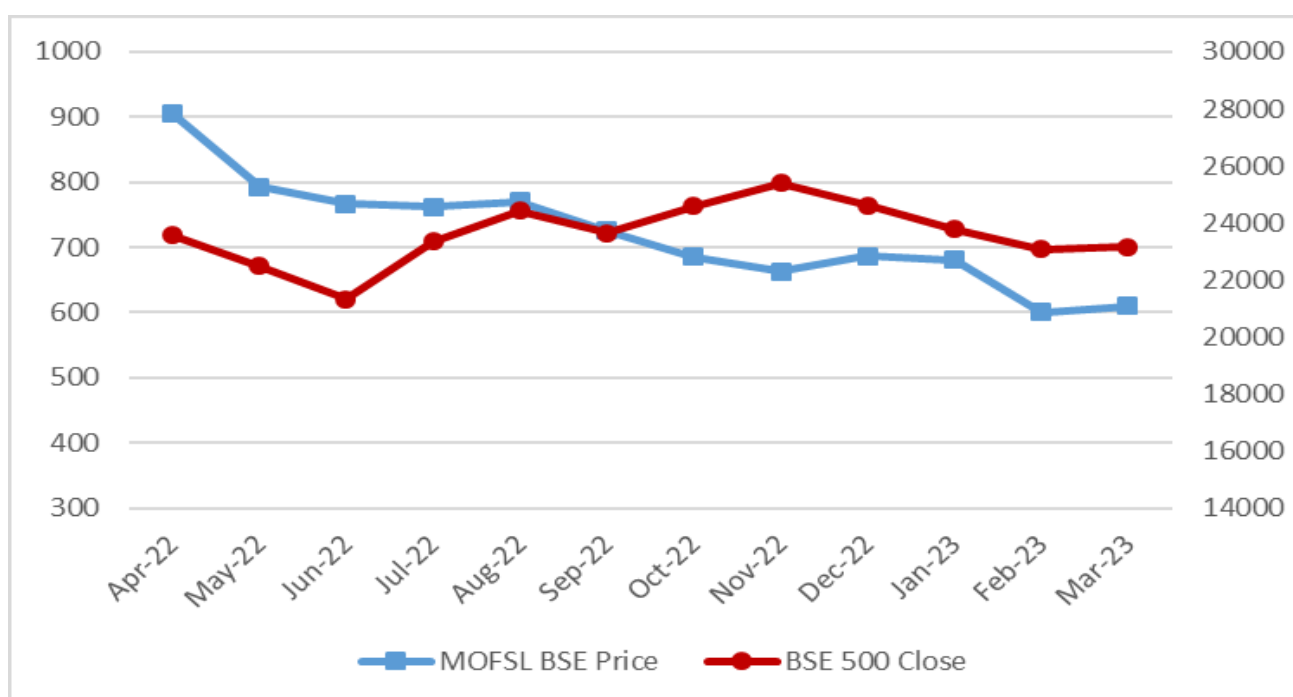
Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty, etc.:

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

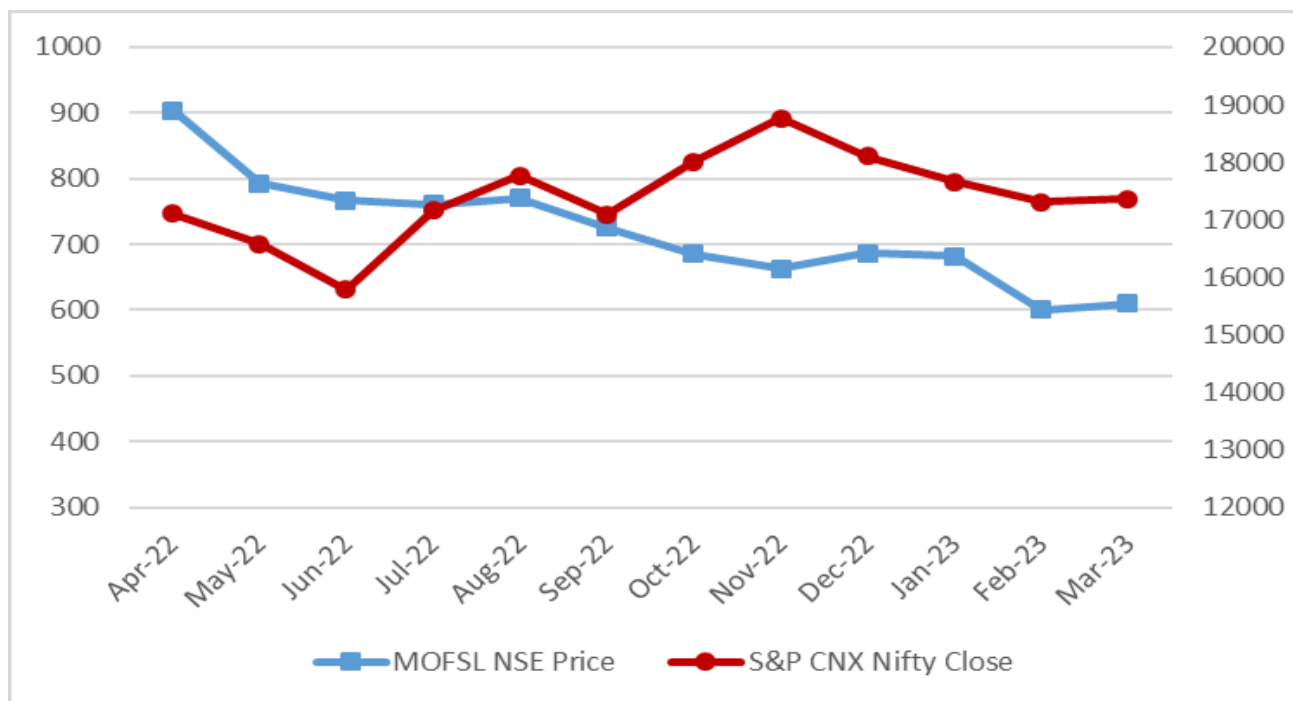


MOFSL Share performance versus BSE – 500



REPORT ON CORPORATE GOVERNANCE (Contd..)

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 400 083 Tel: +91 22 49186270, Fax: +91 22 4918 6060 E-mail: 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 the 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.

Distribution of Shareholding:

a. Distribution of Shareholding of the Equity Shares of the Company by size as on March 31, 2023:

Number of Shares held	No. of Shareholders	Total No. of Shares held in the category	% of Shareholding
Up to 500	68,362	31,69,441	2.14
501-1000	1,202	9,06,763	0.61
1001-2000	582	8,57,293	0.58
2001-3000	215	5,41,649	0.37

REPORT ON CORPORATE GOVERNANCE (Contd..)

Number of Shares held	No. of Shareholders	Total No. of Shares held in the category	% of Shareholding
3001-4000	120	4,34,563	0.30
4001 – 5000	64	2,99,347	0.20
5001 – 10000	166	11,87,446	0.80
10001 & Above	287	14,05,50,624	95.00
Total	70,998	14,79,47,126	100.00

b. Shareholding Pattern by Ownership as on March 31, 2023:

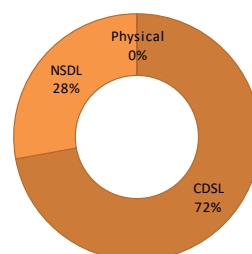
Sr. No.	Category	No. of Shares	% to Share Capital
1)	Promoters & promoter group	10,30,87,923	69.68
2)	Mutual Funds/ Financial Institutions/ Banks/ Foreign Institutional Investors	1,88,65,862	12.75
3)	Public	1,37,54,784	9.30
4)	Directors	97,33,980	6.58
5)	Others	8,40,255	0.57
6)	Bodies Corporate	10,17,776	0.69
7)	NRIs/ OCBs	6,46,546	0.43
	Total	14,79,47,126	100.00

Dematerialization of Shares and liquidity

As on March 31, 2023, 14,79,45,071 Equity Shares were held in dematerialized form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and 2,055 Equity Shares were held in physical form.

Bifurcation of Equity Shares in physical and electronic mode as on March 31, 2023 are as follows:

Category	No. of Shares	% of Shareholding
CDSL	10,67,37,920	72.15
NSDL	4,12,07,151	27.85
Physical	2,055	0.00
Total	14,79,47,126	100.00



Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2023, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments (excluding ESOPs).

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 the 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.
Address for Correspondence	Link Intime India Private Limited (Registrar and Share Transfer Agent) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 49186270, Fax: +91 22 4918 6060 E-mail: 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 400 025 Tel: +91 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 the Annual Report of the Company.

Disclosures:

i) There have been no instances of non-compliances by the Company on any matter related to the capital markets and no penalties and/ or strictures have been imposed on it by the stock exchanges or by the SEBI or by any statutory authority on any matter related to the capital markets during the last three financial years except which are disclosed in this annual report or to the stock exchanges from time to time. However, during the ordinary course of business, the SEBI/ exchange(s) have levied minor penalties, which do not have any material impact on the operations of the Company.

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 https://www.motilaloswalgroup.com/Downloads/IR/785307607MOFSL_Vigil-MechanismWhistle-Blower-Policy.pdf.

We affirm that no director/ employee of the Company was denied access to the Audit Committee.

REPORT ON CORPORATE GOVERNANCE (Contd..)

iii) Compliance with Mandatory Requirements

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 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 Statutory Auditor's report on financial statements for the FY 2022-23 does not contain any modified opinion. Your Company continues to adopt best practices to ensure regime of the financial statements with unmodified audit qualifications.
 - c) **Reporting of Internal Auditors:** The Internal Auditors report 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)**

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

Compliance Certificate from M/s. Singhi & Co., Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance for the financial year ended March 31, 2023 in terms of Schedule V(E) to the Listing Regulations is appended as "**Annexure-A**" to this Report.

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 auditor 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	85,96,451

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, 2023. The debentures of MOHFL & MOFL are listed on BSE and units of mutual funds of MOAMC are listed on NSE and BSE.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Name of Material Subsidiaries	Details of Incorporation		Details of Statutory Auditors	
	Place	Date	Name	Date of appointment
MOHFL	Mumbai	October 01, 2013	Singhi & Co.	June 24, 2022
MOAMC	Mumbai	November 14, 2008	Singhi & Co.	September 27, 2021
MOFL	Mumbai	November 10, 2006	Shah & Savla LLP	September 30, 2021

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.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf>.

viii) Related Party Transactions

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the FY 2022-23 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act.

During the year, the Company has not entered into any material significant related party transactions that may have potential conflict with the interests of the Company at large.

Further, the Company has formulated a Policy on Materiality and dealing with Related Party Transactions as required under Regulation 23 of the Listing Regulations, which has been uploaded on the Company's website at: <https://www.motilaloswalgroup.com/Downloads/IR/235673531Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.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 the SEBI or Ministry of Corporate Affairs or any such other Statutory Authority, is appended as "**Annexure-B**" to this Report.

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, Managing Director & Chief Executive Officer, stating that the members of the Board 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 is appended as "**Annexure-C**" to this Report.

Certification by CEO/ CFO

The Chief Executive Officer and Chief Financial Officer of the Company provide 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 provide 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

REPORT ON CORPORATE GOVERNANCE (Contd..)

certificate given by the Chief Executive Officer and Chief Financial Officer is appended as “Annexure-D” to this Report.

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

xii) Recommendation of the Committees

All recommendations/ submissions made by various Committees of the Board during the FY 2022-23 were accepted by the Board.

xiii) Loans and advances in the nature of loans to firms/ companies in which directors are interested

The Company and its subsidiary have not given any loans and advances in the nature of loans to firms/ companies in which directors are interested.

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 July 18, 2022.
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, 2023, as stipulated in Regulations 17 to 27, Clauses (b) to (i) and (t) 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 from time to time) ("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 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, 2023.

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.

REPORT ON CORPORATE GOVERNANCE (Contd..)

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 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 27, 2023

Sd/-
Nikhil Singhi
Partner
Membership No. 061567
UDIN: 23061567BGYHLK1386

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 400 025

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 400 025 (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 Securities and Exchange Board of India (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, 2023, 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 & Chief Executive Officer)	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. Swanbhuti 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.

**For U. Hegde & Associates,
Company Secretaries**

Sd/-

**Umashankar K Hegde
(Proprietor)**

COP No. – 11161

M. No. – A22133

ICSI UDIN: A022133E000212048

Place: Mumbai
Date: April 27, 2023

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annexure-C

Declaration on Code of Conduct

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 2022-23.

For Motilal Oswal Financial Services Limited

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

Place: Mumbai
Date: April 27, 2023

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/ results read with the cash flow statement of Motilal Oswal Financial Services Limited for the quarter & year ended March 31, 2023 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 rectify 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 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 27, 2023

KEY HIGHLIGHTS OF BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Principle 1

Conduct and govern with integrity, and in a manner that is Ethical, Transparent and Accountable

- 76% of our Directors, 80% of our KMPs and 85% of our employees received periodic training on business, regulations, code of business conduct and ethics as well as economic and environmental, social and governance parameters.
- No disciplinary action against Directors/KMPs/ Employees/Workers by any law enforcement agencies for charges of bribery/corruption.



Principle 2

Provide goods and services in a manner that is sustainable and safe

- 42.46% capital expenditure incurred towards IT hardware and software.
- No plastic use in the office premises except garbage bag which are also biodegradable in nature.
- The Information Security Management Systems (ISMS) of the Company are certified under ISO/IEC 27001.



Principle 3

Respect and promote the well-being of all employees, including those in value chains

- 100% of our permanent employees are covered under health insurance.
- 100% of our permanent employees are covered by maternity and paternity benefits.
- 100% return-to-work rate post parental leave.
- 90% of our employee are getting skill upgradation training.



Principle 4

Respect the interests of and be responsive to all its stakeholders

- Active engagement with Stakeholders on regular basis through multiple channels to address various economic, environmental, and social concerns, communicating company performance and discussing strategies.



KEY HIGHLIGHTS OF BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Principle 5

Respect and promote human rights

- 100% of our employees are getting training on Human Rights issues policy(ies).
- 100% of our permanent employees are paid more than the minimum wage.



Principle 6

Respect and make efforts to protect and restore the environment

- The Company in association with Motilal Oswal Foundation has undertaken various initiatives to protect and restore the environment such as seed ball making, tree plantation, rain water harvesting system installation, sensor based urinal pot installation, etc.



Principle 7

Influencing public and regulatory policy, in a responsible and transparent manner

- Associated with trade and industry chambers/ associations to foster dialogue on industry growth drivers, innovation and shaping public policy.



Principle 8

Promote inclusive growth and equitable development

- Positively impacted 22,766 individuals through CSR initiatives.



Principle 9

Engage with and provide value to the consumers in a responsible manner

- No data breaches reported during the reporting period.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

BACKGROUND

The Securities and Exchange Board of India (“SEBI”) has put in place the Business Responsibility & Sustainability Reporting framework for top 1,000 Listed Entities [based on market capitalisation on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”)] pursuant to the amendments under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time), which requires Listed Companies to disclose information under the 9 (Nine) principles of the National Guidelines on Responsible Business Conduct (“NGRBC”).

Our Business Responsibility & Sustainability Report (“BRSR Report”) includes our responses to questions on our practice and performance on key principles defined by Regulation 34(2)(f) of the Listing Regulations, covering topics across environment, social, 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 DISCLOSURES

I. DETAILS OF COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Listed Entity	L67190MH2005PLC153397
2	Name of the Listed Entity	Motilal Oswal Financial Services Limited
3	Year of incorporation	2005
4	Registered office address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST. Depot, Prabhadevi, Mumbai 400 025
5	Corporate address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST. Depot, Prabhadevi, Mumbai 400 025
6	E-mail	corpsec@motilaloswal.com
7	Telephone	022-39804200/ 4263
8	Website	www.motilaloswalgroup.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 14,79,47,126
12	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR Report	Name: Mr. Niren Srivastava Chief Human Resources Officer Telephone: 022-39804200/ 4263, E-mail: corpsec@motilaloswal.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this Report are made on standalone basis unless otherwise mentioned in the specific field.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

II. PRODUCTS/ SERVICES

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance Service	Financial Advisory, Brokerage and Consultancy Services	72.80
2.	Financial and Insurance Service	Other financial activities	27.20

15. Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/ Service	NIC Code	% of total Turnover contributed
1.	Security dealing activities	67120	72.80

III. OPERATIONS

16. Number of locations where plants and/ or operations/ offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable	91	91
International	Not Applicable	1 ⁽¹⁾	1 ⁽¹⁾

⁽¹⁾ Representative Office in Dubai

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company has offices in 22 States which includes 2 Union Territories
International (No. of Countries)	1 ⁽¹⁾

⁽¹⁾ Representative Office in Dubai

b. What is the contribution of exports as a percentage of the total turnover of the entity?

During the financial year ("FY") 2022-23, contribution of exports as a percentage of the total turnover of the Company on standalone basis is 0.37%.

c. A brief on types of customers

Motilal Oswal Financial Services Limited ("MOFSL") is an integrated technology-based Financial Services Sector Organization offering a wide range of services including retail and institutional broking, financial products distribution. Our customers include resident and non-resident individuals, HUF's, corporates, etc.

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, institutional investors, foreign institutional investors, financial institutions and

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

corporate clients. Besides stock broking, it also offers a bouquet of financial products and services like insurance, mutual funds, bonds etc. to its client base. MOFSL is also registered with the SEBI as Research Analyst, 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.

IV. EMPLOYEES

18. Details as at the end of the financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	7,303	5,346	73.20	1,957	26.80
2.	Other than Permanent (E)	316	310	98.10	6	1.90
3.	Total employees (D + E)	7,619	5,656	74.24	1,963	25.76
WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

Note: The Company does not have any workers as defined in the guidance note on BRSR issued by the and SEBI.

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	Nil	Nil	Nil	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/ Inclusion/ Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20
Key Management Personnel	2 ⁽¹⁾	0	0

⁽¹⁾ Only Chief Financial Officer & Company Secretary are considered under the category of Key Management Personnel, as Managing Director and Whole-time Directors are covered under the category of the Board of Directors.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 22-23			FY 21-22			FY 20-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	70.47	76.45	74.09	56.50	66.76	64.59	50.81	64.09	65.50
Permanent Workers	Not Applicable								

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. Names of holding/ subsidiary/ associate companies/ joint ventures (as at March 31, 2023)

Sr. No.	Name of the holding/subsidiary/ associate companies/ joint ventures	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
A)	Indian Subsidiaries			
1.	Motilal Oswal Asset Management Company Limited	Subsidiary Company	100.00	Yes
2.	Motilal Oswal Home Finance Limited	Subsidiary Company	75.35	Yes
3.	Motilal Oswal Finvest Limited	Subsidiary Company	100.00	Yes
4.	Motilal Oswal Wealth Limited	Subsidiary Company	100.00	Yes
5.	MO Alternate Investment Advisors Private Limited	Subsidiary Company	100.00	Yes
6.	Motilal Oswal Investment Advisors Limited	Subsidiary Company	100.00	Yes
7.	Glide Tech Investment Advisory Private Limited	Subsidiary Company	100.00	Yes
8.	TM Investment Technologies Private Limited	Subsidiary Company	61.64	Yes
9.	MO Alternative IFSC Private Limited	Subsidiary Company	100.00	Yes
10.	Motilal Oswal Securities International Private Limited	Subsidiary Company	100.00	Yes
11.	Motilal Oswal Finsec IFSC Limited	Subsidiary Company	100.00	Yes
12.	Motilal Oswal Capital Limited	Step-down Subsidiary Company	100.00	Yes
13.	Motilal Oswal Trustee Company Limited	Subsidiary Company	100.00	Yes
14.	Motilal Oswal Commodities Broker Private Limited	Subsidiary Company	100.00	Yes
B)	Companies incorporated outside India			
15.	India Business Excellence Management Company	Step-down Subsidiary Company	100.00	Yes
16.	Motilal Oswal Asset Management (Mauritius) Private Limited	Step-down Subsidiary Company	100.00	Yes
17.	Motilal Oswal Capital Markets (Singapore) Pte. Limited	Subsidiary Company	100.00	Yes

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sr. No.	Name of the holding/subsidiary/ associate companies/ joint ventures	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
18.	Motilal Oswal Capital Markets (Hong kong) Pte. Limited	Subsidiary Company	100.00	Yes

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 Business Responsibility ("BR")/ Corporate Social Responsibility ("CSR") activities through Motilal Oswal Foundation.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes
(ii) Turnover (₹) - 2,666.26 Crores
(iii) Net worth (₹) - 4,453.54 Crores

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Refer response below	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		1	Nil	Complaint was suitably resolved in a timely manner	1	Nil	Complaint was suitably resolved in a timely manner
Employees and workers		1,860 ⁽¹⁾	14	Under investigation	1,294	48	Under investigation
Customers		3,264	106	Under investigation	2,501	40	Under investigation
Value Chain Partners		8	1	-	11	Nil	-

⁽¹⁾ Pertain to day to day service request at work place.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Some of the policies on the Company's Conduct with its stakeholders, including grievance redressal mechanisms are placed on the Company's website. Here are link to grievance redressal mechanisms for investors & customers <https://www.motilaloswalgroup.com/Downloads/IR/1256475153IG-policy.pdf>. The Company has constituted a Stakeholders Relationship Committee for redressal of grievances of its security holders. In addition, the Company has framed Vigil Mechanism/ Whistle Blower 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 same can be accessed at https://www.motilaloswalgroup.com/Downloads/IR/785307607MOFSL_Vigil-MechanismWhistle-Blower-Policy.pdf.

Further, the investors including shareholders can also write their concern/ grievance to the Company on shareholders@motilaloswal.com and customers/client on query@motilaloswal.com.

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/ O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data Security & Customer Privacy	Risk	The Company relies on its technology infrastructure. As majority of transactions are processed digitally, which involves cyber/ information security risk.	Information Technology and Cybersecurity Committee & Risk Management Committee of the Company keep track of cyber risk and its mitigation within the effective framework for cyber risk management that the Company has in place. The Company is continuously working upon enhancing data privacy and cyber security to improve security posture. Also, all the activities and IT systems of the Company are monitored on regular basis and are also subject to audit on periodic basis to ensure its effectiveness.	Negative: - Reputational Risk - Data security issue may lead to litigation risk/ financial risk - Regulatory risk in terms of disciplinary actions, fines & penalties, etc.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/ O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Digitisation	Opportunity	The demand for and acceptance of digital transactions is growing immensely due to low cost internet data, high smartphone penetration, India's biometric identity card, global access and rural area.	<p>To ensure that the organisation uses the least amount of paper for transactions and communications, the Company has constantly made investments in technology and established a strong digital environment.</p> <p>The Company has implemented e-KYC system, Chatbot, Voicebot & Robotic Process Automation to automate process & enhance the customer experience.</p>	<p>Positive:</p> <ul style="list-style-type: none"> - Cost effective - Better & larger customer reach & service through digital operations - Paperless & environment friendly
3.	Human Capital and Talent Management	Opportunity & Risk	<p>Opportunity: Human Capital is one of the key strategic imperative for the Company and we consistently invest in the growth & development and alignment of employees to the Company growth strategy.</p> <p>Risk: Risk of failure in any of the elements of talent management can impact the Company's ability to fulfill demand and grow its revenues.</p>	<p>The Company has a meritocratic, transparent and equal opportunity culture. The Company provide growth & development opportunities to high performing employees ahead of time. The Company has also supported its employees and their families during COVID-19 by facilitating health & vaccination related assistance to ensure their well-being. The Company invested in hiring key and critical talent to accelerate digital and fair product & process offerings customers. We deeply invest in initiatives to promote learning & development, performance support, career growth, engagement, diversity and inclusion at the workplace. The Company has grievance redressal mechanism to address employee concerns.</p>	<p>Positive: Retention of key talent through various human resources proposition increases productivity.</p> <p>Negative: High attrition possibilities leads to wage inflation and loss in continuity.</p>

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/ O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Corporate Social Responsibility	Opportunity	<p>CSR has been a long-standing commitment at Motilal Oswal, Driven by the motto of "Knowledge First". The Company believes that education can bring prosperity and equality in the society.</p> <p>Activities undertaken by the Company not only improves its corporate good will and social reputation, but also helps the Company to resonate with community sentiments and aspirations, which helps in its sustainable growth in the longer run.</p>	<p>The Company recognizes the importance of being socially responsible and making a difference in lives of people. Through Motilal Oswal Foundation, the Company invests in social welfare activities focused on building educational institutions and improving the quality of education at all levels. The Company also supports projects for skills development, employment generation, rural development, etc. For further details, kindly refer to Annexure 4 of the Board's Report.</p>	<p>Positive: Commitment to Social welfare increases social reputation and loyalty, increases employee engagement, improves brand image and attracts investment opportunities.</p>
5.	Business Continuity	Risk	<p>Business Continuity is critical for organization in case of any crisis during any disaster or technical glitches.</p>	<p>We have robust processes and technology in place to ensure that business process can run as usual after recovery from any sort of disaster.</p> <p>Regular disaster Recover drill, periodically business processes are operated from disaster recover sites for real world testing.</p>	<p>Negative: Reputation Risk, Business loss, Customer dis-satisfaction.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2 ⁽¹⁾	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, Policies wherever stated have been approved by the Board/ Committee of the Board/ Senior Management of the Company.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Disclosure Questions		P1	P2 ⁽¹⁾	P3	P4	P5	P6	P7	P8	P9
	c. Web Link of the policies, if available	The Corporate policies of the Company can be viewed at https://www.motilaloswalgroup.com/Investor-Relations/Corporate-Policies-And-Codes . Some of the policies of the Company are accessible only to employees and other internal stakeholders.								
Principle-wise policies										
Principle	Particulars	Policies								
P1	Ethics & Transparency	<ul style="list-style-type: none"> • Whistle Blower Policy • Advertisement Policy • Unauthenticated News Policy • Anti-Bribery & Anti-Corruption Policy • Anti-Money Laundering Policy • Code of Conduct for Directors & Senior Management • Policy for Determination of Materiality of Events • Policy on Related Party Transactions • Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information • Investor Grievance Resolution Policy • Cyber Security Policy • Cyber Resilience Policy • Fraud Prevention Policy • Open Architecture Policy • Business Continuity & Disaster Recovery Policy • Other internal policies that elucidate ethical behaviour, transparency and accountability 								
P2	Product Responsibility	<p>The Company complies with regulations governing its products and services and has been responsive towards all stakeholders. The Company provides a range of investment and trading products and services to cater to all segments of the society and catering to needs of investors at various stages of lifecycle.</p> <p>The Company has moved towards digitisation and developed entirely paperless contract notes and periodic statements thereby providing speed and convenience to customers and having a positive impact on the environment.</p>								
P3	Well-being of Employees	<p>In addition to the Code of Conduct, other policies include:</p> <ul style="list-style-type: none"> • Policy on Prevention of Sexual Harassment at workplace • Whistle Blower Policy • Board Diversity Policy • Nomination and Remuneration Policy • Attendance and Leave Policy (Leave Donation Policy) • Loan & Salary Advance Policy • Employee Housing Loan Policy 								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Disclosure Questions		P1	P2 ⁽¹⁾	P3	P4	P5	P6	P7	P8	P9
		<ul style="list-style-type: none"> Heritage Club Policy Motilal Oswal Group SIP (MOG-SIP) Policy Policy for Promotion Transfer Women Workplace Safety Policy Reimbursement Policy 								
P4	Responsive to stakeholders particularly the marginalised	<ul style="list-style-type: none"> Corporate Social Responsibility Policy 								
P5	Respect for Human Rights	<ul style="list-style-type: none"> Policy on Prevention of Sexual Harassment at workplace Whistle Blower Policy Equal Opportunity Policy Board Diversity Policy Nomination and Remuneration Policy 								
P6	Environmental Protection	<ul style="list-style-type: none"> Business Continuity & Disaster Recovery Policy The Company is in financial services industry and hence does not consume high levels of energy. However, the Company made regularly efforts to adopt appropriate energy conservation measures. 								
P7	Public Policy Advocacy	<ul style="list-style-type: none"> The Company shares its expertise to help in the formulation of public policy as and when required, but it does not directly engage in advocacy activities. 								
P8	Inclusive Growth	<ul style="list-style-type: none"> The Company's CSR Policy covers activities focused on the marginalised and vulnerable sections of the society. 								
P9	Customer Engagement	<ul style="list-style-type: none"> Customer Grievance Redressal Policy Advertisement Policy Outsourcing Policy Open Architecture Policy Business Continuity & Disaster Recovery Policy 								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	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.								
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies adopted by the Company are in conformity with the applicable statutes/ guidelines/ polices/ rules and regulations etc. issued by the Government of India. These policies were formulated, keeping in view industry practices and standards.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Disclosure Questions		P1	P2 ⁽¹⁾	P3	P4	P5	P6	P7	P8	P9
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The Company recognizes its role in creating a positive impact in the lives of communities by identifying the core focus areas and achieving these commitments and goals through investor awareness programmes and CSR activities.</p> <p>The Company promotes healthy environment at the workplace and does not treat anybody differently based on their gender, race, caste, religion, marital status, disability or any other category and also believes in hiring the right talent based on merit. Presently, one-fourth (approx.) of our Company's permanent employees are women. We aim to increase the women employee strength in the organisation to 28% by the end of next fiscal.</p> <p>For the employees' overall growth and to keep up with the evolving business climate, the Company believes in upskilling its workforce.</p> <p>The Company is committed towards inclusive environment development and reducing its carbon footprint and it is focused on executing a strong ESG proposition by working with all stakeholders and is also focused on sustainable sourcing while procuring materials relating to day to day office use and infrastructures.</p>								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> Inclusive Growth Through CSR activities, the Company has contributed towards education, skills training, rural development and environment. Employee Diversity ~24% of the Company's permanent employees are women. The Company is working with several organisations to build the Diversity, Equity, and Inclusion framework. Energy & Waste management The Company is gearing up for deepening its environmental commitments by promoting energy-efficient equipment. <p>We have a robust waste management system with the separation of dry and wet waste as well as solid waste management. In order to prevent food waste, we have launched initiatives that reduce food wastage and creates awareness for all the stakeholders for avoiding wastage of food.</p>								

Governance, leadership and oversight

7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

Doing business in a responsible and sustainable manner is one of the key imperatives for us. We continuously engage in discussion with all our stakeholders to identify key ESG issues and have identified Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, Human Capital Development, Engagement with Communities and Environmental Footprint to be some of the most important issues.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

We have a highly qualified and diversified Board and ESG expert executives which oversees the Company's ESG journey. We instituted practices like Comprehensive Code of Conduct and Business Ethics, sound risk culture, digitisation of business, launching innovative products, investment in emerging areas of cyber security and information security, employee welfare policies, monitoring consumption of resources and taking targets towards reduction in consumption of electricity, fuel and paper and various other practices.

The Company has made detailed presentation & disclosure over its Environmental, Social and Governance activities which carries an exhaustive list of our ESG related challenges, targets and achievements.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies):

Business Responsibility & Sustainability (BRS) Committee is the highest authority responsible for implementation of the Business Responsibility Policy(ies).

Composition of the BRS Committee are as follows:

Name of Member	Designation	DIN	Category
Mr. Motilal Oswal	Chairman	00024503	Executive Director
Mr. Navin Agarwal	Member	00024561	Non-Executive Director
Mr. Shalibhadra Shah	Member	Not Applicable	Chief Financial Officer

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.

Yes, the BRS Committee as stated above in point 8 is responsible for decision making on sustainability related issues

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by the Director/ Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
Performance against above policies and follow-up action	Policies wherever stated have been approved by the Board/ Committees of the Board/ Senior Management of the Company. Policies are reviewed at periodic intervals in all aspects including statutory requirements depending on the frequency stated in respective policies or on need basis whichever is earlier and necessary updates are made to the policies.	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

The processes and compliances are subject to audit and inspections as applicable. The policies are reviewed on a periodical basis by the respective Departments, Committees/ Board, and updated accordingly. The updated policies with changes recommended by the management of the Company are placed before the Committee/

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Board for its approval, as applicable. An internal assessment of the working of the policies has been carried out from time to time by respective department.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2 ⁽¹⁾	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
retenThe entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

⁽¹⁾ The Company complies with regulations governing its products and services and has been responsive towards all stakeholders. The Company provides a range of investment and trading products and services to cater to all segments of the society and catering to needs of investors at various stages of lifecycle.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

United Nations Sustainable Development Goals ("UN SDG")

Achievements and growth aside, philanthropy continues to be at the heart of MOFSL. At MOFSL, we place great importance on the role our organisation and employees can play in helping the communities we live and work to flourish.

Further, the Company has strived to achieve all the UN SDG to its best efforts.



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PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	5	6	76%
	The Company conducts orientation programmes after the appointment of new Directors on its Board, wherein the Management of the Company makes presentations to familiarise the Directors with the business/ industries practices, systems and policies adopted by various departments of the Company, especially the governance practices and compliance process adopted by the Company.		
Key Managerial Personnel	5	6	80%
	The Company has a Code of Conduct for Senior Management Personnel which covers topics like ethical conduct, bribery and corruption, conflict of interest, transparency, health & safety of employees, etc.		
Employees other than BoDs and KMPs	1,323	6	85%
	The Company conducted various workshop on ethics & transparency, product responsibility, well-being of customer engagement for its employees. Employees also undergo various training programmes, some modules are mandatory for the new recruits viz, prevention of sexual harassment, information security, prohibition of insider trading, etc.		
Workers	Not Applicable		

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by the Directors/ KMPs) with the regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary:

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				
Not Applicable				

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It may be noted that the SEBI along with Exchanges and Depositories had conducted joint inspection of our trading and demat business i.e. Annual Audit conducted at every broker by the SEBI in routine practices. In this regard, the SEBI had certain observations during inspection which were technical and operational in nature and had issued a show cause notice vide letter no: SEBI/EAD-3/BM/LD/31186/2021 against MOFSL dated November 01, 2021, with respect to their observations. Accordingly, the SEBI vide its adjudication order no. ORDER/BM/LD/2022-23/16301 dated April 29, 2022 have imposed the penalty of ₹ 25 lakhs. The same was also disclosed to the stock exchanges.

However, the above said adjudication order passed by the SEBI is not a material information in terms of Regulation 30 read with Part A-Para B of Schedule III of the Listing Regulations.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Yes, the Company has put in place an Anti-Bribery & Anti-Corruption Policy ("the Policy"). The Policy has been developed in alignment with its Code of Conduct and various other policies, as well as rules and regulations on anti-bribery and anti-corruption in India. The Policy states that the Company shall have zero tolerance towards bribery and corruption. The Policy applies to all individuals working at all levels and grades including directors, senior management, employees, and all other persons directly associated with the Company. The Policy is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1522231674Anti-Bribery-Anti-Corruption-Policy.pdf>.

5. **Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Case Details	FY 22-23	FY 21-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 22-23		FY 21-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
During the year under review, the Company has conducted various awareness programmes to its value chain partners including investors, distributors, dealers, clients, etc. The Company also conducts regular product training for its distributors, franchise, etc.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

Yes, the Company has formulated Code of Conduct for its Directors and Senior Management to avoid clash of his/ her personal interest with the interest of the Company or his/ her ability to perform his/ her duties and responsibilities for the well-being of the Company and it is available on Company's website & can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf>.

The Company has also formulated the Policy on Materiality and dealing with Related Part Transactions for providing guidelines in relation to identification of related party transactions. It is available on Company's website & can be accessed at <https://www.motilaloswalgroup.com/Downloads/IR/235673531Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf>.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Refer response below note		
Capex			

Note: The Company is primarily into financial services including broking and distribution, hence, the relevance of the above is largely restricted to capital expenditure towards information technology. Capital expenditure incurred towards IT hardware and software was ₹ 44.09 Crores.

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The Company intends to continue identifying and acting on opportunities to reduce its impact on the environment. It has consistently invested in technology and built a robust digital environment in the organization.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company is into service-oriented business primarily involved in flow of information and financial transaction. The consumption of resources i.e. energy, water, raw material, etc. is limited to running of operations.

Further, the Company is equipped with recycling waste water to reuse as watering plants. Further, sensors based urinal pots are installed to reduce wastage of water. The Company has launched initiatives to reduce food wastage and creates awareness for all the stakeholders for avoiding the wastage of food.

The Company remains cognisant of reducing its resource consumption by procuring energy efficient equipment. The major suppliers of hardware are green standard compliant. The Information Security Management Systems (ISMS) of the Company are certified under ISO/IEC 27001.

Also, there is micro technology glass and sun film which help in elimination of cross-contamination and 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.

The Company is gearing up for deepening its environmental commitments by promoting energy efficient equipment such as laptops instead of desktops. Further, Computer hard disk is replaced with solid state drivers in place of Magnetic/ Spindle. Also, Data center's physical bare metal server hardware are replaced with virtual hyper converged servers to reduce server footprint and power consumption which helps for minimize carbon emissions, reduction of cost & physical space.

b. If yes, what percentage of inputs were sourced sustainably?

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 equipment and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

As the nature of business of the Company is providing financial Services, there is no hazardous waste and the only key waste products are paper, plastic and e-waste. During the financial year, approximately 21.58 metric tonnes of waste was generated at the Corporate Office out of which 14.81 metric tonnes of waste was put to reuse.

The Company engages with certified e-waste handlers for disposal of e-waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:

Not Applicable.

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LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company is engaged in the broking business (institutional and retail) including allied services, distribution of financial products and advisory services and is not involved in manufacturing or selling of tangible products. Life Cycle Perspective/ Assessments (LCA) of products is not applicable.

2. **If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

Not Applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):**

Nil.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particulars	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Plastic waste generated from our office premises are minimal as the majority of the plastics used in our office premises including plastic bags are biodegradable in nature. The amount generated is negligible in terms of metric tonnes, hence, it is not relevant to our activities.					
E-waste	3.93 metric tonnes of e-waste was generated and safely disposed through registered vendors.			3.10 metric tonnes of e-waste was generated and safely disposed through registered vendors.		
	IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism.					
Hazardous Waste	Our services do not involve producing or disposing hazardous waste of any kind. Hence, this is not applicable to the Company.					
Other waste	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 Corporate Office.					
	There is segregation of dry and wet waste and the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste.					

The focus of the Company is to recycle waste/ scrap. The Company recycles materials wherever it is used in the Company and the scrap/ waste so generated which 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 Corporate Office of the Company is located.

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5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Not Applicable.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/ A)	Number (C)	%(C/ A)	Number (D)	%(D /A)	Number (E)	%(E/ A)	Number (F)	%(F/ A)
Permanent employees											
Male	5,346	5,346	100.00	NA	NA	NA	NA	5,346	100.00	-	-
Female	1,957	1,957	100.00	NA	NA	1,957	100.00	NA	NA	-	-
Total	7,303	7,303	100.00	NA	NA	1,957	26.80	5,346	73.20	-	-
Other than Permanent employees											
Male	310	53	17.10	NA	NA	NA	NA	310	100.00	-	-
Female	6	1	16.67	NA	NA	6	100.00	NA	NA	-	-
Total	316	54	17.09	NA	NA	6	1.90	310	98.10	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/ A)	Number (C)	%(C/ A)	Number (D)	%(D /A)	Number (E)	%(E/ A)	Number (F)	%(F/ A)
Permanent workers											
Male	Not Applicable										
Female											
Total											
Other than Permanent workers											
Male	Not Applicable										
Female											
Total											

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2. Details of retirement benefits, for current & previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	82%	Not Applicable	Y	77%	Not Applicable	Y
Gratuity	12%		NA	10%		NA
ESI	29%		Y	34%		Y
Others – Post retirement benefits ⁽¹⁾	NA		NA	NA		NA

⁽¹⁾ Employees retiring from the services of the Company are eligible for various post-retirement benefits including provided fund, vesting of outstanding employee stock options for participants of the Company's Employee Stock Option Scheme in terms of applicable provisions of respective ESOP Scheme.

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Our Corporate Office have wheelchairs and wheelchair friendly lift which can be accessed from the parking lot, thus making access friendly to our differently abled employees and visitors.

4. Does the entity have an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Yes, the Company believes in equal opportunity for all its employees and is committed to an inclusive work environment free from any kind of discrimination, and this practice has been duly incorporated in its Equal Opportunity Policy, which is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1999352340Equal-Opportunity-Policy.pdf>. The Company values and welcomes diversity and does not treat anybody differently based on their race, sex, caste, religion, disability, or age.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate ⁽¹⁾	Return to work rate	Retention rate ⁽¹⁾
Male	100%	75	Not Applicable	
Female	100%	58		

⁽¹⁾ Retention rate determines employees who have returned to work after parental leave ended and were still employed 12 months later based on FY 2021-22.

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6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, the Company has Vigil Mechanism/ Whistle Blower Policy for redressal of grievances of employees and to ensure that all communication channels are open and receptive, and all employees have an adequate opportunity to express their grievances. The Policy lays down a mechanism and the said mechanism has been approved by the Board and it is available on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/785307607MOFSL_Vigil-MechanismWhistle-Blower-Policy.pdf .
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the Listed Entity:

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

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures ⁽¹⁾		On Skill Upgradation ⁽²⁾		Total (D)	On Health and safety measures ⁽³⁾		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	5,346	735	13.75	4,802	89.82	5,025	Nil	Nil	2,878	57.27
Female	1,957	245	12.52	1,760	89.93	1,894	Nil	Nil	999	52.75
Total	7,303	980	13.42	6,562	89.85	6,919	Nil	Nil	3,877	56.03
Workers										
Male	Not Applicable									
Female										
Total										

⁽¹⁾ The Company conducts various health and safety awareness campaigns via a multi-pronged framework. These include fire drills, COVID-19 safety SOPs, awareness initiatives by experts on COVID-19, webinars by experts on physical and mental wellness, road safety and traffic safety sessions, etc.

⁽²⁾ The Company's skill upgradation programme consists of induction, regulatory, conduct and compliance, domain specific, behavioural and leadership development programs conducted through instructor-led trainings and e-learning modules.

89.85% of our permanent employees (including women employees) have received skill up-gradation training the during year. Employees based on Corporate Office, undergo fire drill and fire safety training every year.

The Company has done basic grooming, etiquettes sessions for the employees. Also as part of their ongoing

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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, the Company has absorbed several such employees and we have many such success stories e.g. many success stories are published as part of our 'Know More Grow More' series.

⁽³⁾ As the employees were working remotely due to the measures taken by the Company to contain the spread of COVID-19, no trainings were given during FY 2021-22.

9. Details of performance and career development reviews of employees and workers:

All employees undergo an annual performance appraisal process based on their defined KRAs and ratings are being given on a 4-point scale, based on which their increments and variable pay are decided. The Company has an established performance and talent management framework.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,346	4,183	78.25	5,025	3,388	67.42
Female	1,957	1,562	79.82	1,894	1,263	66.68
Total	7,303	5,745	78.67	6,919	4,651	67.22
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Owing to the nature of the business, per se there are no occupational health and safety risks. However, considering the pandemic, the Company recognizes the risks of infections that could take place in the office premises. To minimize these risks, the Company took necessary precautions at all its offices and branches.

To protect employees and visitors from fire and other emergencies, the Company undergo fire drill and fire safety training every year to all the employees. This fire drill training serve to educate building occupants, assist in the evaluation of emergency plans and identify potential issues with the building's means of egress.

Fire extinguishers are kept stocked to ensure that they can be used effectively in the event of an emergency. Corporate Office and most of our branches have smoke detectors and fire alarm systems. Employees are informed about assembly points for the Corporate Office.

The display board at offices also includes emergency contact information such as police, hospitals, and the fire department.

At our Corporate Office, we have dedicated doctors who are on site for an hour each day. Company goes beyond the pre-defined limits to assist employees in their hour of medical needs.

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All employees and their immediate families (i.e. employee, spouse and first two living child upto the age of 21 years) are eligible for hospitalisation coverage. The Company has enhanced the employee benefits for protection of health and well-being such as group life insurance. The Company encourages employees to avail of top up insurance mediclaim for their eligible dependents.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

MOFSL is a financial services entity and hence, this question is not applicable to us.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Owing to the nature of the business of the Company, this question is also not applicable to us. Also, the Company does not have workers.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, all employees of the Company are covered under the Company's health/ term life insurance policy. Our employees have access to non-occupational medical and healthcare services. First aid kits are maintained and are available at all times on the premises. For employees who are unwell, we offer infirmary rooms with sleeping facilities set up on larger premises. Medical emergency numbers are prominently displayed in each branch. For emergency needs, emergency vehicles are accessible at the Corporate Office. Dedicated team of doctors who are on site for an hour are available on daily basis at our Corporate Office.

Further to cultivate a healthy lifestyle, the Company has Gym facilities, Table Tennis facilities on-site at our Corporate Office with high workforce concentration. We conducted wellness sessions on various health related topics during the year.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers		Not Applicable
Total recordable work-related injuries	Employees	Nil	Nil
	Workers		Not Applicable
No. of fatalities	Employees	Nil	Nil
	Workers		Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		Not Applicable

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

The Company ensures a safe and healthy workplace for comfort and wellbeing of all its employees. The Company's Corporate Office building, which is the center point of all our business operations and from where a major portion of our back-office workforce operates, has been certified with "Great Place To Work" Certification for its endeavors towards welfare and well-being of its employees.

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Apart from the above, the Company has undertaken the following measures to ensure a safe and healthy work place:

- We have plants at open spaces to promote oxygen levels.
- Frequent equipment checks are carried out to mitigate any wear and tear due to continued use, e.g.: Air Conditioners, Chillers, UPS, Stabilisers and DG.
- We also conduct Fire Drill Training at the Corporate Office; this empowers employees to counter any fire occurred in the premises.
- Covid protocols are reiterated periodically to all employees.
- Employees are made aware of assembly points for larger premises.
- Premise Floorplans are displayed at crucial locations.
- Fire alarm systems and smoke detectors are installed.
- Fire extinguishers are kept filled to ensure effective use during any untoward incidents.
- We have dedicated doctors at our Corporate Office.
- Emergency Contact details such as Police, Hospitals and Fire Brigade are also displayed on the display board.

13. Number of Complaints on the following made by employees and workers:

Type	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1,480 ⁽¹⁾	14	Under investigation	1,050	48	Under investigation
Health & Safety	379	0	NA	244	0	NA

⁽¹⁾ Pertain to day to day service request at work place.

14. Assessments for the year:

Type	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety practices	No assessment has been done by statutory authorities or third parties.
Working Conditions	No assessment has been done by statutory authorities or third parties.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions:

No corrective action plan has been necessitated on the above-mentioned parameters.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

Yes, the Company extends support to families in the event of an employee's death. This includes group life insurance and retiral benefits (provident fund, gratuity). In the event of death, gratuity is paid even if the employee

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had not completed five years of continuous service with the Company. Additionally, in case of death/ permanent disability, all employee stock options (if any) immediately vest in the employee's successors, in line with the Company's Employee Stock Option Scheme and Nomination and Remuneration Policy. The above benefits are extended to all employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, professional tax, ESIC, etc. as applicable from time to time. Value chain partners (vendors) are equally responsible to comply as per the contract with the Company. The Company has statutory and internal policies and procedures to ensure the above.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Type	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

The Company during the course of employment provides opportunities for all employees to upskill themselves through domain, skills and leadership trainings.

5. Details on assessment of value chain partners:

Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety practices	Refer response below
Working Conditions	

The Company expects all its value chain partners to follow existing regulations with regard to health, safety and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners:

No corrective action plan has been necessitated on the above-mentioned parameters.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

Key stakeholders are determined based on the significance of their impact on the business and the impact of the business on them. Further, any person that adds value to the business chain of the Company is identified as a key stakeholder. This *inter alia* includes customers, employees, shareholders, academic institutions, head-hunters, staffing firms, other suppliers, partners and collaborators, industry bodies, governments, NGOs, local communities, regulators and society at large.

Some other stakeholders that MOFSL closely engages with such as industry analysts including equity analysts, media, customers, shareholders, and society at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting, Investor/ analysts calls and meet, Press/ Media releases, Website.	Ongoing engagement with at least once on a quarterly basis and as per regulatory requirements and Annual Global Investor Conference (“AGIC”).	Answering investor queries on financial performance. Presenting business performance highlights to investors. Presenting adherence to the regulatory compliances in true spirit of transparency & governance. Discussion publicly available Company information to shareholders and investors.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Multi-modal distribution network and engagement channels such as E-mail, SMS, app, calls, chatbot, postal communication, call center, digital platform, website. Customer satisfaction measurement and relationship management Media campaigns, advertising, road/ reverse road shows, Dedicated Relationship Managers.	Ongoing	Regular updates on Launch of new products, trade related communication, New product features are shared with customers. Understanding client, industry and business challenges Identifying opportunities to improve MOFSL' service and products for cross-selling Stock updates and alerts on stocks in their demat account are sent Understanding client's data privacy and security requirements.
Employees	No	Direct interactions and other communication mechanisms such as email, SMS, MyZone Portal & App., webinars, awards & recognition programs, appraisal process and employee feedback survey.	Ongoing and need basis	Learning opportunities, Career Management, Growth Prospects, Compensation structure, Building a safety culture and inculcating safe work practices among employees and Improving Diversity.
Government and Regulators	No	Meetings with key regulatory bodies, Written communications, Presentations	Ongoing	Seeking clarifications on queries and communicating challenge and regulatory inspections.
Partners and Collaborators	No	Meetings/ calls; visits; seminars/ webinars	Ongoing and need basis	Stronger partnerships, Credit worthiness, Ethical Behavior, Fair Business Practices, Governance.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Directly and through implementing agencies	Ongoing and need basis	To support the sustainable growth of communities through continuous engagement via CSR activities.
Bankers, Vendors Custodians and others in value chain	No	E-mails, physical meetings, website, and other digital platforms.	Ongoing and need basis	To decide technical terms & conditions, Underdressed Product & Service quality and support, contract commercial custodial services, statutory compliances.
Media	No	Newspaper, televisions, advertisement, email, annual reports, website, transcripts conference and other meetings.	Need basis	To stay abreast on the developments of the Company and market updates.

LEADERSHIP INDICATORS

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

The Board and its various Statutory Committees is kept abreast on various developments and feedback on economic, environmental, and social topics on a quarterly basis through constant and proactive interactions with our key stakeholders.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:**

Yes, enhancing value to stakeholders is a continuous Company process. Customer and investor's complaints/ grievances are reviewed for a root cause analysis, which also gives an opportunity to improve our services.

As part of CSR while working with communities all relevant stakeholders such as community, school staff/ trustees, parents, NGO, even students are involved in need assessment and implementation process. For instance, the need for syllabus books for 9th and 10th STD students was brought forward by the stakeholders. To cater to this need, the Company started Book Club for providing test books to students. As per need identified by the schools, the Company conducted training sessions for teachers.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups:

In terms of suggestions received from community, the Company, through Motilal Oswal Foundation ("MO Foundation") and other Implementing Agency, has initiated tree plantation, training in organic farming and women's self-help group. The Company has also extended its support for the aid of cancer patients coming to Mumbai from across India for treatment. The Company also supports initiatives for improving school infrastructure in tribal areas, creating new educational institutions such as schools, hostels. The Company has supported projects for the well-being of farmers in the drought prone areas.

During the year, the Company's employees participated in various volunteering activities such as seed ball making, tree plantation, school wall painting and sports activities for school children. Altogether 400 fruit trees were planted by the volunteers.

The Company, through MO Foundation, actively working upon development of vulnerable/ marginalized stakeholders, few of the instances are mentioned below:

Supporting Educational Institutions:

MO Foundation is determined to upgrade the quality of educational institutions so that future generations can receive education in an enriching environment. For this purpose, the MO Foundation supported Rishihood Foundation in Sonipat to build hostel facility, aided in school constructions at Uttarakhand and Karnataka, helped in constructing a science lab at a school in Mathura and provided salaries of teachers in a school at Palghar. MO Foundation has collaborated with Marudhar Mahila Shiksha Sangh for building a hostel for hundred girls in Rajasthan.

Transforming Rural Schools:

MO Foundation is on a mission to improve the learning environment for the students in the tribal area of Wada. In the past 4 years, MO Foundation has worked on the infrastructure of three secondary schools and five primary zilla parishad schools. Along with building new sanitation units, drinking water stations, classrooms, the schools are also equipped with rainwater harvesting system.

In four schools, the MO Foundation has set up Wall Library – a collection of 150 books in each classroom to promote the culture of reading. At 11 schools, Mobile Planetarium visits were organized to give the students an exposure of our solar system. The MO Foundation is also providing textbooks for 9th and 10th STD students. Close to 200 computers were also distributed among 15 schools at Wada.

Through the 4 days Teachers Training program organized by the MO Foundation, teachers of Mathematics, Science, English and Marathi from 20 schools were trained in improved pedagogy and use of teaching aids. The MO Foundation also organized a fun filled event Swad ki Pathshala, wherein students themselves prepared some tasty and healthy dishes and savoured them.

Farmers Training Centre:

MO Foundation has collaborated with Global Vikas trust to build a state of art Farmers Training Centre at Parli (Beed, Maharashtra). Global Parli is engaged with farmers in the drought-hit areas, to train farmers in more profitable techniques of farming.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sponsoring Ekal Vidyalayas:

In collaboration with Friends of Tribal Society, MO Foundation is supporting 113 schools Satpura Balaghat of Madhya Pradesh.

Science & Mathematics improvement Program:

The Group Companies are also equally participating in Company's Business Responsibility initiatives towards Society, wherein, in collaboration with Adhayayan Sanstha, MO Foundation is running a specialised program in 171 schools from Vasai, Wada & Vikramgad blocks of Palghar district. The program focuses on improving the conceptual understanding of students. More than sixteen thousand students from 5th-7th standards were covered through the program.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees/workers covered (B)	% (B/A)	Total (C)	No. employees/workers covered (D)	% (D/C)
Employees						
Permanent	7,303	7,303	100.00	6,919	6,919	100.00
Other than permanent	316	316	100.00	287	287	100.00
Total Employees	7,619	7,619	100.00	7,206	7,206	100.00
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

All employees at the time of joining as well as on a yearly basis declare that they have read and understood the Code of conduct and business ethics principles.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	5,346	Nil	NA	5,346	100.00	5,025	Nil	NA	5,025	100.00
Female	1,957	Nil	NA	1,957	100.00	1,894	Nil	NA	1,894	100.00
Other than Permanent										
Male	310	34	10.97	276	89.03	279	12	4.30	267	95.70
Female	6	Nil	NA	6	100.00	7	Nil	NA	7	100.00
Workers										
Permanent										
Male	Not Applicable									
Female										
Other Permanent										
Male	Not Applicable									
Female										

3. Details of remuneration/ salary/ wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoDs) ⁽¹⁾	3	4,50,95,500	Nil	Nil
Key Managerial Personnel ⁽²⁾	2	1,09,36,679	Nil	Nil
Employees other than BoDs and KMPs	5,346	3,62,212	1,957	1,98,207
Workers	Not Applicable			

⁽¹⁾ includes Managing Director and Whole-time Directors only.

⁽²⁾ includes Chief Financial Officer and Company Secretary.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, all associates of the organization are regularly informed, updated and made aware of the 'whistle blower' and 'grievances' redressal mechanism under internal mechanism.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Company has constituted Internal Complaints Committee (“ICC”) which takes care of these matters. Further, the Company has internally a Coffee and CFR mechanism where employees can directly share their grievances with the Chief Human Resources Officer (“CHRO”) or Head of the Department (“HOD”) of their respective business. The aforesaid mechanism ensures that all grievances are addressed on a timely basis.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

Reporting avenues have been provided for employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, policies or law including human rights violation.

The Company strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed.

Respect for human rights is considered as one of the fundamental and core values of the Company. The Company has formed ICC to handle various grievances and complaints including complaints related to human rights issues. The details of the ICC are placed on the website of the Company.

The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human Rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company has in place a Code of Conduct, Equal Opportunity Policy and Vigil Mechanism/ Whistle Blower Policy which provides a mechanism to prevent discrimination and harassment at workplace. As per the policies, all the disclosures/ concerns made shall be treated as sensitive and non-retaliatory and are dealt with confidentially.

The Company is committed to maintaining safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, caste, gender, disability, work designation and such other parameters.

The Company does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Cases related to prevention of sexual harassment at work place are treated with utmost sensitivity and confidentially in line with the guidelines of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	MOFSL internally monitors compliance for all relevant laws and policies pertaining to these issues. There have been no observations by local statutory/ third parties in India in FY 2022-23.
Forced/ involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above:

Not Applicable.

LEADERSHIP INDICATORS

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

Not Applicable.

2. Details of the scope and coverage of any Human rights due-diligence conducted:

The Company has incorporated a culture where its employees and directors feel free to raise any concerns about wrongful conduct, with the help of its Whistle Blower Policy. The said policy provides a Vigilance Mechanism to channelize reporting of instances of wrongful conduct. The Audit Committee oversees the Vigil Mechanism. Employees have been facilitated direct access to the Chairperson of the Audit Committee, if need be.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Corporate Office of the Company has ramp for easy movement of differently abled visitors. Most of the branches are on ground floors or have infrastructure for our differently abled employees and visitors to get around.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. However, no formal assessment/ examination of value chain partners has been conducted.
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above:

No corrective action was necessitated.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

The Company is into service-oriented business primarily involved in flow of information and financial transaction, therefore, there is no significant consumption and energy intensity. However, as a proactive and responsible corporate, 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.

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	53,743.95 Giga Joules	41,097.58 Giga Joules
Total fuel consumption (B)	-	28.20 Giga Joules ⁽¹⁾
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	53,743.95 Giga Joules	41,125.78 Giga Joules
Energy intensity per rupee of turnover (Total energy consumption in Giga Joules/ turnover in ₹ Lakhs)	0.20	0.16

⁽¹⁾ The fuel consumption is on account of DG Set used at Corporate and Branch offices of the Company and does not include fuel consumed towards commutation to office by employees.

Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/ turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Refer response below note

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company's usage of water is restricted to human consumption purposes only. Taking the nature of business into consideration, the above prescribed table does not apply to the Company. Further, efforts have been made to ensure that water is consumed judiciously. In the Corporate Office, sensor taps are used in washrooms to economize water consumption.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

As the Company's usage of water is restricted to human consumption purposes only, the Company has not implemented a mechanism for Zero Liquid Discharge. However, the Company has taken various initiatives as mentioned above to consume water judiciously.

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	As the Company is not a manufacturing organization, the prescribed table does not apply to the Company.		
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous Air Pollutants (HAP)			
Others – please Specify			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Refer response below note	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent		
Total Scope 1 and Scope 2 emissions per rupee of Turnover			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company is into service-oriented business primarily involved in flow of information and financial transaction, therefore, there is no adverse impact directly to the environment.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

The Company is endeavoring to minimize its GHG emissions where feasible. Further, through its CSR initiatives, the Company has undertaken various projects on environmental sustainability such as reforestation.

During the year, through employee volunteering, the tree plantation drives were conducted. The Company also supported initiative for mass fruit tree plantation.

Also, the Company is shifting towards green methods of conducting business, such as shifting towards electronic transactions by creating a robust digital infrastructure, eliminating paper reports and forms wherever possible, recycling and reducing waste in all premises through certified vendors, etc. form part of the Company's contribution towards this cause.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	Nil
E-waste (B)	3.93	3.10
Bio-medical waste (C)	Not Applicable	
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any (G)		
Other Non-hazardous waste generated (H)		
This is purely Solid Waste which is divided into three part i.e. dry waste, wet waste and inert waste	21.58	16.89
Total (A + B + C + D + E + F + G + H)	25.51	19.99
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	15.81	12.22
(ii) Re-used		
(iii) Other recovery operations	Nil	Nil
Total	15.81	12.22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Our waste generation is minimal and consequently, there is no requirement of incineration or landfilling activities.	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

E-waste generated by the Company is processed & disposed-of through registered e-waste vendors in an eco-friendly manner and the Company has accordingly received the certificate from registered e-waste vendor.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

We strive to reduce waste and recycle as much as possible. Our waste primarily comprises of foodwaste, paper, plastic and e-waste.

There is segregation of dry and wet waste and the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste.

Given the nature of the business, there is no usage of toxic and hazardous chemicals by the Company. The Company has adopted waste management practices in the manner mentioned below:

Curbing generation of plastic waste: We have stopped procurement of plastic stationery and encourage our employees to use glass bottles at our offices to reduce the number of plastic bottles being discarded after use.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Reducing paper and printing consumption: We have implemented strong measures for digitising processes to reduce the need for paper. Further minimising the usage of paper across offices is an ongoing activity. Customer accounts have now transitioned to digital opening. The documents required as supporting are also uploaded digitally; accounts are being opened without any paper consumption. Paper based Office stationeries also have now been stopped apart from the mandatory ones.

E waste management: IT waste are outsourced to vendor which disposes-of the wastes as per proper waste disposal mechanism. Our E-waste broadly includes computers, servers, scanners, UPSs, batteries, air conditioners etc. All such E-wastes are being disposed of through registered E-waste vendors.

Food wastage management: The Company has been monitoring food wastage at the Corporate Office and other locations and the same is communicated to the employees through a board put up in the cafeteria. Regular awareness is being created among employees for avoiding wastage of food.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of its business, the Company complies with applicable environmental norms.				

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	Refer point no. 1 of essential indicators	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	Refer point no. 1 of essential indicators	
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2022-22
Water discharge by destination and level of treatment (in kilolitres)	Please refer point no. 3 of essential indicators for initiatives taken in this regard	
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ² , CH ⁴ , N ² O, HFCs, PFCs, SF ⁶ , NF ³ , if available)	Metric tonnes of CO ² equivalent	Refer response below note	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company is into service-oriented business primarily involved in flow of information and financial transaction and believe that there is no direct emission to the environment which have adverse impact. The Company does not measure Scope 3 emissions.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities:

Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of LED lights instead of conventional lights	1,580 units of LED light fixtures are installed of a total Wattage of 55,550 Watts.	By installing LED lights, we are saving 840 kWh saved (per day).
2	Sensor based urinal pot installation	We have installed sensor based urinal pots at Corporate Office and branches.	By installing sensors urinals we are saving 5 to 10 litres per use as compared to using a WC.
3	Tree plantation	Tree plantation drive through employee volunteering planted 400 trees. Supported an initiative for mass fruit tree plantation on the lands of marginal farmers.	Promoted ecological balance and also a source of income for the farmers in the long run.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Rain water harvesting system	Under CSR initiatives, the Company has installed rain water harvesting systems in 8 rural schools at different locations.	This initiative ensured availability of water for the students throughout the year. More than 2000 students to be benefitted through these rain water harvesting system.
5	Seed ball making	The Company undertook seed ball making initiatives through its employees and volunteers of different trees, which helps for reforestation.	This initiative ensured reforestation at different locations.
6	Donating of computers to various schools in rural area	We have donated 165 desktop sets in useable condition to various schools situated in rural area.	Through this initiative, we have promoted computer education in rural area and also motivate us towards optimum utilization of resources and reducing impact on environment.
7	Replacement of old AC's with new	4 AC units with a total tonnage of 36 were replaced this year.	1188 kWh units saved (per day).
8	Waste recycling	We have engaged ourselves with a vendor who would manage waste for us at our tower locations for wet and dry waste.	In FY 2022-23, 7.23 metric tonnes of dry waste and 7.58 metric tonnes of wet waste were generated and recycled.
		Currently we have only commissioned vendor for one location but subsequently we would engage them for other locations as well depending on the quality of service.	Further, 3.93 metric tonnes metric tonnes of e-waste was generated and disposed safely.
9	Tap Water Purification Systems	The Company has installed tap water purification systems at our Corporate Office with the goal of reducing the environmental impact of consuming tap water versus bottled water and having better mineral content. In addition, tap water systems are more affordable than bottle water.	Tap water is safe, better for the environment, less expensive and offers health benefits such as fluoride that may be lacking in many bottled water products.
10	Dual Flush Valves Toilets	With a view of less water consumption for flushing liquid waste and positive environmental impact, the Company has installed dual flush valves toilets in Purification Systems the Corporate Office in some of the branches. Under dual flush system, we have two options to select i.e. a half flush and a full flush. A half flush is ideal for liquid wastes and a full flush is used for solid wastes.	Older toilet valves models would use as much as 15 liters per flush, a dual toilet loaves flush system uses only about 7 liters each flush.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Yes, the Company has a Business Continuity & Disaster Recovery Policy and Plan is in place.

The purpose of the Business Continuity and Disaster Management Policy is to formalise the business continuity program of the Company and to provide guidelines for developing, implementing, exercising and maintaining group specific business continuity plans for the respective business. Business continuity plans is to prevent and recovery systems for potential threats, such as natural disasters or cyber-attacks. It is designed to protect personnel and assets and make sure they can function quickly when disaster strikes. Regular tests are conducted to ensure there are no weakness, which can be identified and corrected.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of the Company's business, there has been no adverse impact on environment and the Company also expects all its value chain partners to follow existing regulations to avoid adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Not Applicable.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations:

The Company was a member of 5 (five) trade and industry chambers/ associations during the FY 2022-23.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Society for Human Resource Management (SHRM)	National
2	Harvard Business School India	National
3	The National HRD Network (NHRDN)	National
4	Bombay Stock Exchange Brokers' Forum (BBF)	National
5	Association of National Exchanges of Members of India	National

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the Company, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Not Applicable as No material instances reported		

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Leadership Indicators

1. Details of public policy positions advocated by the entity: Nil.

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web link, if available
Not Applicable					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by Independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company:

Name of Project for which R&R is ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community:

The Company has various mechanisms in place to receive and redress grievances of community including regular interactions with community by physical visits and discussion over phone, fax, e-mail, personal visits and physical letters, etc.

The Company also deal with concern of community through various CSR initiatives run by Motilal Oswal Foundation directly and indirectly.

Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Refer response below note	
Sourced directly from within the district and neighbouring districts		

Note: Taking the nature of business into consideration, the above prescribed table does not apply to the Company.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
		Nil	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)
 (b) From which marginalised/ vulnerable groups do you procure?
 (c) What percentage of total procurement (by value) does it constitute?

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.

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.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating Benefit share
				Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

The Company is not in the business of inventions, literary, musical and artistic works and symbols, names, images, and designs used in commerce, for which IP owners are granted certain exclusive rights under national IP laws.

Name of authority	Brief of the case	Corrective action taken
		Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Seva Sahayog Foundation Working towards improving quality of education and school infrastructure at schools in Wada.	12,000	100.00
2.	Parmarth Seva Samiti Contribution towards supporting poor patients undergoing cancer treatment.	300	100.00
3.	Global Vikas Trust Supporting construction of Farmer's training centre at Parli.	1,000	90.00
4.	Global Vikas Trust Sponsoring fruit tree plantation on small farmers lands, financial support to farmers.	2,000	100.00
5.	Marudhar Mahila Sangh Contribution towards building girls hostel at the existing campus.	110	100.00
6.	Adhayayan Sanstha Mathematics improvement program in Wada, Vasai and Jawhar district.	6,000	100.00
7.	Bhagwan Mahaveer Jain Education Trust Construction of school at Ballari.	455	100.00
8.	Saare Tare Zameen Par Trust Mobile Planterium at Wada schools.	600	100.00
9.	Rosy Blue Foundation Wall painting project at BMC school.	300	100.00
10.	Sane Guruji English Medium School Sponsoring school fee for poor student.	1	100.00

A comparative summary of the CSR activities of the Company is as under:

(Amount in ₹)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(A)	CSR obligation for the year	9,03,86,430	7,43,27,409
(B)	Amount available for set-off	4,39,90,743	58,00,000
(C)	Amount required to be spent post set off (A-B)	4,63,95,687	6,85,27,409
(D)	Amount spent during the year:		
	Name of CSR Project	Sector in which Project is Covered	
	Global Vikas Trust	Promoting Education	3,00,00,000
	Marudhar Mahila Shikshan Sangh	Promoting Education	1,22,00,000
	Shrimad Rajchandra Jivdaya Trust	Animal Welfare	-
	Mahratta Chamber of Commerce Industries	Preventive Health Care	-
	Bharatiya Jain Sanghatana	Preventive Health Care	90,00,000
	Keshav Shrushti	Eradicating poverty	75,00,000
	Bhagwan Mahaveer Jain Education Trust	Promoting Education	51,00,000

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sr. No.	Particulars		FY 2022-23	FY 2021-22
	VIF Leadership Forum	Promoting Education	-	50,00,000
	Other projects		64,12,780	2,10,18,152
	Total Amount Spent		5,37,12,780	11,25,18,152
(E)	Amount available for set off in succeeding financial years (D-C)		73,17,093	4,39,90,743

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

We receive client complaints/ queries via phone, fax, e-mail, personal visits, and physical letters from clients as well as through their affiliated authorised individuals and branches. We also receive complaints from clients through Regulatory Authority, Exchanges, Advocates, Consumer Forums, SCORES Login for Research Analyst, Consumer forums, etc.

The online centralised system stores complaints that are received from multiple sources together with the relevant information. Also, each complaint is first understood and its root cause is looked into. The grievance team is in charge of handling complaints that come over their desk with care.

We segregate all the client's queries and complaints separated. The client is then given a thorough response based on the examination of the facts, followed by the proper response or resolution with pre-decided TATs.

2. Turnover of products and/ or services as a percentage of turnover from all products/ services that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable to our products and services
Safe and responsible usage, Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Type of Complaints	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-Security	Nil	Nil	NA	1	Nil	NA
Delivery of essential Services	Nil	Nil	NA	14	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	568	14	Under investigation	534	8	Under investigation
Other	2,704	93	Under investigation	1,964	32	Under investigation

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recalls
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes, the Company has framed policies with respect to information technology/ cyber security risk which set forth limits, mitigation strategies and internal controls.

Information Security Management Policy, Cyber Security Policy, Cyber Resilience Policy are in place for protecting the organisation's cyber space against cyber-attacks, threats and vulnerabilities.

The Company has Personal Data Protection Standard to ensure that all the Personal Data is kept secured using appropriate technical and organisational measures including necessary policies, processes and controls. The Company implements and maintains as a minimum the information security standards and frameworks required by applicable laws and regulations.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services:

No penalty/ Regulatory action has been levied or taken on the above-mentioned parameters.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the Company can be accessed (provide web link, if available).

Information on products and services of the Company can be accessed on www.motilaloswalgroup.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

We educate our client through various modes with respect to markets and risk associated with it. Our KYC Form itself has Rights & Obligations, Dos & Don'ts, Policy Procedures wherein all important information is mentioned with respect to their account, margins, collaterals, pay-in, pay-outs.

Further, for client awareness, we regularly upload important regulatory circular under client's login page which may impact clients:

We send all kind of communications to all the clients via SMS, e-mails and notification on every trade.

Further, the following steps are taken to inform and educate consumers about safe and responsible usage services

a) Information is regularly updated on website and

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

b) Regular emailers, SMS and Notifications are sent to consumers.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services:

Consumers are informed of any risk of disruption/ discontinuation of essential services through the below means of communication:

- a) Call Centre
- b) Website
- c) E-mail and SMS
- d) MOFSL's branches.

4. Does the Company display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief:

Yes, we provide product information on our website over and above what is mandated under local laws.

Did your Company carry out any survey with regard to consumer satisfaction relating to the major products/ services of the Company, significant locations of operation of the Company or the Company as a whole? (Yes/No).

Yes, Survey is carried out to understand customer advocacy of the Companies' products and services. This is carried out telephonically across all segments of our customer base.

5. Provide the following information relating to data breaches:

- a. **Number of instances of data breaches along-with impact:** Nil.
- b. **Percentage of data breaches involving personally identifiable information of customers:** The Company did not witness any instances of data breaches during the year.

STANDALONE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT (Contd..)

To

The Members of **Motilal Oswal Financial Services Limited**

Report on the Audit of the Standalone Financial Statements

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

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

3. 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.	Information Technology (IT) Systems and Controls	<p>Our Audit Approach:</p> <p>With the help of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>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>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.
2.	<p>Valuation of equity investments carried at fair value</p> <p>Refer note 2.6 for significant accounting policies and note 54 for financial disclosures</p> <p>As at 31 March 2023, the Company held investments in –</p> <p>i) Shubham Housing Development Finance Company Private Limited whose carrying amount is of Rs. 73.8 crores which represents 0.53 % of the total assets of the Company.</p> <p>ii) Bundl Technologies Private Limited whose carrying amount is of Rs. 64.48 crores which represents 0.46 % of the total assets of the Company.</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>These investments are not traded in the active market. The fair valuation of these investments are determined by a management appointed independent valuation expert. 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 valuation of these investments were 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 investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>Substantive tests:</p> <ul style="list-style-type: none"> ➤ Assessed the appropriateness of the valuation methodology used for these investments 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 and Sustainability Report, which is expected to be made available to us after that date.

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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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 Standalone Financial Statements

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

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

- 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.
- 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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

7. Other Matters

Share of profit from investment in a limited liability partnership aggregating to Rs. 196 lakhs for the year ended March 31, 2023, 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 matter.

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:

INDEPENDENT AUDITOR'S REPORT (Contd..)

- 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us 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;
 - 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, 2023;
 - 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.;

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (b) The Management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 23061567BGYHLL6995

Place: Mumbai

Date: April 27, 2023

INDEPENDENT AUDITOR'S REPORT

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 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 not physically verified during the year by the Management as it was not due. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- 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 audited/unaudited 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 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- 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 principal amount 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, 2023 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.
 - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- c) The details of statutory dues referred to in sub- clause (a) above which have not been deposited as on 31 March 2023, on account of disputes are given below:

Name of the Statute	Nature of 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	43	-	F.Y 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,922	168	F.Y 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,229	92	F.Y 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17	-	F.Y 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	19	-	F.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	15	-	F.Y 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	699	-	F.Y 2019-20	Commissioner of Income Tax (Appeals)
	Total	3,944	260		

(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 not raised any loans during the year on the pledge of securities held in its subsidiaries. Hence the requirement to report on clause ix (f) of the order is not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (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) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaint received by the Company during the year (and upto the date of this report) and provided to us, while determining the nature, timing and extent of our audit procedures.
- (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.
- 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on clause 3(xviii) of the order is not applicable.
- (xix) According to the information 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

Sd/-
Nikhil Singhi
Partner
Membership No. 061567
UDIN: 23061567BGYHLL6995

Place: Mumbai
Date: April 27, 2023

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, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 23061567BGYHLL6995

Place: Mumbai

Date: April 27, 2023

STANDALONE BALANCE SHEET

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	94,958	1,03,955
(b) Bank balance other than (a) above	5	6,21,157	3,13,004
(c) Receivables			
(i) Trade receivables	6	66,918	66,621
(ii) Other receivables		882	1,060
(d) Loans	7	1,32,782	88,462
(e) Investments	8	4,05,604	4,34,651
(f) Other financial assets	9	17,849	34,033
Sub - total financial assets (A)		13,40,150	10,41,786
2. Non - financial assets			
(a) Current tax assets (net)	10	-	821
(b) Investment property	11	7,643	7,699
(c) Property, plant and equipment	12A	32,813	23,143
(d) Other intangible assets	12B	2,999	2,160
(e) Other non - financial assets	13	5,670	3,934
Sub - total non - financial assets (B)		49,125	37,757
Total assets (A+B)		13,89,275	10,79,543
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 other than micro enterprise and small enterprise	14	3,09,979	3,44,641
(ii) Other payables			
(i) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues other than micro enterprise and small enterprise		-	-
(b) Debt securities	15	2,74,163	1,78,402
(c) Borrowings (Other than debt securities)	16	99,387	38,691
(d) Deposits	17	115	98
(e) Other financial liabilities	18	2,34,062	65,428
Sub - total financial liabilities (A)		9,17,706	6,27,260
2. Non - financial liabilities			
(a) Current tax liabilities (net)	19	1,242	1,206
(b) Provisions	20	13,387	15,507
(c) Deferred tax liabilities (net)	21	8,483	8,894
(d) Other non - financial liabilities	22	3,103	2,465
Sub - total non - financial liabilities (B)		26,215	28,072
3. Equity:			
(a) Equity share capital	23	1,479	1,491
(b) Other equity	24	4,43,875	4,22,720
Sub - total equity (C)		4,45,354	4,24,211
Total Liabilities and equity (A+B+C)		13,89,275	10,79,543

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

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

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

Sd/-
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 27 April 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

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

Particulars	Note	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Revenue from operations			
(i) Interest income	25	47,291	33,145
(ii) Dividend income	26	591	7,387
(iii) Rental income	27	1,900	1,891
(iv) Fees and commission income	28		
- Brokerage and fees income		1,75,649	1,65,667
- Other commission income		18,449	18,605
(v) Net gain on fair value changes	29	17,546	26,453
(vi) Other operating income	30	5,200	4,780
1) Total revenue from operations		2,66,626	2,57,928
2) Other income	31	2,645	3,618
3) Total Income (1 + 2)		2,69,271	2,61,546
Expenses			
(i) Finance cost	32	21,733	16,216
(ii) Fees and commission expense	33	77,886	76,205
(iii) Impairment on financial instruments	34	1,548	1,992
(iv) Employee benefits expense	35	61,095	52,888
(v) Depreciation, amortisation and impairment	36	5,006	3,876
(vi) Other expenses	37	29,473	23,956
4) Total expenses		1,96,741	1,75,133
5) Profit/(loss) before tax (3-4)		72,530	86,413
Tax expense	53		
(i) Current tax		15,829	14,807
(ii) Deferred tax expense		35	1,123
(iii) Excess provision for earlier years		(225)	(199)
6) Total tax expenses		15,639	15,731
7) Profit for the year (6-5)		56,891	70,682
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain/(loss) on post retirement benefit plans		64	(27)
(b) Fair value gain/(loss) of investment		(3,976)	2,324
(c) Tax impact on the above		446	(259)
8) Other Comprehensive Income for the year		(3,466)	2,038
Total Comprehensive Income for the year (7 + 8)		53,425	72,720
Earnings per share (EPS) (Face Value Re. 1 per equity share)	41		
Basic EPS (amount in Rs.)		38.40	48.10
Diluted EPS (amount in Rs.)		38.26	47.69

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN : L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before taxation	72,530	86,413
Adjustment for:		
Unrealised (gain)/loss	16,345	(15,981)
Employee stock option scheme cost	2,640	2,339
Interest expense on lease	358	302
Depreciation, amortisation and impairment	5,005	3,875
Dividend income	(591)	(7,387)
Profit on sale of investment - realised	(33,891)	(10,472)
Gain on partnership firm	(470)	(255)
Profit on sale property, plant and equipment	-	(5)
Impairment on financial instruments	1,548	1,992
Operating profit	63,474	60,821
Adjustment for working capital changes		
Increase/(decrease) in provision	(2,055)	4,565
Increase/(decrease) in other financial liabilities	1,66,610	28,466
Increase/(decrease) in trade payables	(34,662)	64,861
(Increase)/decrease in loans	638	(11,204)
(Increase)/decrease in other non - financial liabilities	(44,320)	(508)
(Increase)/decrease in other financial assets	16,184	31,745
(Increase)/decrease in other non - financial asset	(1,736)	(1,440)
(Increase)/decrease in trade receivables	(1,667)	(7,903)
(Increase)/decrease in fixed deposit (Refer note no. ii)	(3,08,154)	(98,163)
(Increase)/decrease in liquid investment	27,218	28,263
Cash generated/(used) from operations	(1,18,470)	99,504
Direct taxes paid (net)	(14,746)	(11,562)
Net cash generated/(used) from operating activities (A)	(1,33,216)	87,942
B. Cash flow from investing activities		
Proceeds from sale of investment	86,828	18,094
Proceeds from sale of equity shares in subsidiary company	12,000	-
Purchase of equity shares in subsidiary company	(5)	(26,535)
Purchase of Investments	(84,189)	(30,349)
Purchase of property, plant and equipment	(13,715)	(3,664)
Purchase of intangibles and intangible asset under development	(1,743)	(625)
Dividend Income	591	7,387
Net cash generated/(used) from investing activities (B)	(233)	(35,691)
C. Cash flow from financing activities		
Cash Payment of lease liability and interest	(1,552)	(1,081)
Increase in lease liabilities (net)	3,218	-

STANDALONE CASH FLOW STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Proceeds / (repayment) of short-term borrowings (Other than debt securities)	189,837	1,383
Proceeds from issuance of debt securities	-	7,800
Repayment of debt securities	(33,380)	-
Proceeds from issue of equity shares	3	6
Premium on issue of equity shares	975	3,185
Proceeds from deposits received	17	53
Dividend paid	(14,823)	(7,365)
Increase/(decrease) in unpaid dividend	0	3
Effect of scheme of arrangement	-	(9,303)
Buyback of shares (including buyback expense and tax)	(19,843)	-
Net cash generated/(used) from financing activities (C)	1,24,452	(5,319)
Net increase/(decrease) in cash and cash equivalents during the year (A +B +C)	(8,997)	46,932

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents as at beginning of the year		
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
Cash and cash equivalents as at end of the year :		
Cash in hand	23	32
Scheduled bank - In current account	39,991	65,700
Fixed deposit with banks (Maturity within 3 months)	54,944	38,223
Total	94,958	1,03,955
Reconciliation of cash and cash equivalents as above with cash and bank balances		
Cash and cash equivalents as at end of the year as per above	40,014	65,732
Add:- Fixed deposit with banks (Maturity within 3 months)	54,944	38,223
Total Cash and bank balances equivalents as at end of the year	94,958	1,03,955

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 2023	For the year ended 31 March 2022
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	2,17,093	2,07,910
Proceeds / (repayment) of short-term borrowings	1,89,837	1,383
Proceeds from issuance of debt securities	-	7,800
Repayment of debt securities	(33,380)	-
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities	3,73,550	2,17,093

(B) Cashflow from operating activities includes:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest received	47,291	33,145
Interest paid	18,510	14,559

Notes :

- The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Net cash flow from operating activities excluding Increase/decrease in fixed deposit is Rs.1,74,938 lakhs and Rs.1,86,105 lakhs for the year ended 31 March 2023 and year ended 31 March 2022 respectively.
- Figures in brackets indicate cash outflows.

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

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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

Sd/-
Kailash Purohit
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

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

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 01 April 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
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	14,90,62,919	1,491
Changes during the year due to exercise of Employees Stock Option Scheme	3,38,752	3
Changes during the year due to buyback of shares	(14,54,545)	(15)
As at 31 March 2023	14,79,47,126	1,479

(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 #		
Balance as at 01 April 2021	90	14	54,584	4,958	11,684	5,233	2,53,271	30,338	3,60,172
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting year	90	14	54,584	4,958	11,684	5,233	2,53,271	30,338	3,60,172

Actuarial gains/(losses) on post retirement benefit plans which was part of Other Comprehensive Income has been reclassified to Retained Earnings.

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

(b) Other Equity-Continued

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			
Exercise of options	-	-	1,047	-	-	-	-	-	-	1,047	
Additions during the year	-	-	3,185	2,339	945	-	70,682	2,058	79,209		
Actuarial gains/(losses) on post retirement benefit plans	-	-	-	-	-	-	(20)	-	(20)		
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	-	3,07,292	32,396	4,22,720		
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-		
Restated balance at the beginning of the current reporting year	90	14	58,816	6,250	17,862	-	3,07,292	32,396	4,22,720		
Exercise of options	-	-	74	-	-	-	-	-	74		
Additions during the year *	-	-	975	2,640	18,957	-	56,891	(3,514)	75,949		
Actuarial gains/(losses) on post retirement benefit plans	-	-	-	-	-	-	48	-	48		
Buyback of Shares	15	-	(16,000)	-	-	-	-	-	(15,985)		
Transfer to general reserve*	-	-	-	-	-	-	(3,842)	-	(3,842)		
Dividend	-	-	-	-	-	-	(14,823)	(18,957)	(14,823)		
Transfer to securities premium	-	-	-	(74)	-	-	-	-	(74)		
Business Combination Cost	-	-	-	-	-	-	(1,235)	-	(1,235)		
Balance as at 31 March 2023 (Refer note 24)	105	14	43,865	8,816	36,819	-	3,44,331	9,925	4,43,875		

STANDALONE STATEMENT OF CHANGES IN EQUITY

(b) Other Equity-Continued

*Equity investments which are not held for trading, where an irrevocable election is made at the initial recognition to classify the instruments at FVOCI, all subsequent changes in fair value are recognised in Other Comprehensive Income. On disposal of investments the cumulative change in fair value is not recycled to profit or loss. However, at such time, it is transferred from OCI to General reserve.

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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 27 April 2023.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

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

(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 judgements

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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. 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 in accordance with the terms of contract 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(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.

(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.

viii) Depository services income

Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation.

Revenue from depository services on account of transaction charges is recognized point in time when the performance obligation is satisfied.

ix) Delayed payment charges

Interest is earned on delayed payments from customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

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 transfers 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

Fair value of financial instruments:

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

Fair value measurements under Ind AS are 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

NOTES TO FINANCIAL STATEMENT (Contd..)

effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

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

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

3. 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(iii) Derecognition

A financial asset is derecognised only when:

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

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

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

Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

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 Equipments	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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

Asset	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.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

Defined benefits plan:

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

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.
- (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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4: Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	23	32
Balance with banks		
- In current accounts	39,991	65,700
- Fixed deposit with banks (Maturity within 3 months) * (Including interest accrued on fixed deposit)	54,944	38,223
	94,958	1,03,955

Note 5: Bank balance other than (4) above

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances (unpaid dividend account)	40	41
Fixed deposit with banks (with original maturity more than 3 months)* (Including interest accrued on fixed deposit)	5,85,192	1,89,455
Fixed deposits (maturity more than 12 months)* (Including interest accrued on fixed deposit)	35,925	1,23,508
	6,21,157	3,13,004

*Fixed deposits under lien with stock exchanges amounted to Rs.4,66,672 lakhs (March 31, 2022 : Rs.2,51,695 lakhs) and kept as collateral security towards bank guarantees issued amounted to Rs. 1,64,252 lakhs (March 31, 2022 : Rs.64,844 lakhs) and kept as collateral security against credit facility amounted to Rs.22,039 lakhs (March 31, 2022 : Rs. 8,622 lakhs).

Note 6: Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Considered good - secured*	44,373	52,430
Considered good - unsecured	23,957	15,688
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	1,057	846
Less: Allowances for impairment losses	(2,469)	(2,343)
	66,918	66,621
Other receivables		
Rent receivables others	-	-
Receivable from subsidiary companies	882	1,060
	882	1,060

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 6: Receivables-continued

Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Loss Allowance	Total
	Less than 6 months	6 months-1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	63,026	1,400	4,786	-	-	(1,412)	67,800
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	309	748	-	-	(1,057)	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	63,026	1,709	5,534	-	-	(2,469)	67,800

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	-	-	-	-	-	-	-
(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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 7: Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Loans - At amortised cost		
(A) Others		
Loans repayable on demand	14	14
Loan to employees	392	148
Margin trading facility	1,32,926	88,539
Total (A) Gross	1,33,332	88,701
Less : Impairment loss allowance	(550)	(239)
Total (A) Net	1,32,782	88,462
(B) Secured/Unsecured		
Secured by Shares/Securities	1,32,926	88,539
Unsecured	406	162
Total (B) Gross	1,33,332	88,701
Less : Impairment loss allowance	(550)	(239)
Total (B) Net	1,32,782	88,462
C) Loans in India		
Public sector	-	-
Others	1,33,332	88,701
Total (C) Gross	1,33,332	88,701
Less : Impairment loss allowance	(550)	(239)
Total (C) Net	1,32,782	88,462
Stage wise break up of loans		
(i) Low credit risk (Stage 1)	1,32,782	88,462
(ii) Significant increase in credit risk (Stage 2)	-	-
(iii) Credit impaired (Stage 3)	-	-
Total	1,32,782	88,462

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 8: Investments

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
I) Investment at cost					
(a) Investment in Subsidiaries- Unquoted					
Motilal Oswal Finvest Limited	Subsidiary	7,61,94,142	7,61,94,142	90,535	91,769
Motilal Oswal Securities International Private Limited	Subsidiary	45,69,200	45,69,200	457	457
Motilal Oswal Wealth Limited	Subsidiary	8,13,200	8,13,200	1,521	1,521
Motilal Oswal Asset Management Company Limited	Subsidiary	67,73,87,883	67,73,87,883	16,667	16,667
Motilal Oswal Trustee Company Limited	Subsidiary	1,00,000	1,00,000	10	10
Motilal Oswal Capital Markets (Hong Kong) Private Limited	Subsidiary	60,00,000	60,00,000	412	412
Motilal Oswal Capital Markets (Singapore) Pte. Limited	Subsidiary	1,69,382	1,69,382	130	130
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)	Subsidiary	4,54,64,13,025	4,83,62,67,917	53,239	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 (formerly known as Motilal Oswal Fincap Private Limited)	Subsidiary	30,00,000	30,00,000	313	313
Less : Impairment allowance on investment				(182)	(182)
Glide Tech Investment Advisory Private Limited	Subsidiary	70,00,000	70,00,000	700	700
TM Investment Technologies Private Limited	Subsidiary	57,44,705	57,44,705	574	574
MO Alternative IFSC Private Limited	Subsidiary	50,000	-	5	-
Motilal Oswal Finsec IFSC Limited	Subsidiary	1,20,00,000	1,20,00,000	1,200	1,200
Total (I)				1,69,808	1,74,432

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
II) Investment at fair value through other comprehensive income at FVOCI:					
a) Investment in equity shares					
Quoted Equity Instruments- Fully paid-up					
AU Small Finance Bank Ltd.	Others	65,63,592	32,81,796	38,016	40,899
b) Investment through Portfolio Management Services (PMS) Quoted Equity Instruments- Fully paid-up					
i) Next Trillion Dollar Opportunity Strategy					
ICICI Bank Ltd.	Others	98,521	1,35,963	864	993
State Bank of India	Others	99,674	67,267	522	332
Kotak Mahindra Bank Ltd.	Others	61,827	61,827	1,071	1,084
Housing Development Finance Corporation Ltd	Others	8,006	-	210	-
Max Financial Service Ltd.	Others	62,453	62,453	397	471
Emami Ltd.	Others	51,147	51,147	183	229
Vedant Fashion Ltd	Others	20,174	20,174	230	195
Page Industries Ltd.	Others	1,416	1,416	537	612
Godrej Industries Ltd.	Others	-	49,711	-	231
Voltas Ltd.	Others	34,867	1,14,731	285	671
Gland Pharma Ltd.	Others	22,593	15,398	287	504
Alkem Laboratories Ltd.	Others	5,274	5,274	179	191
IPCA Laboratories Ltd.	Others	39,170	39,170	317	417
Bharat Forge Ltd.	Others	31,470	31,470	242	220
Bosch Ltd.	Others	1,582	1,582	306	228
Eicher Motors Ltd.	Others	15,830	15,830	467	389
Maruti Suzuki India Ltd.	Others	1,544	-	128	-
L&T Technology Services Ltd.	Others	19,705	19,835	666	1,013
Tech Mahindra Ltd.	Others	34,954	34,954	385	524
Tata Consultancy Services Ltd.	Others	5,833	5,833	187	218
LTIMindtree Ltd	Others	4,511	4,511	215	278
Aegis Logistics Ltd.	Others	76,167	76,167	289	157
Hindustan Petroleum Corporation Ltd.	Others	-	73,780	-	199
Container Corporation of India Ltd.	Others	38,560	38,560	224	259

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
Bayer CropScience Ltd.	Others	3,126	3,126	127	155
Birla Corporation Ltd.	Others	13,397	13,397	119	158
Cummins India Ltd.	Others	5,830	22,498	95	252
Larsen & Turbo Ltd.	Others	12,993	8,371	281	148
ITC Ltd.	Others	1,26,203	1,26,203	484	316
Clean Science and Technology Ltd.	Others	14,776	14,776	187	294
Religare Enterprise Ltd.	Others	41,796	-	61	-
Zomato Ltd.	Others	3,35,997	-	171	-
Cash & Cash Equivalent	Others	-	-	17	21
ii) Business Opportunity Fund					
Eicher Motors Ltd.	Others	-	3,108	-	76
Maruti Suzuki India Ltd.	Others	-	7,192	-	75
ICICI Bank Ltd.	Others	-	29,412	-	215
HDFC Bank Ltd.	Others	-	10,724	-	158
Kotak Mahindra Bank Ltd.	Others	-	7,968	-	140
Blue Star Ltd.	Others	-	7,371	-	78
Tata Consultancy Services Ltd.	Others	-	4,942	-	182
Larsen & Toubro Infotech Ltd.	Others	-	2,528	-	156
MAX Financial Services Ltd.	Others	-	23,997	-	181
HDFC Life Insurance Company Ltd.	Others	-	14,690	-	79
Safari Industries (India) Ltd.	Others	-	7,823	-	76
Phoenix Mills Ltd.	Others	-	9,341	-	103
Axis Bank Ltd.	Others	-	13,446	-	102
Cash & Cash Equivalents	Others	-	-	-	11
Total (ii)				47,749	53,290
III) Investment at fair value through profit and loss at FVTPL					
(a) Investments in Real Estate Funds- Unquoted					
India Realty Excellence Fund II LLP	Associate	-	-	1,455	2,033
India Realty Excellence Fund III	Others	52,73,716	68,48,065	7,304	8,543
India Realty Excellence Fund IV	Others	5,00,070	3,60,000	519	381
India Realty Excellence Fund V	Others	5,00,000	5,00,000	383	144
Total				9,661	11,101

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
(b) Investment in Equity Shares- Unquoted - Fully paid-up					
Shubham Housing Development Finance Company Private Limited	Others	1,02,309	21,377	3,652	601
Shriram New Horizons Limited	Others	7,50,000	7,50,000	-	-
Stockation Private Limited	Others	2,327	-	150	-
Total				3,802	601
(c) Investment in Equity Shares- Quoted - Fully paid-up					
Radiant Cash Management Services Limited	Others	20,00,000	-	1,932	-
Central Depository Services India Limited	Others	100	100	0	0
Total				1,932	0
(d) Investment in Preference Shares- Unquoted - Fully paid- up					
0.01 % Compulsory Convertible preference shares of Shubham Housing Development Finance Company Private Limited	Others	1,04,461	2,20,260	3,728	6,197
0.01% Bundl Technologies Pvt Ltd	Others	2,030	2,030	6,448	9,996
Total				10,176	16,193
(e) Investment in units of Mutual Funds (Equity)- Unquoted - Fully paid-up					
Motilal Oswal Most Focused 25 Fund	Others	3,97,77,781	4,11,08,111	14,258	14,470
Motilal Oswal Midcap 30 Fund - Growth	Others	7,41,14,633	7,41,14,633	40,926	36,777
Motilal Oswal Flexi Cap Fund - Growth	Others	9,69,84,291	9,40,48,178	32,881	32,699
Motilal Oswal Mutual Fund-Most Focused Long Term Fund	Others	1,90,816	1,90,816	57	53
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	Others	-	3,53,715	-	70
Motilal Oswal Nifty 500 Fund - Direct Growth Option	Others	-	92,658	-	16

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
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	4
Motilal Oswal Nifty 50 Index Fund - Direct Growth Option	Others	2,00,704	2,00,704	29	29
Motilal Oswal Nifty Next 50 Index Fund - Direct Growth Option	Others	69,847	69,847	9	10
Motilal Oswal Large and Midcap Fund - Direct Growth	Others	6,12,76,397	6,22,70,790	10,959	10,195
Motilal Oswal Nifty Gsec May 2029 Index	Others	19,99,900	-	203	-
Motilal Oswal S&P BSE Low Volatility Index Fund	Others	-	9,99,950	-	100
Total				99,329	94,426
(f) Investment in units of Mutual Funds (Debt) - Quoted-Fully paid-up					
UTI money market fund - Direct Growth	Others	-	2,12,741	-	5,299
Aditya Birla Sun life Money Manager Fund-Direct Growth	Others	-	35,50,214	-	10,612
Kotak Money Market Fund	Others	-	2,93,548	-	10,569
Total				-	26,480
(g) Investment in units of Mutual Funds (Equity)-Quoted-Fully paid-up					
Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares NASDAQ 100 ETF	Others	1,83,300	1,83,300	191	213
Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares Midcap 50 ETF	Others	59,499	59,499	104	103
Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares Midcap 100 ETF	Others	5,07,650	5,07,650	162	159
Kotak Nifty India Consumption ETF	Others	61,564	-	16	-
Axis Consumption ETF	Others	41,776	41,776	30	29

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
Motilal Oswal S&P BSE Low Volatility ETF	Others	38,92,295	88,459	950	97
Motilal Oswal S&P BSE Healthcare ETF	Others	21,83,144	-	479	-
Motilal Oswal S&P BSE Quality ETF	Others	4,40,235	-	507	-
Motilal Oswal S&P BSE Enhanced Value ETF	Others	12,33,714	-	589	-
Total				3,028	601
(h) Investment in alternative investment funds (Equity) - Unquoted - Fully paid-up					
Motilal Oswal Focused Growth Opportunities Fund	Others	-	49,99,750	-	598
Motilal Oswal Growth Opportunities Fund Series II	Others	96,77,616	-	1,150	-
Motilal Oswal Growth Opportunities Fund Series II (Class X)	Others	9,99,950	9,99,950	104	103
Motilal Oswal Focused Business Advantage Fund	Others	-	1,00,00,000	-	1,769
Motilal Oswal Focused Business Advantage Fund (Carry units)	Others	-	1,00,000	-	325
Motilal Oswal Business Advantage Fund Series-II	Others	73,04,775	60,30,942	952	830
Motilal Oswal Business Advantage Fund - SERIES-II (Class X)	Others	13,01,485	13,01,485	131	137
Motilal Oswal Multicap Equity Fund	Others	9,99,950	9,99,950	1,328	1,336
Motilal Oswal Select Opportunities Fund Series II	Others	86,26,104	86,26,104	1,234	1,253
Motilal Oswal Select Opportunities fund-Series II (Class X)	Others	14,04,659	14,04,659	143	144
Motilal Oswal Select Opportunities Fund – Series III	Others	85,82,269	85,82,269	936	940
Motilal Oswal Select Opportunities Fund – Series III (Class X)	Others	9,99,950	9,99,950	98	97

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
Motilal Oswal India Excellence Fund II	Others	1,15,15,281	50,83,659	908	491
Motilal Oswal India Excellence Fund II (Class CX)	Others	9,99,950	9,99,950	78	95
Motilal Oswal Equity Opportunities Fund Series II	Others	70,59,413	70,59,413	939	987
Motilal Oswal Equity Opportunities Fund-series II (Class X)	Others	13,16,273	13,16,273	135	141
Motilal Oswal Equity Opportunities Fund Series III	Others	1,05,94,627	49,99,750	957	500
Motilal Oswal Equity Opportunities Fund Series III (Class X)	Others	9,99,950	-	96	-
Motilal Oswal Hedged Equity Multi Factor Strategy	Others	1,08,72,688	1,49,99,250	1,001	1,501
Motilal Oswal Next Trillion Dollar Opportunity Fund	Others	99,99,500	1,59,99,200	932	1,577
Motilal Oswal Equity Opportunities Fund (Class X)	Others	14,97,185	14,97,185	252	174
Motilal Oswal Equity Opportunities Fund	Others	92,34,936	92,34,936	1,490	1,437
Motilal Oswal India Excellence Fund - Mid to Mega- Series II	Others	99,87,640	-	1,003	-
Motilal Oswal India Excellence Fund - Mid to Mega- Series II (Class X)	Others	9,99,950	-	98	-
Motilal Oswal Vision 2030 Fund	Others	1,03,88,747	-	981	-
Motilal Oswal Vision 2030 Fund (Class X)	Others	9,99,950	-	95	-
Motilal Oswal Growth Anchors Fund	Others	29,99,850	-	284	-
Motilal Oswal India Growth Fund	Others	29,99,850	-	289	-
Total				15,614	14,437
(i) Investment in Private Equity - Unquoted					
India Business Excellence Fund I	Others	475	475	1,180	943
India Business Excellence Fund II	Others	8,19,022	8,19,022	16,836	15,821

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Subsidiary/ Associate/ Others	Shares / Units		Amount as at	
		As at 31 March 2023	As at 31 March 2022	31 March 2023	31 March 2022
		Number	Number		
India Business Excellence Fund III	Others	12,68,496	12,68,496	25,965	26,070
India Business Excellence Fund IV	Others	50,000	50,000	233	50
Contrarian Vriddhi Fund I LLP	Others	437	625	291	206
Total				44,505	43,090
Total (III)				1,88,047	2,06,929
Total (I+II+III)				4,05,604	4,34,651
Investment in India				4,05,062	4,34,109
Investment Outside India				542	542
Total				4,05,604	4,34,651

Note 9: Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Electricity and other deposits	2,022	1,470
Deposits with exchange	15,288	32,286
Receivable from exchanges	539	277
	17,849	34,033

Note 10: Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (Net of provision) (net of provision for tax of Rs. Nil (Previous year: Rs. Nil))	-	821
	-	821

Note 11: Investment Property

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7,699	7,755
Addition during the year	-	-
Deduction during the year	-	-
Depreciation for the year	(56)	(57)
	7,643	7,699

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Fair value of Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
Building	28,105	28,105

Estimation of fair value

The fair value of investment property have been determined by a 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.

Fair Value of Investment property was determined in FY 21-22, through a valuer's report dated 17 November 2021.

Amounts recognised in the statement of profit and loss in relation to investment

Particulars	As at 31 March 2023	As at 31 March 2022
Rental Income from investment property (Refer note 27)	1,900	1,891
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 Equipment

Current year

Particulars	Gross block				Accumulated depreciation/amortization				Net block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2022	Balance as at 31 March 2023
Property, plant and equipment										
Land	2,667	2,206	-	4,874	-	-	-	-	2,667	4,874
Buildings	21,941	5,033	-	26,974	8,346	1,030	-	9,376	13,595	17,598
Plant and machinery	11,119	2,544	-	13,663	7,788	1,349	-	9,137	3,331	4,526
Furniture and fixtures	2,694	60	-	2,754	1,982	97	-	2,079	713	675
Vehicles	1,242	218	-	1,460	730	110	-	840	512	620
Office equipments	4,443	320	-	4,764	3,964	271	-	4,235	479	529
Right of use (Office Premise)	4,846	3,218	-	8,065	3,001	1,073	-	4,074	1,846	3,991
Total (A)	48,952	13,599	-	62,554	25,811	3,930	-	29,741	23,143	32,813
Intangible assets										
Goodwill	90	-	-	90	90	-	-	90	-	-
Computer software	7,034	1,859	-	8,894	5,130	940	-	6,070	1,904	2,824
BSE/MCX Cards	648	-	-	648	648	-	-	648	-	-
Customer rights	1,108	-	-	1,108	852	81	-	933	256	175
Total (B)	8,880	1,859	-	10,740	6,721	1,021	-	7,741	2,160	2,999
Total (A) + (B)	57,832	15,458	-	73,294	32,532	4,951	-	37,482	25,303	35,812

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Previous 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 Right	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

Note: a) 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 2023 and 31 March 2022.

b) 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 2023	As at 31 March 2022
Capital advances	2,179	1,024
For supply of services	1,892	1,167
Prepaid expenses	1,507	1,636
Others	92	107
	5,670	3,934

Note 14: Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables*		
(i) total outstanding dues of micro enterprise and small enterprise (Refer note no. 45)	-	-
(ii) total outstanding dues other than micro enterprise and small enterprise	3,09,979	3,44,641
	3,09,979	3,44,641

* Trade payables also includes balances due to parties other than clients which are insignificant in terms of value

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 14: Payables-continued

Trade Payable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,09,979	-	-	-	3,09,979
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,44,641	-	-	-	3,44,641
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 15: Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		
Commercial paper (Unsecured)		
(i) from banks	-	-
(ii) from other parties#	2,69,743	1,40,602
Others (Secured)		
Redeemable non-convertible debenture*	-	30,000
Market Linked Debenture**	4,420	7,800
Total (A)	2,74,163	1,78,402
Debt securities in India	2,74,163	1,78,402
Debt securities outside India	-	-
Total (B)	2,74,163	1,78,402

*Redeemable non-convertible debenture

Series B/ F.Y.21/ F.Y.24 - 10500 Lakhs, Coupon rate - 7.25% PA

Series A/ F.Y.21/ F.Y.24 - 19500 Lakhs, Coupon rate - 7.60% PA

Above NCD's were redeemed during the year

NOTES TO FINANCIAL STATEMENT (Contd..)

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

**Market Linked Debenture (MLD)

Series M-1/ F.Y.22/ F.Y.24 - 1,580 Lakhs, Redemption date – 14th March 2024, XIRR - 7.25% PA

Series M-2/ F.Y.23/ F.Y.25 - 2,840 Lakhs, Redemption date – 07th February 2025, XIRR - 7.50% 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 8.30% to 8.95% for commercial paper outstanding.

Terms of repayment:

The aforesaid commercial papers are repayable on maturity and the tenure is 90 days to 365 days.

Note 16: Borrowings (Other than debt securities)

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		
Demand loans		
(i) from banks (Secured)*	99,387	28,296
(ii) from related parties(Unsecured)#	-	10,395
	99,387	38,691
Borrowing in India	99,387	38,691
Borrowing outside India	-	-
	99,387	38,691

* Demand loans from banks are secured against the property, plant and equipment and trade receivables of the company respectively.

Rate of interest is ranging from 7.00 % to 9.60%

Rate of interest is ranging from 11.00 % to 13.00 %.

Note:

- During the year, the Company had made quarterly submissions to banks or financial institutions or debenture trustees; however, there were no material discrepancies noted between the quarterly statements / returns filed and the financial statements of the respective quarter.
- During the year under audit, the company has not defaulted in repayment of principal and interest.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 17: Deposits

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit	115	98
	115	98

Note 18: Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Margin money	2,17,303	53,202
Interest accrued but not due on borrowings	442	1,261
Unpaid dividend	40	41
Accrued salaries and benefits	245	68
Other payables	6,645	4,266
Other provisions (includes provision for expenses)	4,995	4,222
Lease liability (Refer note 43)	4,392	2,368
	2,34,062	65,428

Note 19: Current tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income taxes (net of advance tax of Rs.75,063 lakhs (Previous year:Rs.60,315 lakhs))	1,242	1,206
	1,242	1,206

Note 20: Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences (Refer note 42)	809	758
Gratuity and heritage obligation (Refer note 42)	2,644	2,216
Service charges	21	21
Ex-Gratia /Incentive payable (Refer note 42)	9,913	12,512
	13,387	15,507

Note 21: Deferred tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities (net) (Refer note 53)	8,483	8,894
	8,483	8,894

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 22: Other non - financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance received from customers	1,166	584
Statutory liabilities	1,002	840
Prepaid brokerage	935	1,041
	3,103	2,465

Note 23: Share capital

Particulars	As at 31 March 2023 Number of shares	As at 31 March 2023 In lakhs	As at 31 March 2022 Number of shares	As at 31 March 2022 In lakhs
Authorised				
Equity shares of Re. 1 each (previous year Re. 1 each)	1,12,00,00,000	11,200	1,12,00,00,000	11,200
	1,12,00,00,000	11,200	1,12,00,00,000	11,200
Issued, subscribed and paid up				
Equity shares of Re.1 each fully paid up (Previous year Re. 1 each)	14,79,47,126	1,479	14,90,62,919	1,491
	14,79,47,126	1,479	14,90,62,919	1,491

Pursuant to the Order dated 11 March 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 were pending as on 31 March 2022 for listing and were forming part of Public category. Subsequently it got listed on 17 May 2022.

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 Hundred, unless otherwise stated)

During the year ended 31 March 2023, dividend recognized as distribution to equity shareholders was Rs. 10.00 per share consisting of final dividend of Rs. 3.00 per share for previous year ended 31 March 2022 and interim dividend of Rs. 7 per share for year ended 31 March 2023. The total dividend appropriated amounts to Rs.14,823 lakhs (Previous Year: Rs.7,365 lakhs)

23.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	In Rupees	Number of shares	In Rupees
At beginning of the year	14,90,62,919	1,491	14,84,88,819	1,485
Share of MOFSL acquired through PIMPL	-	-	8,63,74,063	864
Share allotted to Promoter in view of cancellation	-	-	(8,63,74,063)	(864)
Stock options exercised under the ESOS	3,38,752	3	5,74,100	6
Buyback	(14,54,545)	(15)	-	-
At the end of the year	14,79,47,126	1,479	14,90,62,919	1,491

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Family Trust	4,29,72,734	29.05%	4,33,41,158	29.08%
Mr. Raamdeo Agarawal	4,00,82,015	27.09%	4,03,69,047	27.08%
Mr. Motilal Oswal	79,01,093	5.34%	77,87,622	5.22%
Parag Parikh Flexi Cap Fund	78,48,858	5.31%	-	-
Mr. Navin Agrawal	76,35,072	5.16%	77,04,010	5.17%

23.4 Shareholding of promoters in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
Motilal Oswal Family Trust	4,29,72,734	29.05%	4,33,41,158	29.08%	-0.85%
Mr. Raamdeo Agarawal	4,00,82,015	27.09%	4,03,69,047	27.08%	-0.71%
Mr. Motilal Oswal	79,01,093	5.34%	77,87,622	5.22%	1.46%
Raamdeo Agarawal HUF	44,93,264	3.04%	45,35,574	3.04%	-0.93%
Ms. Suneeta Agrawal	63,71,877	4.31%	64,27,605	4.31%	-0.87%
Mr. Vaibhav Agrawal	2,54,479	0.17%	2,54,479	0.17%	-
Mr. Dhairya Agrawal	1,25,000	0.08%	-	0.00%	100.00%
Ms. Vimla Oswal	1,24,566	0.08%	1,25,987	0.08%	-1.13%
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%	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
Mr. Sukhdeo Ramgopal Agarawal	77,812	0.05%	78,500	0.05%	-0.88%
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%	54,996	0.04%	-
Mr. Pratik Mehta	12,000	0.01%	12,000	0.01%	-
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	867	0.00%	867	0.00%	-
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	
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%
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%	-

- 23.5 i) During financial year 2022-23 the Company has bought back 14,54,545 fully paid-up shares by capitalisation of securities premium.
- ii) 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 24: Reserve & surplus

Particulars	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve		
Balance at the beginning of the reporting year	90	71
Add: Buyback of Shares	15	19
Balance at the end of the reporting year	105	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	58,816	54,584
Add: On account of share issue	975	3,185
Add: Transfer from share based payment reserve	74	1,047
Less: Buyback of shares	(16,000)	-
Balance as at end of the reporting year	43,865	58,816
Share based payment reserve		
Balance at the beginning of the reporting year	6,250	4,958
Transfer to securities premium	(74)	(1,047)
Option granted during the year (Refer note 52)	2,640	2,339
Balance at the end of the reporting year	8,816	6,250
General reserve		
Balance at the beginning of the reporting year	17,862	11,684
Transfer from statutory reserve due to merger	-	5,233
Impact due to scheme of arrangement	-	945
Transfer from Other comprehensive income	18,957	-
Balance at the end of the reporting year	36,819	17,862
Statutory reserve		
Balance at the beginning of the reporting year	-	5,233
Transfer to general reserve due to scheme of arrangement##	-	(5,233)
Balance at the end of the reporting year	-	-

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 Hundred, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings		
Balance at the beginning of the reporting year	3,07,292	2,53,272
Transfer from Statement of Profit and Loss	56,891	70,682
Actuarial gains/(losses) on post retirement benefit plans	48	(20)
Interim dividend	(10,351)	(6,023)
Final dividend	(4,472)	(1,342)
Impact due to scheme of arrangement	(1,235)	(7,032)
Provision for Stamp duty (Net of Tax impact)#	-	(2,245)
Buyback Transaction cost	(3,842)	-
Balance at the end of the reporting year	3,44,331	3,07,292

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 restrospective 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 2023	As at 31 March 2022
Other comprehensive income		
Balance at the beginning of the reporting year	32,396	30,338
Add : Other comprehensive income for the year	(3,514)	2,058
Less : Transfer to general reserve	(18,957)	-
Balance at the end of the reporting year	9,925	32,396
	4,43,875	4,22,720

Capital Redemption reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares and it also includes addition arising on account of buyback of shares. The reserve will be utilised in accordance with provision of the Act.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Capital reserve

It has been created during the Business Combinations in earlier periods.

Securities Premium

Security premium account is use to record the premium received on issue of shares and it also includes transfer from ESOS reserve when the options are exercised . The reserve will be utilised in accordance with the provisions of the Act.

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 gain /(loss) of equity instruments carried through FVTOCI.

Note 25: Interest Income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
On financial assets measured at amortised cost		
Interest on loans	-	30
Interest on deposits with banks	21,560	12,936
Margin funding	14,556	11,160
Delayed payment by customers	11,175	9,019
Total	47,291	33,145

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 26: Dividend Income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Dividend income		
From investments	177	110
From subsidiary companies	414	7,277
Total	591	7,387

Note 27: Rent income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Rent income from operating leases	1,900	1,891
Total	1,900	1,891

Note 28: Fees and Commission income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Brokerage and fees income		
Brokerage income	1,67,485	1,58,070
Research and advisory fees	1,065	1,070
Depository income	7,099	6,527
Total	1,75,649	1,65,667
Other commission income		
Portfolio management fees and commission	18,449	18,605
Total	18,449	18,605

Note 29: Net gain on fair value changes

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Net gain /(loss) on financial instruments at fair value through profit or loss		
Realised	33,891	10,472
Unrealised gain/ (loss)	(16,345)	15,981
Total	17,546	26,453

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 30: Other operating income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Partnership gain from private equity fund		
From Fund	470	255
Other operating revenue		
Others	4,730	4,525
Total	5,200	4,780

Note 31: Other income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Interest on staff loans	5	7
Profit/(loss) on sale of fixed assets	-	5
Business support and other miscellaneous income (Refer note 46)	2,640	3,605
Total	2,645	3,618

Note 32: Finance cost

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
On instruments measured at amortized cost		
Interest on borrowings	2,611	5,117
Interest on debt securities	15,899	9,100
Other borrowing cost	2,865	1,697
Interest on lease liabilities (Refer note 43)	358	302
Total	21,733	16,216

Note 33 : Fees and commission expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Brokerage sharing with intermediaries	75,790	74,314
Depository charges	1,279	1,202
Advisory and other fees	817	689
Total	77,886	76,205

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 34: Impairment on financial instruments

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
ECL on trade receivables	126	731
ECL on loans	311	28
Bad debts	1,111	1,233
Total	1,548	1,992

Note 35 : Employee benefits expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Salary, bonus and allowances	54,057	48,738
Share based payments (Refer note 52)	1,119	1,264
Contribution to provident and other funds (Refer note 50)	2,114	1,578
Gratuity and other long term benefits (Refer note 50)	735	481
Staff welfare expenses	3,070	827
Total	61,095	52,888

Note 36: Depreciation and amortization expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Depreciation on Property, plant & equipment	2,857	2,182
Amortisation on other intangible assets	1,020	822
Depreciation on investment property	56	57
Amortisation on lease (Refer note 43)	1,073	815
Total	5,006	3,876

Note 37 : Other expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Rent	1,285	922
Business Support	1,276	1,276
Rates and taxes	232	231
Insurance	784	567
Legal and professional fees	2,795	1,881
Remuneration to auditors (Refer note 40)	43	32
Advertisement expenses	2,026	1,040
Marketing and brand promotion	8,714	8,176
Printing and Stationary	367	481
Communication and data charges	2,593	2,291

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Travelling, lodging and boarding expenses	1,583	1,194
Repairs - building	203	73
Repairs and maintenance - others	499	272
Computer maintenance and software charges	2,408	1,847
Power and fuel	943	709
Foreign exchange (gain)/loss	(5)	(159)
Service charges	711	546
Expenditure on Corporate Social Responsibility (Refer note 61)	904	684
Donations	-	8
Miscellaneous expenses	2,112	1,885
Total	29,473	23,956

Note 38: Contingent liability and commitment (to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities:		
(i) Guarantees / securities given (Refer note a)	3,23,380	1,28,258
(ii) Demand in respect of income tax matters for which appeal is pending (Refer note b)	1,920	2,982
(iii) Claim against the company (Refer note c)	992	725
Capital & other commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	4,406	2,123
(ii) Uncalled liability on shares and other investments partly paid:		
1) India Business Excellence Fund III	-	381
2) India Realty Excellence Fund IV	-	140
3) India Business Excellence Fund IV	270	450
4) India Realty Excellence Fund V	130	365

(a) Guarantees and securities given

- 1) The Company has provided bank guarantees aggregating to Rs 3,23,380 lakhs (Previous year :Rs 1,28,258 lakhs) as on 31 March 2023 for the following purposes to:
 - i) National Stock exchange - Rs. 2,87,375 lakhs (Previous year : Rs.1,26,668 lakhs) for meeting margin requirements.
 - ii) NCDEX -Rs. 4,500 lakhs (Previous year: Nil) for meeting margin requirements.
 - iii) MCX - Rs. 30,000 lakhs (Previous year: Nil) for meeting margin requirements.
 - iv) Unique Identification Authority - Rs. Nil (Previous year: Rs.25 lakhs) for security deposit.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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. Nil (Previous year: Rs.55 lakhs) for security deposit.
 - viii) Bank of Maharashtra - Rs. Nil (Previous year: Rs.5 lakhs) for security deposit.
- (b) Demand in respect of income tax matters for which appeal is pending is Rs.1,920 lakhs (Previous year: Rs.2,982 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 (It doesn't include Income Tax refund adjusted against demand raised) of Rs.451 lakhs (Previous year Rs. 451 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 2023	As at 31 March 2023	Number of cases as on 31 March 2022	As at 31 March 2022
Civil cases	14	992	21	725
Total	14	992	21	725

Note :

The proceedings/ Appeals held at Supreme court/ High court/District court are considered as "Civil cases".

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 2023	As at 31 March 2022
As Auditors:*		
Statutory audit	30	30
In other capacity:*		
Out of pocket expenses	2	-
Certification	11	2
Total	43	32

* This is inclusive of remuneration paid to previous auditors for 31 March 2022.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 41: Earnings per equity share:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net profit attributable to equity shareholders for calculation of Basic EPS [A] (Rs in lakhs)	56,891	70,682
Weighted average number of equity shares issued [B] (Face value of Re. 1 each) (In numbers)	14,81,35,120	14,69,36,417
Basic earnings per share [A/B] (Rs.)	38.40	48.10
Net profit attributable to equity shareholders for calculation of diluted EPS [C] (Rs in lakhs)	56,891	70,682
Weighted average of equity shares issued (Face value of Re. 1 each) (In numbers) [D]	14,81,35,120	14,69,36,417
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [E]	5,44,997	12,66,328
Weighted number of equity shares outstanding for diluted EPS (In numbers) [F=E+D]	14,86,80,117	14,82,02,745
Diluted earnings per share [C/F] (Rs.)	38.26	47.69

Note 42: Provisions:

Particulars	Opening balance as at 01 April 2022	Provided during the year	Provision reversed /paid during the year	Closing balance as at 31 March 2023
Ex-Gratia /Incentive	12,512	9,913	12,512	9,913
Provision for gratuity	2,099	514	243	2,370
Heritage benefits	117	157	-	274
Compensated absences	758	809	758	809
Total	15,486	11,393	13,513	13,366

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
Ex-Gratia /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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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:

(A) Right of use assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April	1,846	2,660
Movement during the year	3,218	-
Amortisation on Right-Of-Use (ROU) assets	(1,073)	(815)
Balance as at 31 March	3,991	1,846

The changes in the carrying value of right of use assets for the year ended 31 March, 2023 and 31 March, 2022 has been disclosed in Note 12.

(B) Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April	2,368	3,147
Movement during the year	3,218	-
Add: Interest cost accrued during the period	358	302
Less: Payment of lease liabilities	(1,552)	(1,081)
Balance as at 31 March	4,392	2,368

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

Particulars	As at 31 March 2023	As at 31 March 2022
up to one year	1,406	834
one to 5 years	3,610	1,664
more than 5 years	327	149
Total	5,343	2,647

(D) Maturity analysis of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Within 12 months	1,087	802
After 12 months	3,305	1,566
Total	4,392	2,368

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(E) Amount recognised in statement of profit & loss

Particulars	As at 31 March 2023	As at 31 March 2022
Interest cost on lease liabilities	358	302
Amortization right of use assets	1,073	815
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	1,285	922

(F) Amount recognised in statement of cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Cash payments for the principal & interest portion of the lease liability within financing activities	1,552	1,081
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.	1,285	922

Note 44: Ratings assigned by credit rating agencies

Rating Agency	Instrument Type	Rating / Outlook	
		As at 31 March 2023	As at 31 March 2022
India Ratings & Research Pvt Ltd.	Principal protected market linked debentures	IND PP-MLD AA/Stable	IND PP-MLD Aaemr/Stable
	Unallocated Bank Lines	IND AA/Stable	IND Aaemr/ Stable
	Non- Convertible Debenture	IND AA/Stable	IND AA/Stable
	Commercial Paper	IND A1+	IND A1+
CRISIL	Non- Convertible Debenture	CRISIL AA Stable	-
	Commercial Paper	CRISIL A1+	CRISIL A1+
ICRA	Commercial Paper	[ICRA]A1+	[ICRA]A1+
	Non- Convertible Debenture	[ICRA]AA (Stable)	[ICRA]AA (Stable)
	Unallocated Bank Lines	[ICRA]AA (Stable)	[ICRA]AA (Stable)
	Principal protected market linked debentures	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA] (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:

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 46: Business support:

The company provides business support to its 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 2023	For the year ended 31 March 2022
Travelling, lodging and boarding expenses	59	7
Marketing & Advertisement commission/ Expense	137	150
Membership fees	45	34
Computer maintenance and software charges	243	332
Advisory and other fees	382	394
Total	866	917

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Research and advisory fees	981	1,070
Total	981	1,070

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 48: Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	0.37	1.13
	INR (Indian Rupees)	30.09	86.14
	GBP (Pound Sterling)	-	0.10
	INR (Indian Rupees)	-	10.36
	EUR(EURO Dollar)	-	0.04
	INR (Indian Rupees)	-	3.57
	SGD (Singapore Dollar)	1.84	2.01
	INR (Indian Rupees)	113.46	112.10
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.37	1.13
	INR (Indian Rupees)	30.09	86.14
	GBP (Pound Sterling)	-	0.10
	INR (Indian Rupees)	-	10.36
	EUR(EURO Dollar)	-	0.04
	INR (Indian Rupees)	-	3.57
	SGD (Singapore Dollar)	1.84	2.01
	INR (Indian Rupees)	113.46	112.10
Unhedged foreign currency exposure	USD (USA Dollar)	0.37	1.13
	INR (Indian Rupees)	30.09	86.14
	GBP (Pound Sterling)	-	0.10
	INR (Indian Rupees)	-	10.36
	EUR(EURO Dollar)	-	0.04
	INR (Indian Rupees)	-	3.57
	SGD (Singapore Dollar)	1.84	2.01
	INR (Indian Rupees)	113.46	112.10

b) Payables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	0.26	0.45
	INR (Indian Rupees)	21.26	34.03
	HKD (Hongkong Dollar)	2.54	3.69
	INR (Indian Rupees)	26.54	35.62
	SGD (Singapore Dollar)	4.45	2.70
	INR (Indian Rupees)	275.20	150.98
Foreign currency payable in next 5 years including interest	USD (USA Dollar)	0.26	0.45
	INR (Indian Rupees)	21.26	34.03
	HKD (Hongkong Dollar)	2.54	3.69
	INR (Indian Rupees)	26.54	35.62
	SGD (Singapore Dollar)	4.45	2.70
	INR (Indian Rupees)	275.20	150.98

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Unhedged foreign currency exposure	USD (USA Dollar)	0.26	0.45
	INR (Indian Rupees)	21.26	34.03
	HKD (Hongkong Dollar)	2.54	3.69
	INR (Indian Rupees)	26.54	35.62
	SGD (Singapore Dollar)	4.45	2.70
	INR (Indian Rupees)	275.20	150.98

c) Investments

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	2.80	2.80
	INR (Indian Rupees)	129.53	129.53
Foreign currency exposure in next 5 years including interest	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	2.80	2.80
	INR (Indian Rupees)	129.53	129.53
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	2.80	2.80
	INR (Indian Rupees)	129.53	129.53

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 27 April 2023 has declared final dividend of Rs. 3/- per equity share (on face value of Rs.1/- per equity share) for the financial year 2022-23. 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 2023	Year ended 31 March 2022
Contribution to provident fund	1,857	1,360
Contribution to ESIC	162	170
Contribution to NPS	91	45
Contribution to MLWF	4	3
Total	2,114	1,578

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of up to 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.

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial assumptions				
Mortality	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-014) Ultimate	IALM (2012-14) Ultimate
Discount Rate (per annum)	6.79%	4.57%	6.79%	3.92%
Rate of escalation in salary (per annum)	6.49%	6.49%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 70%	PS: 0 to 37 : 42.43%	PS: 0 to 37 : 54.43%	PS: 0 to 37 : 54.43%
Expected average remaining service	0.43	1.35	0.43	1.35
I) Changes in present value of obligations (PVO)				
Present value of obligation at beginning of period	2,099	1,786	117	131
Interest cost	77	53	-	-
Current service cost	501	442	157	(14)
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Transfer In-Liability	-	9	-	-
Transfer Out-Liability	-	(41)	-	-
Benefits paid	(243)	(177)	-	-
Contributions by plan participants	-	-	-	-
Business Combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (Gain)/Loss on obligation	(64)	27	-	-
Present value of obligation at end of period	2,370	2,099	274	117
II) Interest expense				
Interest cost	77	53	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
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	2,099	1,786	-	-
Fair Value of the Assets at beginning report	-	-	-	-
Net Liability	2,099	1,786	-	-
V) Net Interest				
Interest Expenses	77	53	-	-
Interest Income	-	-	-	-
Net Interest	77	53	-	-
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	(140)	81	-	-
Due to Financial Assumption	(48)	(114)	-	-
Due to Experience	123	59	-	-
Total Actuarial (Gain)/Loss	(64)	27	-	-
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	243	177	-	-
Contributions by Employee	-	-	-	-
Benefits Paid	(243)	(177)	-	-
Fair Value of Plan Assets at end	-	-	-	-
IX) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	-	-	-	-
Past Service Cost -(vested benefits)	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Average remaining future service till vesting of the benefit	-	-	-	-
Recognised Past service Cost-non vested benefits	-	-	-	-
Recognised Past service Cost-vested benefits	-	-	-	-
Unrecognised Past Service Cost- non vested benefits	-	-	-	-
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
Present value of obligation at end of period	2,370	2,099	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(2,370)	(2,099)	-	-
Net Asset/(Liability) recognized in the balance sheet	(2,370)	(2,099)	-	-
XI) Expense recognised in the statement of profit and loss				
Current service cost	501	442	157	(14)
Net Interest	77	53	-	-
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Curtailement Effect	-	-	-	-
Settlement Effect	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-
Actuarial (Gain)/Loss recognized for the period	-	-	-	-
Expense recognized in the statement of profit and loss	578	495	157	(14)
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(64)	27	-	-
Asset limit effect	-	-	-	-
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognized Actuarial (Gain)/ Loss from previous period	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Total Actuarial (Gain)/Loss recognized in (OCI)	(64)	27	-	-
XIII) Movement in liability recognized in balance sheet				
Opening net liability	2,099	1,786	117	131
Adjustment to opening balance	-	-	-	-
Transfer In-Liability	-	9	-	-
Transfer Out-Liability	-	(41)	-	-
Expenses as above	578	495	157	(14)
Contribution paid	(243)	(177)	-	-
Other Comprehensive Income(OCI)	(64)	27	-	-
Closing net liability	2,370	2,099	274	117
XIV) Projected Service Cost 31 Mar 2023	510	501	-	-
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	2,349	2,059	2,378	2,125

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	1,689	547	190	190	22	10
XVIII) Asset Liability Comparisons						
Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023	
Present value of obligation at end of period	1,367	1,612	1,786	2,099	2,370	
Plan Assets	-	-	-	-	-	
Surplus / (Deficit)	(1,367)	(1,612)	(1,786)	(2,099)	(2,370)	
Experience adjustments on plan assets						

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 51 : Related Party Disclosure :

Names of Related Parties :-

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

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 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
- MO Alternative IFSC Private Limited (Effective from 12 December 2022)

b) Associate

- India Realty Excellence Fund II LLP

c) Key management personnel

- | | |
|------------------------|---|
| - Mr. Motilal Oswal | Managing Director and Chief Executive Officer |
| - Mr. Raamdeo Agarawal | Non-Executive Chairman |
| - Mr. Navin Agarwal | Non-Executive Director |
| - Mr. Ajay Menon | Whole-time Director |
| - Mr. Rajat Rajgarhia | Whole-time Director |
| - Mr. Shalibhadra Shah | Chief Financial Officer |
| - Mr. Kailash Purohit | Company Secretary & Compliance Officer |

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- | | |
|------------------------------------|----------------------|
| - Mr. Chitradurga Narasimha Murthy | Independent Director |
| - Mr. Pankaj Bhansali | Independent Director |
| - Mrs. Divya Sameer Momaya | Independent Director |
| - Mr. Chandrashekhar Anant Karnik | Independent Director |
| - Mrs. Swanubhuti Jain | Independent Director |

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 |
| - Ms. Natasha Oswal | - Daughter-in-law 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 |
| - Mr. Dhairya Agarawal | - Grandson 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 Agarwal | - 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 |
| - Ms. Lalita Rajgarhia | - Mother of Mr. Rajat Rajgarhia |

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 Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest (Income)/ Expense	Motilal Oswal Wealth Limited	-	-	-	-	-	-
	Motilal Oswal Home Finance Limited	-	(28)	-	-	-	(28)
	Motilal Oswal Wealth Limited	1,781	654	-	-	1,781	654
	Motilal Oswal Asset Management Company Limited	261	442	-	-	261	442
	Motilal Oswal Home Finance Limited	1,174	1,051	-	-	1,174	1,051
	Motilal Oswal Investment Advisors Limited	49	-	-	-	49	-
	Motilal Oswal Finvest Limited	-	-	-	-	-	-
	MO Alternate investment Advisors Private Limited	33	75	-	-	33	75
	TM Investment Technologies Private Limited	-	(1)	-	-	-	(1)
Total interest received		0	(29)	-	-	0	(29)
Total interest paid		3,298	2,222	-	-	3,298	2,222
Managerial remuneration paid**	Mr. Motilal Oswal	-	-	241	241	241	241
	Mr. Ajay Menon	-	-	1,033	903	1,033	903
	Mr. Rajat Rajgarhia	-	-	449	607	449	607
	Mr. Shalibhadra Shah	-	-	180	207	180	207
	Mr. Kailash Purohit	-	-	36	34	36	34
Total managerial remuneration paid		-	-	1,939	1,991	1,939	1,991
Director sitting fees	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	2	2	2
	Mrs. Swanubhuti Jain	-	-	1	1	1	1
Total director sitting fees paid		-	-	9	9	9	9
Director Commission	Mr. Raamdeo Agarawal	-	-	12	12	12	12
	Mr. Chitradurga Narasimha Murthy	-	-	3	5	3	5
	Mr. Pankaj Bhansali	-	-	3	3	3	3
	Mrs. Divya Sameer Momaya	-	-	3	3	3	3
	Mr. Chandrashekhar Anant Karnik	-	-	7	3	7	3
	Mrs. Swanubhuti Jain	-	-	3	1	3	1
Total director commission paid		-	-	31	27	31	27
Referral fees/ advisory fees (received)	MO Alternate investment Advisors Private Limited	-	(31)	-	-	-	(31)
	Motilal Oswal Capital Markets (Hongkong) Pte Limited	(9)	(5)	-	-	(9)	(5)
Referral fees/ advisory fees paid	Motilal Oswal Securities International Private Limited	268	223	-	-	268	223
	TM Investment Technologies Private Limited	289	108	-	-	289	108
	Motilal Oswal Capital Market (Singapore) Pte Limited	266	351	-	-	266	351
Total referral fees/advisory fees (received)		(9)	(36)	-	-	(9)	(36)
Total referral fees/advisory fees paid		823	682	-	-	823	682

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Placement /Trail / Set up Fees	MO Alternate investment Advisors Private Limited	(1,221)	(2,488)	-	-	(1,221)	(2,488)
Total placement/Trail/Set up fees (received)		(1,221)	(2,488)	-	-	(1,221)	(2,488)
Business support service (received)/ paid	Motilal Oswal Securities International Private Limited	(6)	(2)	-	-	(6)	(2)
	Motilal Oswal Wealth Limited	(521)	(564)	-	-	(521)	(564)
	Motilal Oswal Home Finance Limited	(219)	(219)	-	-	(219)	(219)
	Motilal Oswal Asset Management Company Limited	(943)	(954)	-	-	(943)	(954)
	Motilal Oswal Investment Advisors Limited	(18)	(18)	-	-	(18)	(18)
	MO Alternate investment Advisors Private Limited	(323)	(329)	-	-	(323)	(329)
	Motilal Oswal Finvest Limited	(27)	(24)	-	-	(27)	(24)
	Glide Tech Investment Advisory Private Limited	(8)	(8)	-	-	(8)	(8)
	Boundless Media Private Limited	-	-	(1)	(1)	(1)	(1)
	TM Investment Technologies Pvt Ltd	(2)	(2)	-	-	(2)	(2)
	Motilal Oswal Finvest Limited	1,276	1,276	-	-	1,276	1,276
Total Business support service (received)		(2,067)	(2,120)	(1)	(1)	(2,068)	(2,121)
Total Business support service paid		1,276	1,276	-	-	1,276	1,276
Training fees	MO Alternate investment Advisors Private Limited	-	67	-	-	-	67
	Glide Tech Investment Advisory Private Limited	70	-	-	-	70	-
Total Training fees (paid)		70	67	-	-	70	67
Brokerage/Other sharing	Motilal Oswal Wealth Limited	3,501	2,370	-	-	3,501	2,370
	Mr. Sukhdeo Ramgopal Agarawal	-	-	4	4	4	4
	Dr. Karoon Ramgopal Agarawal	-	-	0	-	0	-
	Ms. Kamalam Menon	-	-	0	-	0	-
	Ms. Asha Menon	-	-	0	-	0	-
Agarawal Portfolios	-	-	-	49	-	49	
Total Brokerage sharing		3,501	2,370	4	53	3,505	2,423
Portfolio management service distribution fees	Motilal Oswal Asset Management Company Limited	(3,342)	(4,101)	-	-	(3,342)	(4,101)
Total Portfolio management service distribution fees		(3,342)	(4,101)	-	-	(3,342)	(4,101)
Alternate Investment fund income	Motilal Oswal Asset Management Company Limited	(1,766)	(3,475)	-	-	(1,766)	(3,475)
Total Alternate Investment fund income		(1,766)	(3,475)	-	-	(1,766)	(3,475)
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)

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	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	23	22	-	-	23	22
	Boundless Media Private Limited	-	-	(1)	(1)	(1)	(1)
	TM Investment Technologies Pvt Ltd	(2)	(2)	-	-	(2)	(2)
	Motilal Oswal Finvest Limited	(26)	(25)	-	-	(26)	(25)
Total rent (received)		(1,874)	(1,873)	(1)	(1)	(1,875)	(1,874)
Total rent paid		133	148	16	16	149	148
Brokerage and depository income	Mr. Motilal Oswal	-	-	3	1	3	1
	Mr. Raamdeo Agarawal	-	-	4	1	4	1
	Mr. Navin Agarwal	-	-	1	0	1	0
	Mr. Ajay Menon	-	-	1	1	1	1
	Mr. Rajat Rajgarhia	-	-	2	1	2	1
	Mr. Shalibhadra Shah	-	-	1	1	1	1
	Mr. Kailash Purohit	-	-	0	0	0	0
	Ms. Vimla Oswal	-	-	3	0	3	0
	Mr. Pratik Oswal	-	-	-	0	-	0
	Ms. Natasha Oswal	-	-	0	0	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	-	-	10	11	10	11
	India Reality Excellence Fund II LLP	-	-	0	0	0	0
	OSAG Enterprises LLP	-	-	0	0	0	0
	Ms. Vedika Karnani	-	-	0	0	0	0
	Dr. Karoon Ramgopal Agarawal	-	-	0	1	0	1
	Mr. Vinay R. Agarawal	-	-	0	0	0	0
	Mr. Sukhdeo Ramgopal Agarawal	-	-	3	3	3	3
	Mr. Govinddeo R. Agarawal	-	-	0	0	0	0
	Mr. Satish Agarawal	-	-	0	0	0	0
	Ms. Anita Anandmurthy Agrawal	-	-	0	0	0	0
	Raamdeo Agarawal HUF	-	-	3	9	3	9
	Navshital Consultants LLP	-	-	0	0	0	0
	Gracious Advisors LLP	-	-	0	0	0	0
	Opulency Advisors and Consultants LLP	-	-	0	0	0	0
	Ms. Kamalam Menon	-	-	0	0	0	0
	Ms. Asha Menon	-	-	1	3	1	3
	Ms. Lalita Rajgarhia	-	-	0	-	0	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Ms. Suneeta Agarawal	-	-	1	-	1	-
	Mrs. Divya Sameer Momaya	-	-	0	-	0	-
	Ms. Priti Shah	-	-	0	0	0	0
	Motilal Oswal Finvest Limited	289	-	-	-	289	-
	Shalibhadra N Shah HUF	-	-	0	0	0	0
Total Brokerage		289	-	33	32	322	32
Reimbursement of expenses	Motilal Oswal Wealth Limited	(84)	(63)	-	-	(84)	(63)
	Motilal Oswal Investment Advisors Limited	(31)	(23)	-	-	(31)	(23)
	MO Alternate investment Advisors Private Limited	(43)	(32)	-	-	(43)	(32)
	Motilal Oswal Asset Management Company Limited	(86)	(64)	-	-	(86)	(64)
	Motilal Oswal Home Finance Limited	(25)	(18)	-	-	(25)	(18)
	Glide Tech Investment Advisory Private Limited	(1)	(1)	-	-	(1)	(1)
	Motilal Oswal Finvest Limited	(4)	(3)	-	-	(4)	(3)
Total reimbursement of expenses (received)		(274)	(204)	-	-	(274)	(204)
Total reimbursement of expenses paid		-	-	-	-	-	-
Partnership gain accrued	India Realty Excellence Fund II LLP	-	-	(423)	(95)	(423)	(95)
Total partnership gain accrued		-	-	(423)	(95)	(423)	(95)
Gain on sale of investment	India Realty Excellence Fund II LLP	-	-	(303)	(261)	(303)	(261)
Total Gain on sale of investment		-	-	(303)	(261)	(303)	(261)
Donation	Motilal Oswal Foundation (Trust)	-	-	881	616	881	616
Total donation paid		-	-	881	616	881	616
Commission for Pledge/Bank Guarantee	Motilal Oswal Asset Management Company Limited	207	89	-	-	207	89
	Motilal Oswal Finvest Limited	113	113	-	-	113	113
	Motilal Oswal Home Finance Limited	-	(164)	-	-	-	(164)
Total Commission for Pledge/Bank Guarantee (received)		-	(164)	-	-	-	(164)
Total Commission for Pledge/Bank Guarantee paid		320	202	-	-	320	202
Dividend (received)/paid	Mr. Motilal Oswal	-	-	774	981	774	981
	Mr. Raamdeo Agarawal	-	-	4,004	909	4,004	909
	Motilal Oswal HUF	-	-	0	0	0	0
	Raamdeo Agarawal HUF	-	-	451	78	451	78
	Ms. Suneeta Agarawal	-	-	639	35	639	35
	Ms. Vimla Oswal	-	-	12	15	12	15
	Mr. Rajendra Gopilal Oswal	-	-	5	7	5	7
	Dr. Karoon Ramgopal Agarawal	-	-	10	12	10	12
	Mr. Vinay R. Agarawal	-	-	10	12	10	12
	Mr. Sukhdeo Ramgopal Agarawal	-	-	8	9	8	9
	Mr. Govinddeo R. Agarawal	-	-	6	7	6	7
	Mr. Dhairya Agrawal	-	-	9	-	9	-
	Mr. Pratik Mehta	-	-	1	-	1	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Ms. Suman Agrawal	-	-	10	12	10	12
	Mr. Satish Agrawal	-	-	8	10	8	10
	Ms. Anita Anandmurthy Agrawal	-	-	8	10	8	10
	Ms. Vimladevi Salecha	-	-	0	0	0	0
	Ms. Vedika Karnani	-	-	10	12	10	12
	Mr. Vaibhav Raamdeo Agarawal	-	-	25	31	25	31
	Motilal Oswal Family Trust	-	-	4,308	19	4,308	19
	Mr. Navin Agarwal	-	-	766	924	766	924
	Mr. Ajay Menon	-	-	37	46	37	46
	Mr. Rajat Rajgarhia	-	-	173	209	173	209
	Mr. Shalibhadra Shah	-	-	4	4	4	4
	OSAG Enterprises LLP	-	-	0	0	0	0
	MO Alternate investment Advisors Private Limited		(6,115)		-		(6,115)
	Motilal Oswal Asset Management Company Limited		(1,010)		-		(1,010)
	Motilal Oswal Finvest Limited	(414)	(152)	-	-	(414)	(152)
	Motilal Oswal Wealth Limited		-		-		-
Total dividend (received)		(414)	(7,277)	-	-	(414)	(7,277)
Total dividend paid		-	-	11,278	3,342	11,278	3,342

** The above numbers are in the nature of Short term employee benefits as per IND AS 24.

Managerial remuneration does not include provision for gratuity and Insurance premiums for medical and life.

Note: Income/Liability figures are shown in brackets.

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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Subscription/ purchase of equity shares	Motilal Oswal Finvest Limited	-	23,500	-	-	-	23,500
	Motilal Oswal Asset Management Company Limited	-	2,686	-	-	-	2,686
	Glide Tech Investment Advisory Private Limited	-	300	-	-	-	300
	MO Alternative IFSC Private Limited	5	-	-	-	5	-
	Motilal Oswal Finsec IFSC Limited	-	960	-	-	-	960
Total		5	27,446	-	-	5	27,446
Purchase/(Sale) of Investments	Motilal Oswal Wealth Limited	(12,000)	-	-	-	(12,000)	-
	Motilal Oswal Finvest Limited	(19,901)	-	-	-	(19,901)	-
	Motilal Oswal Finvest Limited	20,125	-	-	-	20,125	-
Total Sale		(31,901)	-	-	-	(31,901)	-
Total purchase		20,125	-	-	-	20,125	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans given / (received)	TM Investment Technologies Pvt Ltd	-	11	-	-	-	11
	Motilal Oswal Asset Management Company Limited	(48,570)	(54,450)	-	-	(48,570)	(54,450)
	MO Alternate investment Advisors Private Limited	(5,628)	(8,600)	-	-	(5,628)	(8,600)
	Motilal Oswal Investment Advisors Limited	(3,300)	-	-	-	(3,300)	-
	Motilal Oswal Wealth Limited	(12,63,650)	(4,25,601)	-	-	(12,63,650)	(4,25,601)
	Motilal Oswal Home Finance Limited	(4,28,045)	(5,63,631)	-	-	(4,28,045)	(5,63,631)
Total Loans (received)		(17,49,193)	(10,52,282)	-	-	(17,49,193)	(10,52,282)
Total Loans given		-	11	-	-	-	11
Loans repayment given / (received)	Motilal Oswal Asset Management Company Limited	50,865	52,155	-	-	50,865	52,155
	MO Alternate investment Advisors Private Limited	5,628	8,600	-	-	5,628	8,600
	TM Investment Technologies Pvt Ltd	-	(11)	-	-	-	(11)
	Motilal Oswal Wealth Limited	12,71,750	4,17,601	-	-	12,71,750	4,17,601
	Motilal Oswal Investment Advisors Limited	3,300	-	-	-	-	-
	Motilal Oswal Home Finance Limited	4,28,045	5,63,631	-	-	4,28,045	5,63,631
Total loans repayment (received)		-	(11)	-	-	-	(11)
Total loans repayment given		17,59,588	10,41,987	-	-	17,56,288	10,41,987
Pledge of Security	Motilal Oswal Asset Management Company Limited	20,990	-	-	-	20,990	-
Total		20,990	-	-	-	20,990	-
Outstanding balances:		-	-	-	-	-	-
Loans (Including Interest) / Advances	Motilal Oswal Asset Management Company Limited	(12)	(2,330)	-	-	(12)	(2,330)
	Motilal Oswal Investment Advisors Limited	(44)	-	-	-	(44)	-
	Motilal Oswal Wealth Limited	-	(8,302)	-	-	-	(8,302)
	MO Alternate investment Advisors Private Limited	-	(15)	-	-	-	(15)
Total loans and advances (payable)		(56)	(10,647)	-	-	(56)	(10,647)
Total loans and advances receivable		-	-	-	-	-	-
Other receivables /(payable)	Motilal Oswal Investment Advisors Limited	10	17	-	-	10	17
	Motilal Oswal Wealth Limited	(762)	(116)	-	-	(762)	(116)
	Motilal Oswal Commodities Broker Private Limited	34	34	-	-	34	34
	Motilal Oswal Asset Management Company Limited	498	1,356	-	-	498	1,356
	Motilal Oswal Finvest Limited	(38)	(152)	-	-	(38)	(152)

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	113	112	-	-	113	112
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	(266)	(145)	-	-	(266)	(145)
	Motilal Oswal Capital Markets (Hong kong) Private Limited	(27)	(36)	-	-	(27)	(36)
	MO Alternate investment Advisors Private Limited	63	264	-	-	63	264
	MO Alternative IFSC Private Limited	13	-	-	-	13	-
	Glide Tech Investment Advisory Private Limited	(8)	18	-	-	(8)	18
	Motilal Oswal Securities International Private Limited	(51)	(107)	-	-	(51)	(107)
	OSAG Enterprises LLP	-	-	2	2	2	2
	Boundless Media Private Limited	-	-	0	-	0	-
	TM Investment Technologies Pvt Ltd	(128)	(66)	-	-	(128)	(66)
	Motilal Oswal Home Finance Limited	(134)	(131)	-	-	(134)	(131)
Total others (payables)		(1,414)	(753)	-	-	(1,414)	(753)
Total others receivables		731	1,801	2	2	733	1,803
Rent deposits (liabilities) / assets	Motilal Oswal Wealth Management Limited	55	55	-	-	55	55
Total rent deposits assets		55	55	-	-	55	55
Outstanding balance in respect of investments in related parties							
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	53,239	56,633	-	-	53,239	56,633
	Motilal Oswal Finvest Limited	90,535	91,769	-	-	90,535	91,769
	Motilal Oswal Securities International Private Limited	457	457	-	-	457	457
	Motilal Oswal Wealth Limited	1,521	1,521	-	-	1,521	1,521
	Motilal Oswal Asset Management Company Limited	16,667	16,667	-	-	16,667	16,667
	Motilal Oswal Trustee Company Limited	10	10	-	-	10	10
	Motilal Oswal Capital Markets (Hong kong) Private Limited	412	412	-	-	412	412
	Glide Tech Investment Advisory Private Limited	700	700	-	-	700	700

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	MO Alternative IFSC Private Limited	5	-			5	-
	Motilal Oswal Finsec IFSC Limited	1,200	1,200	-	-	1,200	1,200
	Motilal Oswal Capital Markets (Singapore) Pte Limited	130	130	-	-	130	130
	TM Investment Technologies Pvt Ltd	574	574	-	-	574	574
	India Realty Excellence Fund II LLP	-	-	1,455	2,033	1,455	2,033
Outstanding balance in respect of pledge of security by related parties							
Pledge of Security	Motilal Oswal Asset Management Company Limited	28,490	7,500	-	-	28,490	7,500
	Motilal Oswal Fininvest Limited	15,000	15,000	-	-	15,000	15,000

Note 52 : Disclosure relating to Employee Stock Option Purchase Plan

Details of stock options : The Company has five 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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The activity in the (ESOS-V),(ESOS-VI), ESOS (VII), ESOS (VIII) and ESOS (IX) during the year ended 31 March 2023 and 31 March 2022 is set below:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	In Numbers	Weighted Average Exercise Price (In 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	20,000	430.10	94,900	478.80
Add: Granted	20,000	905.00	-	-
Less: Exercised	10,000	287.90	59,500	539.43
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	15,400	307.82
Option outstanding as at end of the year	30,000	794.10	20,000	430.10
Exercisable at the end of the year	10,000	572.30	20,000	430.10
ESOP-VI : (Face value of Re. 1 each)				
Option outstanding as at beginning of the year	59,595	649.20	46,595	572.75
Add: Granted	30,000	905.00	35,000	700
Less: Exercised	-	-	22,000	572.30
Less: Forfeited	-	-	-	-
Less: Lapsed	20,000	905.00	-	-
Option outstanding as at end of the year	69,595	685.96	59,595	649.20
Exercisable at the end of the year	28,095	588.60	23,385	572.30
ESOP-VII : (Face value of Re. 1 each)				
Option outstanding as at beginning of the year	3,92,550	635.06	4,53,900	559.96
Add: Granted	50,000	905.00	2,20,000	700
Less: Exercised	29,200	596.72	2,16,400	555.35
Less: Forfeited	-	-	-	-
Less: Lapsed	82,300	633.32	64,950	596.94
Option outstanding as at end of the year	3,31,050	679.64	3,92,550	635.06
Exercisable at the end of the year	1,46,050	581.45	1,92,550	565.49
The (ESOP-VIII) : (Face value of Re. 1/- each)				
Option outstanding, beginning of the Year.	24,44,050	740.74	28,04,900	720.58
Add: Granted	6,58,535	741.35	2,40,000	700.00
Less: Exercised	3,750	700.00	2,76,200	558
Less: Forfeited	-	-	-	-
Less: Lapsed	5,13,250	756.28	3,24,650	691.90
Option outstanding as at end of the year	25,85,585	737.87	24,44,050	740.74
Exercisable at the end of the year	7,89,800	789.51	4,14,200	796.6
The (ESOP-IX) : (Face value of Re. 1/- each)				
Option outstanding, beginning of the Year.	26,59,172	691.70	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	In Numbers	Weighted Average Exercise Price (In Rs.)	In Numbers	Weighted Average Exercise Price (In Rs.)
Add: Granted	1,74,634	735.76	26,59,172	692
Less: Exercised	2,95,802	253.24	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	2,15,000	856.37	-	-
Option outstanding as at end of the year	23,23,004	735.60	26,59,172	692
Exercisable at the end of the year	2,85,870	451.03	-	-

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	Various Dates
Date of board approval	Various Dates	Various Dates	Various Dates	Various Dates	Various Dates
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 6 years
Weighted average remaining contractual life (Vesting period)					
Granted but not vested	3.59 years (Previous year 0 years)	4.62 years (Previous year 5.67 years)	4.58 years (Previous year 5.67 years)	4.27 years (Previous year 4.75 years)	2.25 years (Previous year 0.13 years)
Vested but not exercised	0.75 years (Previous year 0 years)	1 years (Previous year 1.62 years)	0.41 years (Previous year 1.14 years)	0.79 years (Previous year 0.35 years)	0.02 years (Previous year 0 years)
Weighted average share price at the date of exercise for stock options exercised during the year	Rs. 777.40 (Previous year Rs. 539.43)	NA (Previous year Rs. 572.3)	Rs. 746.87 (Previous year Rs.555.35)	Rs. 742.04 (Previous year Rs. 557.96)	Rs. 662.04 (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 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	Rs. 351.13 (Previous year Rs. Nil)	Rs. 240.45 (Previous year Rs. 196.08)	Rs. 244.72 (Previous year Rs. 195.83)	Rs. 257.82 (Previous year Rs. 250.22)	Rs. 382.12 (Previous year Rs. 776.71)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Fair Value Methodology:

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

The key assumptions used in Black-Scholes model for calculating fair value are as under:

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX
Range of Risk free interest rate	6.05% - 7.8%	5.63% - 7.8%	5.63% - 8.04%	6.18% - 7.72%	5.63% - 7.38%
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.

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 2023	For the year ended 31 March 2022
Expense arising from employee share based payment plans	1,119	1,264
Total carrying amount at the end of the period of Share based payment reserve	8,816	6,250

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 on account of change in the assumption on estimate of exercising of options.	For the year ended 31 March 2023	For the year ended 31 March 2022
(+)5%	(171)	(222)
(-)5%	171	222

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 2023	Year ended 31 March 2022
(A) Tax expense recognized in profit and loss:		
Current tax expense		
Current tax for the year	15,829	14,807
Tax adjustment in respect of earlier years	(225)	(199)
Total current tax expense	15,604	14,608
Deferred taxes		
Change in deferred tax liabilities	35	1,123
Net deferred tax expense	35	1,123
Total	15,639	15,731

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Tax recognised through other comprehensive income:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of defined benefit plan	16	(7)
Equity instruments through other comprehensive income	(462)	266
Total	(446)	259

(C) Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	72,530	86,413
Tax at the rate of 25.168%	18,254	21,749
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt Income	(149)	(2,333)
Additional allowance for tax purpose	(146)	-
Tax at different rate	(2,343)	(3,485)
Tax adjustment of previous years	(225)	(199)
Expenses disallowed under income tax	250	-
Income tax expense	15,641	15,731

Applicable tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax rate	25.168%	25.168%

(D) Net Deferred Tax

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,670	1,554
Loss on private equity investment	-	5
Deferred tax on IND AS adjustments	8,925	9,549
Total deferred tax liabilities (A)	10,595	11,108
Deferred tax assets on account of:		
Expenses allowable u/s. 43B on payment basis	594	532
Allowance on impairment	764	650
Sec 35 DD Amalgamation Expense	754	754
Provision for impairment of non-current investments	-	278
Total deferred tax assets (B)	2,112	2,214
Net deferred tax Liability/ (Assets) (A-B)	8,483	8,894

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Deferred tax related to the following:

Particulars	As at 31 March 2023	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2022	Recognised through Retained Earnings	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 01 April 2021
Deferred tax liabilities on account of:								
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,670	116	-	1,554	-	64	-	1,490
Loss on private equity investment	-	(5)	-	5	-	-	-	5
Deferred tax on IND AS adjustments	8,925	(162)	(462)	9,549	-	1,313	259	7,977
Total deferred tax liabilities	10,595	(51)	(462)	11,108	-	1,377	259	9,472
Deferred tax assets on account of:								
Expenses allowable u/s. 43B on payment basis	594	78	(16)	532	-	64	-	468
Amalgamation Expense Sec 35DD	754	-	-	754	746	-	-	8
Allowance on impairment	764	114	-	650	-	191	-	459
Provision for impairment of non-current investments	-	(278)	-	278	-	-	-	278
Total deferred tax assets	2,112	(86)	(16)	2,214	746	254	-	1,213
Total deferred tax Assets/liability (net)	8,483	35	(446)	8,894	(746)	1,123	259	8,259

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			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31 March 2023								
Financial assets								
Cash and cash equivalents	-	-	94,958	94,958	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	6,21,157	6,21,157	-	-	-	-
Receivables								

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Carrying amount				Fair value				
	31 March 2023	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(I) Trade receivables	-	-	66,918	66,918	-	-	-	-	-
(II) Other receivables	-	-	882	882	-	-	-	-	-
Loans	-	-	1,32,782	1,32,782	-	-	-	-	-
Investments (Excluding subsidiaries)	1,88,047	47,749	-	2,35,796	1,52,038	15,614	68,144	2,35,796	
Other financial assets	-	-	17,849	17,849	-	-	-	-	-
Total financial assets	1,88,047	47,749	9,34,546	11,70,342	1,52,038	15,614	68,144	2,35,796	
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	-	-	3,09,979	3,09,979	-	-	-	-	
Debt securities	-	-	2,74,163	2,74,163	-	-	-	-	
Borrowings (Other than debt securities)	-	-	99,387	99,387	-	-	-	-	
Deposits	-	-	115	115	-	-	-	-	
Other financial liabilities	-	-	2,34,062	2,34,062	-	-	-	-	
Total financial liabilities	-	-	9,17,706	9,17,706	-	-	-	-	

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

Particulars	Carrying amount				Fair value				
	31 March 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 (Excluding subsidiaries)	2,06,929	53,290	-	2,60,219	1,74,797	14,437	70,985	2,60,219	

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Carrying amount				Fair value				
	31 March 2022	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other financial assets	-	-	34,033	34,033	34,033	-	-	-	-
Total financial assets	2,06,929	53,290	6,07,135	8,67,354	8,67,354	1,74,797	14,437	70,985	2,60,219
Financial liabilities									
Payables									
Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,44,641	3,44,641	3,44,641	-	-	-	-
Debt securities	-	-	1,78,402	1,78,402	1,78,402	-	-	-	-
Borrowings (Other than debt securities)	-	-	38,691	38,691	38,691	-	-	-	-
Deposits	-	-	98	98	98	-	-	-	-
Other financial liabilities	-	-	65,428	65,428	65,428	-	-	-	-
Total financial liabilities	-	-	6,27,259	6,27,259	6,27,259	-	-	-	-

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

III. Financial instruments not measured at fair value

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

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 year ended 31 March 2023 and 31 March 2022:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Unquoted Shares	Total
As at March 31, 2021	39,696	14,312	5,864	59,872
Additions	1,867	231	9,996	12,094
Disposals	(433)	(3,736)	-	(4,169)
Gains/(losses) recognised in statement of profit and loss	1,960	294	934	3,188
As at March 31, 2022	43,090	11,101	16,794	70,985
Additions	561	393	150	1,104
Disposals	(786)	(1,965)	(295)	(3,046)
Gains/(losses) recognised in statement of profit and loss	1,640	132	(2,671)	(899)
As at March 31, 2023	44,505	9,661	13,978	68,144

Valuation inputs and relationships to fair value

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

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of PE funds	54,166	54,191
Significant unobservable inputs		
NAV of the fund at Fair value		
- increase by 100 bps	542	542
- decrease by 100 bps	(542)	(542)
Fair value of Unquoted shares	13,978	16,794
Significant unobservable inputs		
Price Multiple		
- increase by 10 %	1,398	1,679
- decrease by 10 %	(1,398)	(1,679)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

Following provides exposure to credit risk for trade receivables and margin trading facility loans

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables (Net of impairment)	66,918	66,621
Margin trading facility loans (Net of impairment)	1,32,872	88,318

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 31 March 2023		As at 31 March 2022	
	Carrying value	ECL	Carrying value	ECL
Stage 1	1,32,782	550	88,462	239
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 31 March 2023	As at 31 March 2022
Opening balance	2,343	1,612
Impairment loss recognised	126	731
Closing balance	2,469	2,343

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

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 2023	As at 31 March 2022
Loans:		
Loans	1,32,872	88,318
Total Loans	1,32,872	88,318
Borrowings:		
Variable rate borrowing	99,387	28,296
Fixed rate borrowing	2,74,163	1,88,797
Total Borrowing	3,73,550	2,17,093

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Impact on profit after tax	
	As at 31 March 2023	As at 31 March 2022
Loans:		
Interest rates – increase by 1%	1,329	883
Interest rates – decrease by 1%	(1,329)	(883)
Borrowings:		
Interest rates – increase by 1%	(735)	(209)
Interest rates – decrease by 1%	735	209

(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 2023	As at 31 March 2022
Exposure to price risk	2,35,796	2,60,219

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	As at 31 March 2023	As at 31 March 2022
Impact on profit before tax for 10% increase in NAV/price	23,580	26,022
Impact on profit before tax for 10% decrease in NAV/price	(23,580)	(26,022)

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The capital composition is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Gross debt*	3,73,550	2,17,093
Less: Cash and cash equivalents	94,958	1,03,955
Net debt (A)	2,78,592	1,13,138
Total equity (B)	4,45,354	4,24,211
Gearing ratio (A / B)	62.56%	26.67%

*Debt includes debt securities as well as borrowings(Other than debt securities)

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 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	94,958	-	94,958	1,03,955	-	1,03,955
Bank balance other than cash and cash equivalent above	5,85,232	35,925	6,21,157	1,89,496	1,23,508	3,13,004
Trade receivables	63,544	3,374	66,918	66,209	412	66,621
Other receivables	882	-	882	1,060	-	1,060
Loans	1,32,782	-	1,32,782	88,462	-	88,462
Investments	-	4,05,604	4,05,604	26,480	4,08,171	4,34,651
Other financial assets	15,827	2,022	17,849	32,563	1,470	34,033
	8,93,225	4,46,925	13,40,150	5,08,225	5,33,561	10,41,786
Non-Financial assets						
Current Tax assets	-	-	-	-	821	821
Investment Property	-	7,643	7,643	-	7,699	7,699
Property, plant and equipment	1,152	31,661	32,813	805	22,338	23,143
Other Intangible assets	-	2,999	2,999	-	2,160	2,160
Other non-financial assets	5,670	-	5,670	3,934	-	3,934
	6,822	42,303	49,125	4,739	33,018	37,757
Total Assets	9,00,047	4,89,228	13,89,275	5,12,964	5,66,579	10,79,543
Liabilities						
Financial Liabilities						
Trade payables	3,09,979	-	3,09,979	3,44,641	-	3,44,641
Debts	2,71,323	2,840	2,74,163	1,40,602	37,800	1,78,402
Borrowings	99,387	-	99,387	38,691	-	38,691
Deposits	-	115	115	-	98	98
Other financial liabilities	2,30,757	3,305	2,34,062	63,862	1,566	65,428
	9,11,446	6,260	9,17,706	5,87,796	39,464	6,27,260

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non Financial Liabilities						
Current tax liabilities (net)	1,242	-	1,242	1,206	-	1,206
Provisions	12,633	754	13,387	14,205	1,302	15,507
Deferred tax liabilities	-	8,483	8,483	-	8,894	8,894
Other non financial liabilities	3,103	-	3,103	2,465	-	2,465
	16,978	9,237	26,215	17,876	10,196	28,072
Total Liabilities	9,28,424	15,498	9,43,921	6,05,672	49,660	6,55,332

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 2023 and 31 March 2022. 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.

1. 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 as well as term deposits with banks..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.

2. Disaggregate revenue information

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Operating segment :		
Brokerage income	1,67,485	1,58,070
Portfolio management fees and commission income	18,449	18,605
Interest income	47,291	33,145
Depository income	7,099	6,527

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Nature, timing of satisfaction of the performance obligation and significant payment term:

- (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 amounts of assets pledged as security for borrowings are:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
First charge		
Receivables		
Trade receivables	32,250	52,200
Loans		
Margin trading facility	1,05,000	40,800
Floating charge		
Investments	72,740	-
Non-financial assets		
First charge		
Property, plant and equipment	39,864	39,864
Total assets pledged as security	2,49,854	1,32,864

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Terms and conditions:

1. Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
2. 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.

Note:

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.

- (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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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.
- 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 Hundred, 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 Hundred, 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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.

Additional disclosures

a) 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.

b) 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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.

c) Acquisition date & date of control:- 01 April 2020

d) 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

e) Identifiable assets acquired and liabilities assumed

Particulars	As at 31 March 2021	Adjustments on account of amalgamation			As at 01 April 2021
	As per signed annual report	PIMPL	MORE II	MOPE	(Restated)
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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2021	Adjustments on account of amalgamation			As at 01 April 2021
	As per signed annual report	PIMPL	MORE II	MOPE	(Restated)
Non - Financial Assets					
Current Tax Asset	2,355	374	-	-	2,729
Other Non Financial Assets	2,494	1	-	-	2,495
Liabilities					
Financial Liabilities					
Other Financial Liabilities	37,739	2	-	-	37,741
Non-Financial Liabilities					
Deferred 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

f) 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).

g) 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.

h) 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 Hundred, unless otherwise stated)

i) 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

j) 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

k) 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%

l) 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	Year ended 31 March 2023	Year ended 31 March 2022
(a) Total amount required to be spent during the year	904	684
(b) Total amount of expenditure incurred during the year	904	684
(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 TO FINANCIAL STATEMENT (Contd..)

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

Notes:

1. The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):
 - 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. Contribution of Rs. 881 lakhs (Previous year Rs. 616 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- "Related Party Disclosures"
3. As represented by Motilal Oswal foundation, Amount of Rs. 853 lakhs (Previous Year : Rs. Nil) has been spent by the Company for the construction/ acquisition of a new asset.

Note 62. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

Note 63. The Company has not been declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

Note 64: The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Note 65: 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 66: The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 67: The Company has no satisfaction of charges which are pending to be filed with ROC.

Note 68: The Company had Bought back 14,54,545 Equity Shares @ Rs. 1,100/- per Equity Share valued to Rs.16,000 lakhs under tender offer on 18 July 2022 (i.e. settlement date) and the said shares have been extinguished on 22 July 2022.

Note 69: The Company acquired shares of MO Alternative IFSC Private Limited on December 12, 2022. From this date onwards, MO Alternative IFSC Private Limited has become a wholly owned subsidiary company.

Note 70: Amendments issued but not yet effective

a. Newly issued standards

There were no standards notified by the Ministry of Corporate Affairs (MCA) during the year ended March 31, 2023.

b. Amendments in prevailing standards but not effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015. The effective date for adoption of these amendments is annual period beginning on or after April 1, 2023. The significant amendments are as below.

(i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 71: The amounts reflected as "0" in the financial information are values with less than rupees fifty thousand.

Note 72: Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date

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

Sd/-
Nikhil Singhi
 Partner
 Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
 Managing Director and Chief Executive Officer
 DIN : 00024503

Sd/-
Shalibhadra Shah
 Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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

Sd/-
Kailash Purohit
 Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS



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, 2023 attached herewith, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 March 31, 2023, 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 Statements 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.

Key Audit Matters

4. 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.
5. We have determined the matters described below to be the key audit matters to be communicated in the auditor's report issued by us for the Holding Company and of its Subsidiary:

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Expected Credit Loss (ECL) on Loans and Advances (MOHFL)</p> <p>Ind AS 109 requires the Group to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach.</p> <p>As at March 31, 2023 (Motilal Oswal Home Finance Limited, (MOHFL)), the carrying value of loan assets measured at amortised cost, aggregated Rs. 3,77,173 lakhs (net of allowance of ECL Rs. 7,080 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 Group's modelling approach.</p> <p>d) Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.</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 Group. <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>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>e) Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.</p> <p>f) Adjustments to model driven ECL results to address emerging trends.</p> <p>Refer Note 30 of the Financial Statements. (MOHFL)</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 MOHFL's Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays.</p> <p>f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p> <p>g) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and Ind AS 109.</p>
2.	<p>Information Technology (IT) Systems and Controls – MOFSL and MOHFL (Enterprises)</p> <p>The Enterprise's key financial accounting and reporting processes are highly dependent on the automated controls over the Enterprise's information systems.</p> <p>MOHFL has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from/to this software are critical for accurate compilation of financial information.</p> <p>Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following:</p> <ul style="list-style-type: none"> • Interest, Fee income and other charges collected on Loans • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default 	<p>Our Audit Approach:</p> <p>With the help of our IT specialists, we obtained an understanding of the Enterprise's IT applications, databases and operating systems relevant to financial reporting and the control environment. 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>So, there exists a risk that gaps in the IT general control environment which could result in a misstatement of the financial accounting and reporting records of the Enterprises. 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 for the Enterprises.</p>	<ul style="list-style-type: none"> ➤ 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 (MOFSL)</p> <p>As at March 31, 2023, the MOFSL held investments in –</p> <p>i) Shubham Housing Development Finance Company Private Limited whose carrying amount is of Rs. 73.8 crores which represents 0.53 % of the total assets of the Company.</p> <p>ii) Bundl Technologies Private Limited whose carrying amount is of Rs. 64.48 crores which represents 0.46 % of the total assets of the Company.</p> <p>These investments are not traded in the active market. The fair valuation of these investments are determined by a management appointed independent valuation expert. 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. <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;

INDEPENDENT AUDITOR'S REPORT (Contd..)

Sr. No.	Key audit matters	How our audit addressed the key audit matter
3.	<p>The valuation of these investments were 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 of MOFSL due to the materiality of total value of investments to such standalone financial statements and the complexity involved in the valuation of these investments.</p>	<ul style="list-style-type: none"> ➤ 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.

6. The auditors Aneel Lasod and Associates, Chartered Accountants, of Motilal Oswal Commodities Broker Private Limited (MOCBPL) vide their audit report dated April 25, 2023, 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 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>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
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.	<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>

7. The auditors Shah & Savla LLP Chartered Accountants, of Motilal Oswal Finvest Limited vide their audit report dated April 26, 2023, 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. <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>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matter	Principal audit procedures performed
<p>2. 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>b) Assessed the critical assumptions used by the management for expected credit losses as at March 31, 2023.</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> <p>We examined Board Policy that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p> <p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2023 by reconciling it with the balances as per loan balance register as on that date.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p>

INDEPENDENT AUDITOR'S REPORT (Contd..)

Key Audit Matter	Principal audit procedures performed
<p>3. 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>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,</p> <p>b) The segmentation of financial assets when their ECL is assessed on a collective basis</p> <p>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</p> <p>d) Assessment of qualitative factors having an impact on the credit risk.</p>	

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

8. 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 and Sustainability Report, which is expected to be made available to us after that date.

Our opinion on the consolidated 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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

9. 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 statements 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.
10. 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.
11. 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

12. 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.
13. **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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- 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 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.
14. 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 statements.
 15. 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.
 16. 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.
 17. 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

18. We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets of Rs. 5,62,858 lakhs as at March 31, 2023, total revenue of Rs. 59,414 lakhs, total net profit after tax of Rs. 12,461 lakhs, net cash (outflow) / inflow of Rs. 48,483 lakhs and total comprehensive income of

INDEPENDENT AUDITOR'S REPORT (Contd..)

Rs. 11,210 lakhs for the year ended March 31, 2023 respectively, 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. 262 lakhs for the year ended March 31, 2023, 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.

19. The consolidated financial statements includes the consolidated financial statements of four subsidiaries which have not been audited, whose annual financial statements reflect total assets of Rs. 4,448 lakhs as at March 31, 2023, total revenue of Rs. 1,349 lakhs, total net profit after tax of Rs. (217) lakhs, net cash (outflow) / inflow of Rs. 392 lakhs and total comprehensive income of Rs. (217) lakhs for the year ended March 31, 2023 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.

Report on Other Legal and Regulatory Requirements

20. 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.
21. 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;

INDEPENDENT AUDITOR'S REPORT (Contd..)

- 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, 2023, 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 Indian subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the 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, 2023 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 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 March 31, 2023;
 - 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 March 31, 2023;
 - iv. (a) The respective managements of the Group and associate which are Companies incorporated in India 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 which are Companies incorporated in India 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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group and associate w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

UDIN: 23061567BGYHLM6195

Place: Mumbai

Date: April 27, 2023

INDEPENDENT AUDITOR'S REPORT (Contd..)

Independent Auditors' Report of even date on the Consolidated Financial Statements of Motilal Oswal Financial Services Limited

Annexure A referred to in paragraph 20 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 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: 23061567BGYHLM6195

Place: Mumbai

Date: April 27, 2023

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 [21(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, 2023, 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

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 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 such subsidiary companies, the Group which comprises of the companies incorporated in India, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2023, 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.

INDEPENDENT AUDITOR'S REPORT (Contd..)

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: 23061567BGYHLM6195

Place: Mumbai

Date: April 27, 2023

CONSOLIDATED BALANCE SHEET

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
I. ASSETS :			
1. Financial assets			
(a) Cash and cash equivalents	4	2,57,631	2,13,754
(b) Bank balance other than (a) above	5	6,26,060	3,17,771
(c) Receivables			
(I) Trade receivables	6	1,02,909	1,00,309
(II) Other receivables	6	3	23
(d) Loans	7	7,21,764	4,90,452
(e) Investments	8	4,78,696	4,68,491
(f) Other financial assets	9	29,168	35,594
Sub total financial assets (A)		22,16,231	16,26,394
2. Non-financial asset			
(a) Current tax assets (net)	10	3,487	3,381
(b) Deferred tax assets (net)	11	6,067	6,353
(c) Property, plant and equipment	12(a)	42,651	32,367
(d) Other Intangible assets	12(b)	3,930	3,299
(e) Other non-financial assets	13	28,628	20,540
Sub total non-financial assets (B)		84,763	65,940
Total Assets (A+B)		23,00,994	16,92,334
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	3,44,842	3,70,086
(b) Debt securities	15	6,96,512	3,96,880
(c) Borrowings (Other than Debt securities)	16	3,31,080	2,18,271
(d) Deposits	17	170	98
(e) Other financial liabilities	18	2,45,478	83,800
Sub total financial liabilities (A)		16,18,082	10,69,135
2. Non - financial liabilities			
(a) Current tax liabilities (net)	19	3,666	3,166
(b) Provisions	20	23,644	24,422
(c) Deferred tax liabilities (net)	21	21,046	18,797
(d) Other non - financial liabilities	22	6,238	6,749
Sub total non-financial liabilities (B)		54,594	53,134
3. Equity			
(a) Equity share capital	23	1,479	1,491
(b) Other equity	24	6,23,745	5,65,946
(c) Non-controlling interests		3,094	2,628
Sub total equity (C)		6,28,318	5,70,065
Total Liabilities and Equity (A+B+C)		23,00,994	16,92,334
Summary of significant accounting policies and accompanying notes to the consolidated financial statements	1-71		

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

Sd/-
Raamdeo Agarawal
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	For the Year ended 31 March 2023	For the Year ended 31 March 2022
1) Income :			
(a) Revenue from operations			
(a) Interest income	25	1,22,829	1,03,425
(b) Dividend income	26	882	10,211
(c) Rental income	27	26	17
(d) Fees and commission income	28	2,73,342	2,60,730
(e) Net gain on fair value changes	29	13,876	49,593
(f) Other operating income	30	6,757	5,707
Total revenue from operations		4,17,712	4,29,683
(b) Other income	31	2,000	1,958
Total income (a+b) (1)		4,19,712	4,31,641
2) Expenses :			
(a) Finance costs	32	59,583	47,477
(b) Fees and commission expense	33	86,131	89,285
(c) Impairment on financial instruments	34	4,279	9,466
(d) Employee benefits expense	35	1,00,838	87,821
(e) Depreciation and amortization expense	36	5,838	4,826
(f) Other expenses	37	38,818	31,185
Total expenses (2)		2,95,487	2,70,060
3) Profit before taxation (3) = (1) - (2)		1,24,225	1,61,581
4) Tax expenses/ (credit)	38		
(a) Current tax		29,062	23,588
(b) Deferred tax expenses / (credit)		1,823	7,109
(c) Short/(excess) provision for earlier years		58	(189)
Total tax expenses (4)		30,943	30,508
5) Profit after tax (5) = (3) - (4)		93,282	1,31,073
6) Share of profit from associates (net of taxes)		196	172
7) Profit after tax and share in profit of associates (7) = (5)+(6)		93,478	1,31,245
8) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of the post retirement benefit plans		169	176
- Fair value gain/(loss) on investment valued at fair value through other comprehensive income		(5,467)	4,488
(b) Income tax relating to items that will not be reclassified to profit or loss		650	(558)
Total other comprehensive income, net of tax (8)		(4,648)	4,106
9) Total comprehensive income (9) = (7)+(8)		88,830	1,35,351
10) Net profit attributable to:			
Owners of parent		93,169	1,30,978
Non-controlling interests		309	267
11) Other comprehensive income/ (loss) attributable to:			
Owners of parent		(4,649)	4,103
Non-controlling interests		1	3
12) Total comprehensive income attributable to: (12) = (10)+(11)			
Owners of parent		88,520	1,35,081
Non-controlling interests		310	270
13) Earning per share (Re. 1 each)	42		
Basic (amount in Rs.)		62.89	89.14
Diluted (amount in Rs.)		62.66	88.38
Summary of significant accounting policies and accompanying notes to the consolidated financial statements	1-71		

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

Sd/-
Raamdeo Agarawal
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 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		
Profit before taxation	1,24,225	1,61,582
Adjustments for:		
Add: Impairment on financial instruments	4,279	9,466
Depreciation and amortisation expense	5,838	4,826
Provision for gratuity	1,152	857
Employee Stock Option Expenditure	2,904	2,404
Foreign Currency Translation Reserve	402	177
Interest Expense pertaining to lease liability	424	412
Profit from partnership gain and joint venture	262	241
Less: Net loss/(gain) on fair value change	(13,876)	(49,593)
Profit on sale of property, plant and equipment (Net)	-	(5)
Interest Income	(64)	(122)
Dividend Income	(882)	(10,211)
Operating profit	1,24,664	1,20,032
Adjustment for working capital changes:		
(Increase) / decrease in trade receivables	(4,148)	(11,203)
(Increase) / decrease in other receivables	20	37
(Increase) / decrease in other financial assets	6,426	32,568
(Increase) / decrease in other non financial assets	(8,088)	(8,920)
(Increase) / decrease in loans	(2,34,043)	(45,865)
Investment in Fixed deposit having maturity more than 3 months (refer note (ii) below)	(3,08,290)	(97,204)
(Increase) / decrease in liquid investments	10,868	27,444
Increase / (decrease) in trade payables	(25,245)	67,518
Increase / (decrease) in deposit	72	53
Increase / (decrease) in other financial liabilities	161,678	30,129
Increase / (decrease) in other non financial liabilities	(511)	2,443
Increase / (decrease) in Provision	(1,761)	6,068
Cash generated from / (used in) operations	(2,78,358)	1,23,100
Direct taxes paid net (including MAT credit utilised)	(27,432)	(22,034)
Net cash generated from / (used in) Operating activities (A)	(3,05,790)	1,01,066
B. Cash flow from investing activities		
(Purchase)/sale of Property, plant and equipment	(16,754)	(5,454)
Purchase of Investments	(48,286)	(1,11,254)
Sale of Investments	35,346	61,636
Interest received	64	122
Dividend received	882	10,211
Net cash generated from / (used in) Investing activities (B)	(28,748)	(44,739)
C. Cash flow from financing activities		
Issue of Share capital including Securities premium*	1,034	3,398
Buyback of shares	(19,843)	-
Proceeds from issue of debentures	1,09,883	37,800
Repayment of debentures	(78,643)	(70,305)
Proceeds from/(Repayment) of commercial paper	2,68,391	79,661
Proceeds from/(Repayment) of other borrowings	1,12,809	(1,289)
Payment of Dividend	(14,825)	(8,673)
Increase/ (Decrease) in unpaid dividend	1	3
Cash payment of lease liability and interest	(424)	(412)
Reserve adjustment of merger	-	(9,278)
Investment by/ (purchase) from Non controlling interest	32	(2,686)
Net cash generated from / (used in) Financing activities (C)	378,415	28,219
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	43,877	84,546

CONSOLIDATED CASH FLOW STATEMENT

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents comprise as at beginning 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	22,268
Cash and cash equivalents as at beginning of the year	2,13,754	1,29,208
Cash & Cash Equivalents comprise of as at end of the year		
Cash on hand	249	269
Schedule bank - In Current accounts	1,92,217	1,35,210
Cheques in hand	85	20
Fixed Deposit with original maturity within 3 months	65,080	78,255
Cash and cash equivalents as at end of the year	2,57,631	2,13,754
Changes in liabilities arising from financing activities:		
Opening balance of borrowings	6,15,151	5,69,284
Proceeds from issue of debentures	1,09,883	37,800
Repayment of debentures	(78,643)	(70,305)
Proceeds from/(Repayment) of commercial paper	2,68,391	79,661
Proceeds from/(Repayment) of other borrowings	1,12,809	(1,289)
Closing balance of borrowings	1,027,591	6,15,151
Cashflow from operating activities includes:		
Interest received	1,22,829	1,03,425
Interest paid	59,159	47,065

Notes:

- The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified in the Companies (Indian Accounting Standard) Rules, 2015.
- Net cash flow from operating activities excluding increase/decrease in fixed deposits is Rs.2,502 lakhs and Rs.1,98,270 lakhs for the year ended 31 March 2023 and year ended 31 March 2022 respectively
- Figures in brackets indicate cash outflows.

*This is net off intercompany sale of investment.

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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

Sd/-
Kailash Purohit
Company Secretary

CONSOLIDATED STATEMENT CHANGES IN EQUITY

(A) Equity share capital

Particulars	Number	Amount
As at 01 April 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 ESOS	5,74,100	6
As at 31 March 2022	14,90,62,919	1,491
Add/Less: Changes due to prior period errors	-	-
Restated as at 01 April 2022	14,90,62,919	1,491
Changes during the year due to exercise of Employees Stock Option Scheme	3,38,752	3
Changes during the year due to buyback of shares	(14,54,545)	(15)
As at 31 March 2023	14,79,47,126	1,479

(B) Other equity

Particulars	Reserves and surplus										Items of other comprehensive income	Total other equity	Non-controlling interest (NCI)	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 2021 #	10,486	2,523	46,612	5,758	5,084	12,847	(203)	62	3,20,438	41,050	4,44,657	3,226	4,47,884	
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)	62	3,20,438	41,050	4,44,657	3,226	4,47,884	
Total comprehensive income for the year	-	-	-	-	-	-	-	-	1,30,974	3,975	1,34,949	269	1,35,218	
Dividends paid	-	-	-	-	-	-	-	-	(8,673)	-	(8,673)	-	(8,673)	
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 impairment reserve	-	-	-	-	-	-	-	28	(28)	-	-	-	-	
Transfer to Securities premium	-	-	-	(1,047)	-	-	-	-	-	-	(1,047)	-	(1,047)	

in INR Hundred unless otherwise stated)

CONSOLIDATED STATEMENT CHANGES IN EQUITY

Particulars	Reserves and surplus								Items of other comprehensive income	Total other equity	Non-controlling interest (NCI)	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
Stamp duty due to merger*	-	-	-	-	-	-	-	(2,245)	-	(2,245)	-	(2,245)		
Impact due to merger	-	-	-	-	-	-	-	(7,034)	-	(7,034)	-	(7,034)		
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		
Actuarial gains/(losses) on post retirement benefit plans	-	-	-	-	-	-	-	131	-	-	-	131		
Investment by/ (purchased from) NCI	-	-	-	-	-	-	-	-	-	-	(1,004)	(1,004)		
Transfer to NCI	-	-	-	-	-	-	-	(137)	-	(137)	137	-		
Balance as at 31 March 2022	7,982	2,523	51,051	7,115	3,409	18,080	(26)	4,30,698	45,025	5,65,946	2,628	5,68,574		
Add/Less: Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-		
Restated balance as at 01 April 2022	7,982	2,523	51,051	7,115	3,409	18,080	(26)	4,30,698	45,025	5,65,946	2,628	5,68,574		
Total comprehensive income for the year	-	-	-	-	-	-	-	93,169	(4,773)	88,396	309	88,706		
Transfer from Other comprehensive income**	-	-	-	-	-	18,957	-	-	(18,957)	0	-	0		
Interim Dividend	-	-	-	-	-	-	-	(10,353)	-	(10,353)	-	(10,353)		
Final Dividend	-	-	-	-	-	-	-	(4,472)	-	(4,472)	-	(4,472)		
Transfer to Securities premium	-	-	-	(74)	-	-	-	-	-	(74)	-	(74)		
Transfer to statutory reserves	-	-	-	-	-	-	-	(4,027)	-	(4,027)	-	(4,027)		
Buyback of shares	-	-	(16,000)	-	-	-	-	-	-	(16,000)	-	(16,000)		
Buyback related costs	-	-	-	-	-	-	-	(3,843)	-	(3,843)	-	(3,843)		
Transfer from Employee stock option reserve	-	-	74	-	-	-	-	-	-	74	-	74		
Business combination cost	-	-	-	-	-	-	-	(2,223)	-	(2,223)	-	(2,223)		
Transfer to General Reserve	-	-	-	(495)	-	495	-	-	-	0	-	0		

(All amounts are in Lakhs, unless otherwise stated)

NOTES TO FINANCIAL STATEMENT

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 27 April 2023.

Information on the Group's structure is provided in note 57.

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)

1C. Business Combination under Acquisition method

The Group applies the acquisition method in accounting for business combinations for the businesses which are not under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENT (Contd..)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a) Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Tax' and Ind AS 19 'Employee Benefits' respectively.
- b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- c) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments', is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. (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. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

The 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 11 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 53.

(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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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. Profit distribution 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.

(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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(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:

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

(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.

(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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(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.

(x) Net gain on fair value changes.

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognizes gains on fair value change of financial assets measured at FVTPL and realized gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

(xi) Trustee fees

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

(xii) Depository services income

Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation.

Revenue from depository services on account of transaction charges is recognized point in time when the performance obligation is satisfied.

(xiii) Delayed payment charges

Interest is earned on delayed payments from customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the 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. 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 recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

Lease 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

2.7. 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.

2.8. 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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 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.

Classification and subsequent measurement of financial assets depends on:

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

1. Financial assets carried at:

a. 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

NOTES TO FINANCIAL STATEMENT (Contd..)

acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

b. Fair value through other comprehensive income

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

c. Fair value through profit or loss

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

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

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

However, financial assets that are written off could still be subject to enforcement activities under the 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.

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

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.9. Offsetting financial instruments

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

2.10. Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

2.11. 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.

2.12. Repossessed collateral

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

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 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Assets	Useful life
Office Equipments	5 years
Computers and Network Equipments	3 to 6 years
Plant and Machinery	5 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.

Asset	Useful life
Computer Software	5 years
Licences	Over the license period
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.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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 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.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.

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 50.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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) in lakhs rounded off to two decimal places except when otherwise stated as permitted by Schedule III to the Companies Act, 2013, 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.

(iii) Translation of foreign subsidiaries.

All income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve of the respective subsidiary and is disclosed in Reserves and surplus.

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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. Fiduciary assets

Assets held by the Company in its own name, but on the account of third parties, are not reported in the balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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.
- (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.

NOTES TO FINANCIAL STATEMENT (Contd..)

(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.

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 4: Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	249	269
Balances with banks		
In current accounts	1,92,217	1,35,210
Cheques in hand	85	20
Fixed deposit with bank (maturity within 3 months) (Including interest accrued on fixed deposit)	65,080	78,255
	2,57,631	2,13,754

Note 5 : Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed Deposit with original maturity more than 3 months but less than 12 months*	5,87,760	1,90,190
Fixed Deposit with original maturity more than 12 months*	38,248	1,27,530
Accrued interest on fixed deposits (maturity more than 12 months)	12	10
Unpaid dividend account	40	41
	6,26,060	3,17,771

*Fixed deposits under lien with stock exchanges amounted to Rs.4,66,672 lakhs (March 31, 2022 : Rs.2,51,695 lakhs) and kept as collateral security towards bank guarantees issued amounted to Rs. 1,64,252 lakhs (March 31, 2022 : Rs.64,844 lakhs) and kept as collateral security against credit facility amounted to Rs.22,039 lakhs (March 31, 2022 : Rs. 8,622 lakhs). Further, Fixed deposits of Rs. 2,506 lakhs (Previous year: Rs. 2,520 lakhs) are held as cash collateral for securitisation of receivables.

Note 6: Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Trade receivables		
a) Secured, considered good *	44,373	52,430
b) Unsecured, considered good	60,042	49,436
c) Credit impaired	1,057	846
Less : Allowances for impairment losses	(2,563)	(2,403)
	1,02,909	1,00,309
(ii) Other receivables		
a) Other	3	23
	3	23
	1,02,912	1,00,332

* Secured against securities given as collateral by the customers

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 1) 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 the ECL provision for the current year except for receivables outstanding for more than 90 days which are considered to be under significant increase in credit risk and full credit loss is booked.
- 2) 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.
- 3) 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. 24,575 Lakhs (Previous year Rs.24,575 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

Note 6 (i) : Receivable ageing schedule

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Loss Allowance	Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good	72,662	1,477	4,858	3	408	(1,506)	77,903
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	11	-	-	-	-	11
(iii) Undisputed Trade receivables - credit impaired	-	309	748	-	-	(1,057)	-
(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	72,662	1,798	5,606	3	25,402	(2,563)	102,909

NOTES TO FINANCIAL STATEMENT (Contd..)

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

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					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	72,731	1,765	1,960	2	408	(1,552)	75,314
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	5	-	(5)	-
(iii) Undisputed Trade receivables - credit impaired	119	294	434	-	-	(846)	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	72,850	2,059	2,394	7	25,402	(2,403)	100,309

Note 7 : Loans

Particulars	As at 31 March 2023	As at 31 March 2022
(A) Loans- At amortised cost		
Loans - Housing finance business	3,84,253	3,51,989
Term loans	-	744
Loans repayable on demand	2,12,061	57,537
Loans to employees	1,093	570
Margin trading facility	1,32,927	88,539
Total (A) Gross	7,30,334	4,99,380
Less : Impairment loss allowance	(8,570)	(8,928)
Total (A) Net	7,21,764	4,90,452
(B) Secured by tangible assets / securities	5,31,529	4,51,633
Secured by intangible assets	-	-
Unsecured	1,98,805	47,746
Total (B) Gross	7,30,334	4,99,380
less : Impairment loss allowance		
Secured by tangible assets / securities	(7,634)	(8,817)
Unsecured	(936)	(111)
Total (B) Net	7,21,764	4,90,452

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
(C) Loans in India		
Public sector	-	-
Others	7,30,334	4,99,380
Total (C) Gross	7,30,334	4,99,380
Less : Impairment loss allowance	(8,570)	(8,928)
Total (C) Net	7,21,764	4,90,452
(D) Loans made to related parties		
Loan repayable on demand:		
Promoters	-	-
Directors	-	-
Key managerial personnel	-	2,001
Other related parties	61	18
	61	2,019
% of total loans:		
Promoters	-	-
Directors	-	-
Key managerial personnel	-	0%
Other related parties	0%	0%

Loan book and ECL Movement Notes (Gross):

1(a) Loan book movement

Particulars	As at 31 March 2023	As at 31 March 2022
Opening	4,99,380	4,59,397
Origination of new loan	3,43,64,560	1,49,55,690
Derecognition of loans	(8,403)	(16,545)
Repayments received during the year	(3,41,25,203)	(1,48,99,162)
Closing	7,30,334	4,99,380

1(b) Break - up of loans under various stages

Particulars	As at 31 March 2023	As at 31 March 2022
Low credit risk (Stage1)	7,17,472	4,81,346
Significant increase in credit risk (Stage2)	8,401	12,215
Credit impaired (Stage3)	4,461	5,818
Closing	7,30,334	4,99,380

NOTES TO FINANCIAL STATEMENT (Contd..)

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

1(c) ECL movement

Particulars	As at 31 March 2023	As at 31 March 2022
Opening	8,928	7,362
ECL impact due to Write-offs / Sale of Loan	(2,356)	(3,516)
Addition during the year	1,998	5,082
Closing	8,570	8,928

1(d) Break - up of ECL under

Particulars	As at 31 March 2023	As at 31 March 2022
Low credit risk (Stage1)	5,142	4,628
Significant increase in credit risk (Stage2)	1,333	1,716
Credit impaired (Stage3)	2,095	2,584
Closing	8,570	8,928

Note 8 : Investment

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
I	Investments At Amortised cost				
(a)	Investment in Non-Convertible Debenture				
	16.25% Shriprop Projects Private Limited	-	-	25	250
	15.40% & 16.80% Casagrand Millenia Private Limited	-	-	200	538
	14% Terrapolis Assets Private Limited	29	287	30	300
	12% Radiance Realty Developer India Limited	-	-	40	400
	14.40% Rajapushpa Properties Private Limited	80	800	80	800
	10% Casa Grande Milestone Private Limited - Perungudi	525	525	-	-
	10% Casa Grande Milestone Private Limited - Sholinganallur	610	610	-	-
	6.80% Skyscape Developers Private Limited	100	1,000	-	-
	14.35% Ativa Real Estate Developers Private Limited	100	1,000	-	-
	15.25% Pelagus Infrastructures Private Limited	41	405	-	-
	13.65% Squarespace Infra City Private Limited	50	500	-	-
	Total (a)		5,127		2,288
	Total (I)		5,127		2,288
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	-	7,50,000	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Shubham Housing Development Finance Company Private Limited	1,02,309	3,652	21,377	601
	National Stock Exchange Limited	5,00,000	16,365	5,00,000	16,252
	Fincare Small Finance Bank Limited	11,94,369	1,534	11,94,369	2,024
	Fincare Business Services Limited	12,81,767	779	12,81,767	1,128
	MF Utilities India Private Limited	5,00,000	5	5,00,000	5
	AMC Repo Clearing Limited	99,300	10	99,300	10
	Stockation Private Limited	2,327	150	-	-
	Total (a)		22,495		20,019
(b)	Equity Instruments - Quoted - Fully paid-up				
	Radiant Cash Management Services	24,88,087	2,403	-	-
	Central Depository Services India Limited	100	0	-	-
	Other Equity instruments	5,478	25	-	-
	Total (b)		2,428		-
(c)	Preference Shares - Unquoted - Fully paid-up				
	0.01% Compulsory Convertible shares of Shubham Housing Development Finance Co. Private Limited	1,04,461	3,728	2,20,260	6,197
	0.01% Bundl Technologies Private Limited	2,030	6,448	2,030	9,996
	Total (c)		10,176		16,193
(d)	Mutual Funds (Equity) - Quoted - Fully paid-up				
	MOST Shares M100 ETF	7,36,242	234	7,35,753	230
	MOST Shares NASDAQ 100 ETF	5,61,501	275	5,62,001	304
	Motilal Oswal NASDAQ Q 50 ETF	76,620	41	76,620	44
	Most Shares M50 ETF	60,060	105	60,153	104
	Kotak Mahindra MF - Kotak Banking ETF	17,889	74	17,889	66
	Motilal Oswal 5 Year G-SEC ETF	1,12,501	58	1,12,501	54
	Axis Consumption ETF	41,776	30	41,776	29
	Motilal Oswal Nifty 200 Momentum 30 ETF	1,24,580	46	24,716	50
	Motilal Oswal S&P BSE Low Volatility ETF	42,56,235	1,039	3,09,606	348
	Motilal Oswal S&P BSE Healthcare ETF	22,92,301	503	-	-
	Motilal Oswal S&P BSE Quality ETF	5,70,246	657	-	-
	Motilal Oswal S&P BSE Enhanced Value ETF	12,95,399	618	-	-
	Nippon India Gold BeES ETF	67,500	34	67,500	30
	SBI Nifty Next 50 ETF	44,978	81	44,978	80
	Kotak Nifty India Consumption ETF	61,564	16	-	-
	Motilal Oswal Gold And Silver ETF - FOF	28,09,937	334	-	-
	Mutual Funds (Equity) -Unquoted - Fully paid-up				
	Motilal Oswal FlexiCap	22,78,58,001	77,252	20,90,47,387	78,184
	Most Focused Midcap 30 Fund	12,02,16,191	66,384	12,02,16,191	59,653
	Motilal Oswal Most Focused Multicap 25 Fund	6,29,49,918	22,564	6,42,80,248	22,626
	Most Focused Long term Fund	11,51,162	344	1,90,816	53

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Motilal Oswal Most Focused Dynamic Equity Fund	9,92,064	156	5,00,000	80
	Motilal Oswal Equity Hybrid Fund - Direct (G)	5,00,000	81	5,00,000	78
	Motilal Oswal Nifty Midcap 150 Index Fund	2,00,000	41	5,53,715	110
	Motilal Oswal Nifty 500 Fund	4,75,146	79	5,67,804	96
	Motilal Oswal Nifty Bank Index Fund	2,72,044	40	2,72,044	36
	Motilal Oswal Nifty Smallcap 250 Index Fund	2,19,498	43	2,19,498	46
	Motilal Oswal Nifty 50 Index Fund	92,12,633	1,346	1,29,62,633	1,340
	Motilal Oswal Nifty Next 50 Index Fund	43,30,591	579	43,30,591	1,169
	Motilal Oswal S&P BSE low Volatility Index Fund	12,42,270	236	54,99,725	552
	Motilal Oswal Large And Midcap Fund	11,17,76,397	19,991	11,27,70,790	18,463
	Motilal Oswal S&P 500 Index Fund	5,00,000	76	5,00,000	79
	Motilal Oswal Multi Asset Fund	4,99,975	56	4,99,975	56
	Motilal Oswal Asset Allocation Passive Fund of Fund - Aggressive	4,99,975	58	4,99,975	58
	Motilal Oswal Asset Allocation Passive Fund of Fund - Conservative	4,99,975	57	4,99,975	56
	Motilal Oswal MSCI EAFE Top 100 Select Index Fund	4,99,975	55	4,99,975	51
	Motilal Oswal 5 Year G-SEC FOF	4,99,975	52	4,99,975	52
	Motilal Oswal Nifty 200 Momentum 30 FOF	4,99,975	45	4,99,975	50
	Motilal Oswal Nifty G-SEC May 2029 Index Fund	1,04,99,475	1,065	-	-
	Motilal Oswal S&P BSE Enhanced Value Index Fund	42,49,788	498	-	-
	Motilal Oswal S&P Bse Financials Ex Bank 30 Index	2,49,988	23	-	-
	Motilal Oswal S&P BSE Quality Index Fund - Direct	14,49,927	147	-	-
	Motilal Oswal NASDAQ 100 FOF	2,00,000	45	2,00,000	47
	Mutual Funds (Debt) - Unquoted - Fully paid-up				
	MOST Ultra Short Term Bond Fund	8,76,376	132	8,76,376	126
	Motilal Oswal Liquid Fund	30,24,261	363	5,00,000	57
	UTI money market fund	-	-	2,12,741	5,299
	HDFC Cash Management Liquid Units	5,607	276	5,607	261
	SBI Savings Fund	4,49,669	169	4,49,669	160
	Aditya Birla Sun life Money Manager Fund	-	-	35,50,214	10,612
	Kotak Money Market Fund	-	-	2,93,548	10,569
	Nippon India Overnight Fund Subscription	16,61,908	2,000	-	-
	Kotak Overnight Fund	1,67,278	2,000	-	-
	Sundaram Overnight Fund	1,67,907	2,000	-	-
	Mirae Asset Overnight Fund Collection	1,74,055	2,000	-	-
	L And T Mutual Fund Pool Collection A/C	1,70,530	2,000	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Mahindra Manulife Mf Collection Pool A/C	86,179	1,000	-	-
	Axis Overnight Fund Collection A/C	1,68,723	2,000	-	-
	Icici Prudential Overnight Fund Direct	1,65,524	2,000	-	-
	Total (d)		2,11,398		2,11,356
(e)	Investment in Alternative Investment funds (Equity) - Unquoted - Fully paid-up				
	Motilal Oswal Focused Growth Opportunities Fund	-	-	49,99,750	598
	Motilal Oswal Growth Opportunities Fund Series II	96,77,616	1,150	-	-
	Motilal Oswal Focused Growth Opportunities Fund II (CA)	9,99,950	104	9,99,950	103
	Motilal Oswal Focused Business Advantage Fund	-	-	1,00,00,000	1,769
	Motilal Oswal Focused Business Advantage Fund (CA)	-	-	1,00,000	325
	Motilal Oswal Business Advantage Fund Series-II	73,04,775	952	60,30,942	830
	Motilal Oswal Business Advantage Fund - SERIES-II (Class X)	13,01,485	131	-	137
	Motilal Oswal Multicap Equity Fund	9,99,950	1,328	9,99,950	1,336
	Motilal Oswal Select Opportunities Fund Series II	86,26,104	1,234	86,26,104	1,253
	Motilal Oswal Select Opportunities fund-Series II (Class X)	14,04,659	143	14,04,659	144
	Motilal Oswal Select Opportunities Fund – Series III	85,82,269	936	85,82,269	940
	Motilal Oswal Select Opportunities Fund - Series III (Class X)	9,99,950	98	9,99,950	99
	Motilal Oswal India Excellence Fund II	1,15,15,281	908	50,83,659	491
	Motilal Oswal India Excellence Fund (Class Cx)	9,99,950	78	9,99,950	95
	Motilal Oswal Equity Opportunities Fund Series II	70,59,413	939	70,59,413	987
	Motilal Oswal Equity Opportunities Fund-Series II (Class X)	13,16,273	135	13,16,273	141
	Motilal Oswal Equity Opportunities Fund Series III	1,05,94,627	957	49,99,750	500
	Motilal Oswal Equity Opportunities Fund Series III (Class X)	9,99,950	96	-	-
	Motilal Oswal Hedged Equity Multi Factor Strategy	1,08,72,688	1,001	1,49,99,250	1,501
	Next Trillion Dollar Opportunity Strategy	99,99,500	932	1,59,99,200	1,577
	Motilal Oswal Equity Opportunities Fund (Class X)	14,97,185	252	14,97,185	174
	Motilal Oswal Equity Opportunities Fund	92,34,936	1,491	-	1,437

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Motilal Oswal India Excellence Fund - Mid to Mega- Series II	99,87,640	1,003	-	-
	Motilal Oswal India Excellence Fund - Mid to Mega- Series II (Class X)	9,99,950	98	-	-
	Motilal Oswal Vision 2030 Fund	1,03,88,747	981	-	-
	Motilal Oswal Vision 2030 Fund (Class X)	9,99,950	95	-	-
	Motilal Oswal Growth Anchors Fund	29,99,850	284	-	-
	Motilal Oswal India Growth Fund	29,99,850	289	-	-
	Total (e)		15,613		14,439
(f)	Associates				
	Associates - Real estate funds- Unquoted				
	India Realty Excellence Fund II LLP	-	1,455	-	2,033
	Total (f)		1,455		2,033
(g)	Private Equity Funds - Unquoted				
	India Business Excellence Fund-I	475	1,180	1,697	943
	India Business Excellence Fund II	8,19,022	16,837	8,19,022	15,821
	India Business Excellence Fund III	30,25,999	61,939	30,25,386	62,181
	India Business Excellence Fund IV	40,00,666	18,764	60,00,000	6,000
	India Business Excellence Fund IV - G	7,500	216	7,500	57
	Contrarian Vriddhi Fund I LLP	625	291	625	206
	Real Estate Funds - Unquoted				
	Investment in India Realty Excellence Fund III	68,48,065	7,304	68,48,065	8,543
	India Realty Excellence Fund IV	99,53,703	10,477	72,67,466	7,682
	India Realty Excellence Fund V	80,03,919	6,154	23,68,421	2,138
	Total (g)		1,23,162		1,03,570
(h)	Investment in Security receipt- Unquoted				
	Phoenix Trust FY 20-9	22,10,000	7,461	22,10,000	10,217
	Phoenix Trust-FY20-21	2,84,750	1,065	2,84,750	1,106
	Phoenix Trust-FY21-16	2,08,250	944	2,08,250	1,435
	Phoenix Trust-FY21-2	1,53,000	641	1,53,000	827
	Phoenix Trust-FY21-6	2,75,740	1,129	2,75,740	1,431
	Phoenix Trust-FY21-14	4,76,000	2,438	4,76,000	4,336
	Phoenix Trust-FY22-22	2,55,000	1,257	2,55,000	2,394
	Phoenix Trust-FY23-6	3,05,490	2,718	-	-
	Phoenix Trust-FY23-32	1,99,300	1,993	-	-
	Total (h)		19,646		21,746
(i)	Investment in Non-Convertible Debenture				
	14.35% Ativa Real Estate Developers Private Limited	15	150	-	-
	10% Casa Grande Milestone Private Limited - Perungudi	175	175	-	-
	10% Casa Grande Milestone Private Limited - Sholinganallur	90	90	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	15.25% Pelagus Infrastructures Private Limited	4	45	-	-
	13.65% Squarespace Infra City Private Limited	185	1,850	-	-
	12% Radiance Realty Developer India Limited	-	-	80	836
	14.40% Rajapushpa Properties Private Limited	316	3,160	720	7,200
	Total (i)		5,470		8,036
	Total (II) (a+b+c+d+e+f+g+h+i)		4,11,844		3,97,393
III.	Investment at fair value through other comprehensive income FVOCI				
	Equity Shares - AU Small Finance Bank Limited	65,63,592	37,857	32,81,796	40,899
	Investment through Portfolio Management Services (PMS)				
	AIA Engineering Ltd.	505	15	53	1
	Aarti Drugs Ltd.	-	-	181	1
	Aarti Industries Ltd.	-	-	106	1
	Abbott India Ltd.	54	12	-	-
	Action Construction Equipment Ltd.	846	3	-	-
	Adani Enterprises Ltd.	-	-	13	0
	Adani Ports & Special Economic Zone Ltd.	60	0	136	1
	Aditya Birla Sun Life AMC Ltd.	892	3	-	-
	Advanced Enzyme Technologies Ltd.	-	-	280	1
	Aegis Logistics Ltd.	1,78,350	676	1,78,350	367
	Affle (India) Ltd.	381	4	-	-
	Ajanta Pharma Ltd.	2,343	28	646	12
	Akzo Nobel India Ltd.	161	4	-	-
	Alembic Pharmaceuticals Ltd.	97	0	227	2
	Alkem Laboratories Ltd.	12,431	422	12,785	463
	Alkyl Amines Chemicals Ltd.	-	-	31	1
	Amara Raja Batteries Ltd.	710	4	-	-
	APL Apollo Tubes Ltd.	360	4	111	1
	Asahi India Glass Ltd.	540	2	-	-
	Ashok Leyland Ltd.	-	-	15,888	19
	Asian Paints Ltd.	-	-	223	7
	Astral Ltd.	66	1	95	2
	Atul Ltd.	-	-	75	8
	AU Small Finance Bank Ltd.	2,245	13	172	2
	Aurobindo Pharma Ltd.	-	-	146	1
	Automotive Axles Ltd.	132	3	-	-
	Avanti Feeds Ltd.	660	2	174	1
	Axis Bank Ltd.	2,903	25	15,118	115
	Bajaj Auto Ltd.	-	-	27	1
	Bajaj Finance Ltd.	86	5	25	2

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Bajaj Finserv Ltd.	-	-	6	1
	Balaji Amines Ltd.	-	-	32	1
	Balkrishna Industries Ltd.	-	-	42	1
	Bandhan Bank Ltd.	-	-	326	1
	Bata India Ltd.	60	1	60	1
	Bayer Cropscience Ltd.	7,365	300	7,133	354
	Bharat Dynamics Ltd.	496	5	-	-
	Bharat Electronics Ltd.	33,346	33	-	-
	Bharat Forge Ltd.	73,901	569	76,045	533
	Bharti Airtel Ltd.	230	2	4,568	34
	Birla Corporation Ltd.	31,370	279	33,036	391
	Birlasoft Ltd.	-	-	5,908	27
	BLS International Services Ltd.	2,347	4	-	-
	Blue Dart Express Ltd.	68	4	-	-
	Blue Star Ltd.	373	5	7,371	78
	Bombay Burmah Trading Corporation Ltd.	384	3	-	-
	Bosch Ltd.	3,693	715	3,693	533
	Britannia Industries Ltd.	162	7	181	6
	Caplin Point Laboratories Ltd.	475	3	117	1
	Castrol India Ltd.	3,027	3	-	-
	Century Plyboards (India) Ltd.	560	3	-	-
	CG Power And Industrial Solutions Ltd.	10,811	32	-	-
	Chalet Hotels Ltd.	4,685	17	-	-
	Cholamandalam Financial Holdings Ltd.	-	-	143	1
	Cholamandalam Investment And Finance Company Ltd.	-	-	156	1
	Cipla Ltd.	-	-	111	1
	Clean Science And Technology Ltd.	31,809	403	31,809	634
	Coal India Ltd.	-	-	3,808	7
	Cochin Shipyard Ltd.	721	3	-	-
	Coforge Ltd.	-	-	19	1
	Colgate Palmolive (India) Ltd.	722	11	42	1
	Container Corporation Of India Ltd.	90,138	523	90,138	606
	Coromandel International Ltd.	1,369	12	107	1
	Craftsman Automation Ltd.	120	4	-	-
	Crisil Ltd.	-	-	488	16
	Cummins India Ltd.	13,113	214	52,417	588
	Cyient Ltd.	-	-	91	1
	DCX Systems Ltd.	5,670	8	-	-
	Deepak Nitrite Ltd.	-	-	43	1
	Dhanuka Agritech Ltd.	-	-	128	1
	Divis Laboratories Ltd.	-	-	21	1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Dixon Technologies (India) Ltd.	21	1	40	2
	DLF Ltd.	-	-	67	0
	Dr. Lal Pathlabs Ltd.	30	1	58	2
	Dr. Reddy's Laboratories Ltd.	10	0	120	5
	Eclerx Services Ltd.	-	-	42	1
	Eicher Motors Ltd.	37,030	1,092	40,708	1,000
	Emami Ltd.	1,20,358	432	1,21,598	544
	Equitas Small Finance Bank Ltd.	21,589	14	-	-
	Eris Lifesciences Ltd.	492	3	-	-
	Federal Bank Ltd.	18,033	24	-	-
	Fine Organic Industries Ltd.	94	4	30	1
	Finolex Cables Ltd.	780	6	-	-
	Finolex Industries Ltd.	2,164	4	447	1
	Firstsource Solutions Ltd.	-	-	559	1
	Galaxy Surfactants Ltd.	-	-	191	5
	Garware Technical Fibres Ltd.	-	-	29	1
	Gillette India Ltd.	67	3	-	-
	Gland Pharma Ltd.	54,358	689	36,311	1,188
	Glenmark Pharmaceuticals Ltd.	-	-	235	1
	Global Health Ltd.	6,880	36	-	-
	Godfrey Phillips India Ltd.	194	4	-	-
	Godrej Agrovet Ltd.	653	3	-	-
	Godrej Consumer Products Ltd.	419	4	-	-
	Godrej Industries Ltd.	-	-	1,16,160	539
	Godrej Properties Ltd.	-	-	525	9
	Granules India Ltd.	-	-	509	2
	Greenlam Industries Ltd.	840	3	-	-
	Greenpanel Industries Ltd.	630	2	-	-
	Grindwell Norton Ltd.	-	-	761	14
	Gujarat Gas Ltd.	-	-	152	1
	Gujarat State Petronet Ltd.	3,624	10	2,128	6
	Happiest Minds Technologies Ltd.	-	-	77	1
	HCL Technologies Ltd.	180	2	3,119	36
	HDFC Asset Management Company Ltd.	297	5	71	2
	HDFC Bank Ltd.	704	11	12,001	176
	HDFC Life Insurance Company Ltd.	140	1	17,434	94
	Hero Motocorp Ltd.	200	5	188	4
	Hinduja Global Solutions Ltd.	-	-	70	1
	Hindustan Petroleum Corporation Ltd.	-	-	1,72,020	463
	Hindustan Unilever Ltd.	80	2	200	4
	Hindustan Zinc Ltd.	-	-	2,074	6
	Honeywell Automation India Ltd.	2	1	4	2

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Housing Development Finance Corporation Ltd.	19,363	508	66	2
	ICICI Bank Ltd.	2,37,676	2,085	3,60,557	2,633
	ICICI Lombard General Insurance Company Ltd.	321	3	127	2
	ICICI Lombard General Insurance Company Ltd.	48,369	25	-	-
	ICICI Securities Ltd.	151	1	1,983	12
	IIFL Finance Ltd.	-	-	295	1
	Indiamart Intermesh Ltd.	14	1	27	1
	Indian Energy Exchange Ltd.	-	-	5,100	11
	Indraprastha Gas Ltd.	2,773	12	-	-
	Indusind Bank Ltd.	2,099	22	-	-
	Info Edge (India) Ltd.	-	-	80	4
	Infosys Technologies Ltd.	360	5	1,371	26
	Intellect Design Arena Ltd.	-	-	135	1
	IOL Chemicals And Pharmaceutical Ltd.	-	-	181	1
	IPCA Lab Ltd.	95,255	772	91,669	977
	ITC Ltd.	3,09,861	1,188	3,08,904	774
	JB Chemicals & Pharmaceuticals Ltd.	-	-	60	1
	JK Lakshmi Cement Ltd.	-	-	3,389	16
	JK Paper Ltd.	990	4	-	-
	JSW Steel Ltd.	33	0	33	0
	Jubilant Foodworks Ltd.	-	-	26	1
	Jubilant Pharmova Ltd.	834	2	163	1
	Just Dial Ltd..	-	-	91	1
	Jyothy Laboratories Ltd.	1,894	4	-	-
	Kajaria Ceramics Ltd.	591	6	1,075	11
	Kotak Mahindra Bank Ltd.	1,44,434	2,503	1,52,451	2,674
	Kpit Technologies Ltd.	-	-	248	1
	Krishna Institute Of Medical Sciences Ltd.	271	4	-	-
	L&T Technology Services Ltd.	46,028	1,555	46,639	2,381
	Larsen & Toubro Infotech Ltd.	-	-	12,740	784
	Larsen & Turbo Ltd.	31,787	688	21,053	372
	Laurus Labs Ltd.	-	-	216	1
	LIC Housing Finance Ltd.	-	-	4,140	15
	LTIMindtree Ltd.	10,096	481	-	-
	MRF Ltd.	8	7	-	-
	Macrotech Developers Ltd.	-	-	22	0
	Mahanagar Gas Ltd.	477	5	-	-
	Maharashtra Seamless Ltd.	880	3	-	-
	Mahindra & Mahindra Ltd.	-	-	2,792	23
	Manappuram General Finance & Leasing Ltd.	-	-	461	1
	Marico Ltd.	1,116	5	2,483	13
	Maruti Suzuki India Ltd.	3,874	321	7,736	116

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	MAS Financial Services Ltd.	-	-	131	1
	Mastek Ltd.	-	-	36	1
	Max Financial Service Ltd.	1,48,746	945	1,74,832	1,318
	Metro Brands Ltd.	1,332	11	-	-
	Metropolis Healthcare Ltd.	-	-	269	5
	Minda Industries Ltd.	-	-	113	1
	Mindtree Consulting Ltd.	-	-	311	13
	Motherson Sumi Systems Ltd.	-	-	3,668	5
	Motherson Sumi Wiring India Ltd.	-	-	3,668	2
	Motilal Oswal 5 Year G-SEC ETF	49,244	25	-	-
	Motilal Oswal Liquid Fund - Growth	-	-	87,390	10
	Motilal Oswal NASDAQ 100 ETF	24,441	26	-	-
	Mphasis Ltd.	46	1	76	3
	MTAR Technologies Ltd.	1,077	17	14	0
	Multi Commodity Exchange Of India Ltd.	-	-	451	6
	Muthoot Finance Ltd.	65	1	524	7
	National Mineral Development Corporation Ltd.	2,562	3	-	-
	Navin Fluorine International Ltd.	-	-	28	1
	Nippon Life India Asset Management Ltd.	-	-	238	1
	NMDC Steel Ltd.	2,562	1	155	0
	Oberoi Realty Ltd.	360	3	-	-
	One 97 Communications Ltd.	3,611	23	-	-
	Oracle Financial Services Software Ltd.	-	-	170	6
	P I Industries Ltd.	-	-	36	1
	Page Industries Ltd.	3,287	1,246	3,287	1,420
	Persistent Systems Ltd.	-	-	856	41
	Petronet Lng Ltd.	5,381	12	-	-
	Pfizer Ltd.	133	5	-	-
	Phoenix Mills Ltd.	-	-	9,341	103
	PI Industries Ltd.	-	-	20	1
	Poly Medicure Ltd.	-	-	108	1
	Praj Industries Ltd.	790	3	-	-
	Prince Pipes And Fittings Ltd.	-	-	120	1
	Privi Speciality Chemicals Ltd.	-	-	58	1
	Procter & Gamble Health Ltd.	17	1	17	1
	Procter & Gamble Hygiene & Healthcare Ltd.	41	5	44	6
	R*Shares Liquid Bees - N	19	0	-	-
	Ratnamani Metals & Tubes Ltd.	170	3	-	-
	Relaxo Footwears Ltd.	-	-	1,047	11
	Reliance Industries Ltd.	-	-	1,400	37
	Religare Enterprise Ltd.	1,02,727	149	-	-
	Rites Ltd.	1,017	4	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Rossari Biotech Ltd.	-	-	72	1
	Route Mobile Ltd.	-	-	51	1
	Safari Industries (India) Ltd.	-	-	7,823	76
	SBI Cards And Payment Services Ltd.	3,008	22	1,225	10
	SBI Life Insurance Company Ltd.	-	-	667	7
	Schaeffler India Ltd.	-	-	885	17
	Security & Intelligence Services (India) Ltd.	839	3	-	-
	Sequent Scientific Ltd.	-	-	543	1
	Sheela Foam Ltd.	-	-	256	9
	Shriram City Union Finance Ltd.	-	-	48	1
	Shyam Metals & Energy Ltd.	1,249	3	-	-
	SJVN Ltd.	12,406	4	-	-
	SKF Bearing Ltd.	-	-	414	15
	Solar Industries India Ltd.	156	6	-	-
	Sonata Software Ltd.	708	6	115	1
	SRF Ltd.	-	-	56	2
	State Bank Of India Ltd.	2,41,349	1,264	1,57,634	778
	Sudarshan Chemicals Industries Ltd.	-	-	167	1
	Sun Pharmaceuticals Ltd.	3,254	32	27	0
	Sun TV Ltd.	2,136	9	-	-
	Sundaram Fasteners Ltd.	-	-	121	1
	Sundaram Finance Ltd.	-	-	241	5
	Supreme Industries Ltd.	-	-	555	11
	Supreme Petrochem Ltd.	914	3	-	-
	Suven Pharmaceuticals Ltd.	-	-	193	1
	Symphony Ltd.	755	8	-	-
	Syngene International Ltd.	164	1	347	2
	Tanla Platforms Ltd.	-	-	82	1
	Tasty Bite Eatables Ltd.	-	-	6	1
	Tata Chemicals Ltd..	-	-	25	0
	Tata Consultancy Services Ltd.	13,396	429	19,687	733
	Tata Consumer Products Ltd.	-	-	800	6
	Tata Elxsi Ltd.	-	-	15	1
	Tata Motors Ltd.	160	1	1,200	5
	Tata Power Co.Ltd.	-	-	104	0
	Tata Steel Ltd.	700	1	-	-
	TCPL Packaging Ltd.	248	3	-	-
	Teamlease Services Ltd.	-	-	199	9
	Tech Mahindra Ltd.	82,524	909	83,030	1,245
	Thyrocare Technologies Ltd.	-	-	89	1
	Titan Company Ltd.	-	-	316	8
	Torrent Pharmaceuticals Ltd.	-	-	35	1

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sr. No.	Particulars	As at 31 March 2023		As at 31 March 2022	
		(Units)	(Amount)	(Units)	(Amount)
	Torrent Pharmaceuticals Ltd.	1,005	15	-	-
	Triveni Turbine Ltd.	-	-	452	1
	TTK Prestige Ltd.	-	-	560	5
	Ultratech Cement Ltd.	10	1	182	12
	Unichem Laboratories Ltd.	4,614	13	-	-
	United Spirits Ltd.	-	-	1,000	9
	Vaibhav Global Ltd.	-	-	317	1
	Valiant Organics Ltd.	-	-	77	1
	Varun Beverages Ltd.	-	-	132	1
	Varun Beverages Ltd.	198	3	-	-
	Vedant Fashion Ltd.	43,147	492	43,207	417
	V-Guard Industries Ltd.	1,471	4	-	-
	Vinati Organics Ltd.	-	-	51	1
	Voltas Ltd.	68,147	558	191,050	1,621
	VRL Logistics Ltd.	685	4	-	-
	VST Industries Ltd.	-	-	30	1
	Whirlpool Of India Ltd.	43	1	43	1
	Wipro Ltd.	-	-	3,652	22
	Wockhardt Ltd.	-	-	220	1
	Zee Entertainment Enterprises Ltd.	-	-	68	0
	Zensar Technologies Ltd.	-	-	214	1
	ZF Commercial Vehicle Control Ststems India Ltd.	-	-	100	8
	Zomato Ltd.	8,01,808	409	-	-
	Zydus Lifesciences Ltd.	-	-	203	1
	Cash And Cash Equivalents	-	221	-	59
	Total (III)		61,726		68,811
	Total (I+II+III)		4,78,696		4,68,491
	(i) Investment outside India		216		57
	(ii) Investment in India		4,78,480		4,68,434
	Total		4,78,696		4,68,491

Note 9 : Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Rent, electricity, and other deposits	2,568	1,925
Deposits with exchange and other receivables	24,911	32,775
Securities in trade*	0	0
EMI /Pre EMI receivables on home loans	1,150	617
Receivable from exchanges	539	277
	29,168	35,594

*Securities in trade comprises of investment in equity instruments held on behalf of clients.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 10 : Current tax assets (net)

Particulars	As at 31 Mar 2023	As at 31 March 2022
Advance tax and tax deducted at source (net of provisions)	3,487	3,381
	3,487	3,381

Note 11 : Deferred tax assets (net)

Particulars	As at 31 Mar 2023	As at 31 March 2022
Deferred tax assets (net) (also refer note 38)	6,067	6,353
	6,067	6,353

Note 12 - Property, plant and equipment

Particulars	Gross Block				Depreciation / amortization				Net Block	
	Balance as at 01 April 2022	Additions	Disposal	Balance as at 31 March 2023	Balance as at 01 April 2022	During the year	Disposal	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
(a) Property, plant and equipment										
Computer	1,729	314	-	2,043	1,343	233	-	1,576	467	386
Furniture and fixtures	3,216	64	-	3,280	2,333	130	-	2,463	817	883
Office equipments	4,904	339	-	5,243	4,233	306	-	4,539	704	671
Mobile phone	1	-	-	1	1	-	-	1	-	-
Building	30,329	5,033	-	35,362	8,850	1,101	-	9,951	25,411	21,479
Plant and machinery	11,117	2,544	-	13,661	7,789	1,349	-	9,138	4,523	3,328
Electrical equipment	219	-	-	219	207	2	-	209	10	12
Lease hold improvement	1,581	42	-	1,623	1,299	117	-	1,416	207	282
Land	2,667	2,206	-	4,873	-	-	-	-	4,873	2,667
Vehicles	1,596	397	-	1,993	965	132	-	1,097	896	631
Right to use	5,989	3,827	-	9,816	3,961	1,112	-	5,073	4,743	2,028
Total (a)	63,348	14,766	-	78,114	30,981	4,482	-	35,463	42,651	32,367
(b) Other Intangible assets										
BSE/MCX cards	648	-	-	648	648	-	-	648	-	-
PMS licence	1	-	-	1	1	-	-	1	-	-
Customer rights	1,152	-	-	1,152	896	79	-	975	177	256
Licences	19	-	-	19	19	-	-	19	-	-
Software	9,195	1,988	-	11,182	6,152	1,277	-	7,429	3,753	3,043
Goodwill	90	-	-	90	90	-	-	90	-	-
Total (b)	11,105	1,988	-	13,092	7,806	1,356	-	9,162	3,930	3,299
Total (a+b)	74,453	16,754	-	91,206	38,787	5,838	-	44,625	46,581	35,666

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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	(0)	-
Total (b)	10,096	1,009	-	11,105	6,656	1,150	-	7,806	3,299	3,440
Total (a+b)	68,997	5,457	-	74,454	33,964	4,826	1	38,788	35,666	35,033

Note: There has been no change of amount due to revaluation to Property, plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022. There has been acquisition of a subsidiary during the year as a result of which PPE of the same has been consolidated above in year ended March 2023.

Note 13 : Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	19,173	15,666
Advances and other non-financial assets	3,654	1,338
Indirect tax credit receivable	3,580	2,400
Stock of stamps	6	6
Capital advance	2,215	1,130
	28,628	20,540

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 14 : Payables

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Trade payables#		
total outstanding dues of Micro & small enterprises*	-	-
total outstanding dues of creditors other than Micro small & medium enterprises	3,44,842	3,70,086
	3,44,842	3,70,086

#Trade payables includes balances due to parties other than clients which are 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 2023	As at 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	-	-

Note 14 (i) : Trade Payables ageing schedule For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,19,633	248	55	329	3,20,266
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	24,576	24,576
	3,19,633	248	55	24,905	3,44,842

NOTES TO FINANCIAL STATEMENT (Contd..)

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

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2 - 3 year	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,45,081	73	45	311	3,45,510
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	24,576	24,576
Total	3,45,081	73	45	24,887	3,70,086

Note 15 : Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
At Amortised cost		
Secured		
Secured redeemable non-convertible debentures	1,46,790	1,14,549
Unsecured		
Unsecured redeemable non-convertible debentures	31,500	32,500
Commercial paper	5,18,222	2,49,831
	6,96,512	3,96,880
Debt Securities in India	6,96,512	3,96,880
Debt Securities Outside India	-	-
	6,96,512	3,96,880

Note: Refer note 47 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 2023	As at 31 March 2022
At Amortised cost		
Term loans		
(i) from banks	1,47,626	1,45,494
(ii) from Securitisation	11,584	14,733
(iii) from NHB Refinance	44,027	18,254
(iv) Term Loan ECB	24,430	7,547
Demand loans*		
(i) from banks	99,386	28,296
(ii) from other parties **	4,027	3,948
Cash credit from banks #	(0)	(1)
Total (A)	3,31,080	2,18,271
Borrowings in India	3,06,650	2,10,724
Borrowings outside India	24,430	7,547
Total (B)	3,31,080	2,18,271

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Secured	3,31,080	2,18,271
Unsecured	-	-
Total (C)	3,31,080	2,18,271

*Demand loans from banks and other parties are secured against the property, plant and equipment and trade receivables of the group. Further, there are no material differences in the quarterly returns or statement of current assets filed by the Group with Banks / NBFC's and other financial institutions as compared to Books of accounts.

Cash credit from banks of Rs. 0.45 lakhs and Rs. 1 lakh represents debit balances in cash credit accounts as at 31 March 2023 & 31 March 2022 respectively.

** It Includes borrowings from Non-Banking Financial Company which is secured against shares and securities consisting of loan of Rs. 4,027 lakhs from Tata Capital Limited carrying floating interest rate of 9% p.a. which is repayable on demand.

As at 31 March 2023

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
SERIES M-1 /F.Y.21 /F.Y.24	10	122	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.25%	18-Apr-23
SERIES M-1 /F.Y.22 /F.Y.24	30	360	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	20-Jul-23
SERIES M-1 /F.Y.21 /F.Y.24	140	1,486	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	3-Feb-25
SERIES M-1 /F.Y.21 /F.Y.24	321	3,407	Pari Passu on All present & future margin funding receivables	1 times of the amount outstanding including interest	8.00%	3-Feb-25
SERIES N-1 /F.Y.23 /F.Y.25	9,000	93,398	Pari Passu on all present & future receivables (Margin Funding Book, cash & cash equivalents, loans, Other Receivables etc)	1.1 times of the amount outstanding including interest	9.25%	1-Nov-24

NOTES TO FINANCIAL STATEMENT (Contd..)

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

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
SERIES M-2 /F.Y.22 /F.Y.25	987	10,080	Pari Passsu on All present & future receivables arising from security receipts & or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	20-Dec-24
SERIES M-2 /F.Y.22 /F.Y.25	373	3,809	Pari Passsu on All present & future receivables arising from security receipts & or Receivables of the Company	1 times of the amount outstanding including interest	8.50%	20-Dec-24
SERIES M-1 /F.Y.22 /F.Y.24	158	1,580	Pari - passu charge on all present and future Margin trading facility receivables	1 times of the amount outstanding including interest	7.25%	14-Mar-24
SERIES M-2 /F.Y.23 /F.Y.25	284	2,840	Pari - passu charge on all present and future Margin trading facility receivables	1 times of the amount outstanding including interest	7.50%	7-Feb-25
SERIES A-8 / F.Y.21/ F.Y.23 INE658R07398	500	5,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29-Jun-23
SERIES A-7 / F.Y.21/ F.Y.23 INE658R07380	500	5,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	23-Jun-23
SERIES A-6 / F.Y.21/ F.Y.23 INE658R07372	250	2,500	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22-Jun-23
SERIES A (2016-17)/07 INE658R07125	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 INE658R07406	750	7,500	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	21-Apr-23
Grand Total	14,300	1,47,052				

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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%	5-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%	6-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%	1-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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

NCD Series	Units	Amount	Security provided	Charge %	Rate of Interest	Maturity date
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 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				

Note : Repayment schedule includes unamortised borrowing cost of Rs. 262 lakh and Rs. 426 lakhs respectively for 31 March 2023 and 31 March 2022.

Unsecured Debentures and Bonds As at 31 March 2023

NCD Series	Amount	Units	Interest Rate	Maturity date
SERIES A (2016-17)/11 INE658R08123	2,500	250	11.00%	7-Aug-26
"Series MOHFL U-K1 FY2021-22 INE658R08180 (previous ISIN INE658R08172)"	29,000	2,900	7.27%	10-Feb-25
Total	31,500	3,150	Total	

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%	7-Aug-26
Series MOHFL U-K1 FY2021-22 INE658R08172	29,000	2,900	6.00%	10-Feb-25
Series MOHFL U-J1 FY2021-22 INE658R08164	1,000	100	6.75%	31-Jan-25
Total	32,500	3,250	Total	

- a) Rate of interest of cash credit is MCLR + Spread linked as per respective Banks and is secured by way of hypothecation of receivables. Further, these are repayable on demand.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- b) Securitisation liability represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the derecognition criteria specified under Ind AS. These are secured by way of hypothecation of designated assets on finance receivables.
- c) U.S. International Development Finance Corporation (DFC) has provided long term loan under ECB route at fixed ROI and same is fully hedged with AD Cat-I bank
- d) During the year under audit, the group had made quarterly submissions to banks or financial institutions or debenture trustees; however, there were no material discrepancies noted between the quarterly statements / returns filed and the financial statements of the respective quarter.
- e) Terms of repayment of terms loans

As at 31 March 2023

(i) Term loans from banks, NBFC and others

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
3.90 % to 10.20% annually*	45,522	66,940	46,271	32,920	191,653
Total	45,522	66,940	46,271	32,920	191,653

(ii) Terms of maturity of securitisation liability

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

(iii) Term loan ECB

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

As at 31 March 2022

(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	163,748
Total	54,333	58,298	26,840	24,277	163,748

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(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					
7.16 % annually*	-	2,264	5,283	-	7,547
Total	-	2,264	5,283	-	7,547

* Secured against hypothecation of receivables i.e. loans and advances.(Refer note 47)

Commercial Papers As at 31 March 2023

Rate of interest is ranging from 5.00% - 9.30% for commercial paper outstanding.

The aforesaid commercial paper are repayable on maturity and the tenure is 86 days to 365 days

Commercial Papers As at 31 March 2022

Rate of interest is ranging from 4.85% - 6.90% for commercial paper outstanding.

The aforesaid commercial paper are repayable on maturity and the tenure is 10 days to 364 days

Note 17 : Deposits

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit	170	98
	170	98

Note 18 : Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and not due on borrowings and debentures	3,388	7,660
Unpaid dividend	40	41
Margin money	2,17,305	53,204
Other payables	9,108	12,016
Accrued salaries and benefits	953	743
Provision for Expense	5,726	1,894
Book overdraft	3,770	5,544
Lease liabilities (Refer note 41)	5,188	2,698
	2,45,478	83,800

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 19: Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for tax(net of advance tax and tax deducted at source)	3,666	3,166
	3,666	3,166

Note 20 : Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
For employee benefits		
Gratuity unfunded (Refer note 43, 49)	3,769	3,335
Heritage club benefit (Refer note 43, 49)	380	212
Service charges	21	21
Ex - gratia payable (Refer note 43)	18,181	19,803
Compensated absences (Refer note 43)	1,293	1,051
	23,644	24,422

Note 21 : Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities (net) (Refer note 38)	21,046	18,797
	21,046	18,797

Note 22: Other non financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance received from customers	2,323	3,982
Withholding and other taxes payables	1,969	2,767
Other Payables*	1,946	-
	6,238	6,749

*Amount payable to IBEF on account of Gst paid under protest relating to MO Alternate Investment Advisors Private Limited

Note 23 Equity share capital

Particulars	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Authorised shares				
Equity shares of Re. 1 each (previous year Re. 1 each)	1,12,00,00,000	11,200	1,12,00,00,000	11,200
Total	1,12,00,00,000	11,200	1,12,00,00,000	11,200

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Issued and subscribed				
Equity shares of Re. 1 each	14,79,47,126	1,479	14,90,62,919	1,491
Paid-up				
Equity shares of Re.1 each fully paid up (previous year Re. 1 each)	14,79,47,126	1,479	14,90,62,919	1,491
Total	14,79,47,126	1,479	14,90,62,919	1,491

a) Reconciliation of the number of equity shares outstanding

Particulars	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	14,90,62,919	1,491	14,84,88,819	1,485
Stock options exercised under the ESOS	3,38,752	3	5,74,100	6
Buyback	(14,54,545)	(15)	-	-
Outstanding at the end of the year	14,79,47,126	1,479	14,90,62,919	1,491

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. 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.

During the year ended 31 March 2023, dividend recognized as distribution to equity shareholders was Rs. 10.00 per share consisting of final dividend of Rs. 3.00 per share for previous year ended 31 March 2022 and interim dividend of Rs. 7 per share for year ended 31 March 2023. The total dividend appropriated amounts to Rs.14,823 lakhs (Previous Year: Rs.7,365 lakhs)

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 Hundred, unless otherwise stated)

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

Equity shareholders	31 March 2023		31 March 2022	
	Number	% holding	Number	% holding
Motilal Oswal Family Trust	4,29,72,734	29.05%	4,33,41,158	29.08%
Mr. Raamdeo Agrawal	4,00,82,015	27.09%	4,03,69,047	27.08%
Mr. Motilal Oswal	79,01,093	5.34%	77,87,622	5.22%
Parag Parikh Flexi Cap Fund	78,48,858	5.31%	-	-
Mr. Navin Agrawal	76,35,072	5.16%	77,04,010	5.17%

e) Details of promoters shareholding in the Company

Equity shareholders	31 March 2023		31 March 2022		% change
	Number	% holding	Number	% holding	
Motilal Oswal Family Trust	4,29,72,734	29.05%	4,33,41,158	29.08%	-0.85%
Mr. Raamdeo Agrawal	4,00,82,015	27.09%	4,03,69,047	27.08%	-0.71%
Mr. Motilal Oswal	79,01,093	5.34%	77,87,622	5.22%	1.46%
Raamdeo Agrawal HUF	44,93,264	3.04%	45,35,574	3.04%	-0.93%
Ms. Suneeta Agrawal	63,71,877	4.31%	64,27,605	4.31%	-0.87%
Mr. Vaibhav Agrawal	2,54,479	0.17%	2,54,479	0.17%	-
Mr. Dhairya Agrawal	1,25,000	0.08%	-	-	100.00%
Ms. Vimla Oswal	1,24,566	0.08%	1,25,987	0.08%	-1.13%
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	77,812	0.05%	78,500	0.05%	-0.88%
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%	54,996	0.04%	-
Mr. Pratik Mehta	12,000	0.01%	12,000	0.01%	-
Ms. Vimladevi Salecha	1,430	0.00%	1,430	0.00%	-
Motilal Oswal HUF	867	0.00%	867	0.00%	-
OSAG Enterprises LLP	2,000	0.00%	2,000	0.00%	-

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%	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Equity shareholders	31 March 2022		31 March 2021		% change
	Number	% holding	Number	% holding	
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%	-	-	-
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%	-

- f) i) During financial year 2022-23 the Company has bought back 14,54,545 fully paid-up shares by utilisation of securities premium.
- ii) 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.

Note 24 : Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Reserves and surplus :		
a) Statutory reserve		
Balance at the beginning of the year	7,982	10,486
Add: Transfer from Retained earnings	4,027	2,729
Less: Transfer to general reserve*	-	(5,233)
Balance as at end of the year	12,009	7,982
b) Capital redemption reserve		
Balance at the beginning of the year	2,523	2,523
Add: Due to buyback of shares	15	-
Balance as at end of the year	2,538	2,523

*In the previous year Statutory Reserve of Rs.5,233 lakhs (acquired from PIMPL on account of merger), was 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 Hundred, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
c) Securities premium		
Balance at the beginning of the year	51,051	46,612
Addition during the year on account of share issue	2,373	3,392
Add: Transfer from Employee stock option reserve	74	1,047
Less: Buyback of shares	(16,000)	-
Balance as at end of the year	37,498	51,051
d) Employee stock options outstanding reserve		
Balance at the beginning of the year	7,115	5,758
Addition during the year	2,903	2,404
Less: Transfer to securities premium account	(74)	(1,047)
Less: Transfer to General reserve	(495)	-
Balance as at end of the year	9,449	7,115
e) Capital reserve on consolidation		
Balance at the beginning of the year	3,409	5,084
Add : Gain on Bargain Purchase*	599	-
Less: Deduction during the period	-	(1,675)
Balance as at end of the year	4,008	3,409
* Refer Note 60 on business combination		
f) General reserve		
Balance at the beginning of the year	18,080	12,847
Less: Transfer from Employee stock options outstanding reserve	495	-
Less: Transfer from Other comprehensive income	18,957	-
Less : Transfer from Statutory reserves	-	5,233
Balance as at end of the year	37,532	18,080
g) Foreign currency translation reserve		
Balance at the beginning of the year	(26)	(203)
Addition during the period	402	177
Balance as at end of the year	376	(26)
h) Retained earnings		
Balance at the beginning of the year	4,30,698	3,20,438
Add: Net profit for the year	93,169	1,30,974
Add: Actuarial gain/(losses) on post retirement benefit plan	125	131
Less:- Interim Dividend	(10,353)	(7,332)
Less:- Final Dividend	(4,472)	(1,342)
Less:- Transfer to Statutory Reserve	(4,027)	(2,729)
Less: ECL provision reserve	-	(28)
Less:- Provision of Stamp Duty #	-	(2,245)
Less: Buyback Transaction cost	(3,843)	-
Less: Business combination cost	(2,223)	-
Less:- Transfer to Non-controlling interest	(125)	(7,171)
Balance as at end of the year	4,98,950	4,30,698

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

i) Other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	45,025	41,050
Add : Other comprehensive income for the year	(4,774)	3,975
Less : Transfer to general reserve	(18,957)	-
	21,294	45,025
j) Impairment reserve		
Balance at the beginning of the year	90	62
Add: Transferred from statement of profit and loss	-	28
	90	90
Toatal	6,23,745	5,65,946

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 and it also includes addition arising on account of buyback of 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 and it also includes transfer from ESOS reserve when the options are excercised . The reserve will be utilised in accordance with the provisions of the Act.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

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.

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.

Note 25 : Interest income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
On financial assets measured at amortised cost		
Interest Income on Loan		
Home loans	49,603	49,299
Fund based	1,314	1,239
Interest Income on other activity		

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Broking activity	24,265	19,392
Margin Funding	14,556	11,160
Delayed payment by customers	11,175	9,019
Interest on deposit with banks		
Fixed deposits	21,916	13,315
	1,22,829	1,03,425

Note: Interest income includes Gain on derecognition of assets amounting to to Rs. Nil (Previous year: Rs. 899 lakhs)

Note 26 : Dividend income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Dividend Income	882	10,211
	882	10,211

Note 27 : Rental income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Rent income	26	17
	26	17

Note 28 : Fees and commission income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Brokerage and related activities		
Brokerage income	1,68,249	1,58,156
Research and advisory fees	1,678	890
Distribution income	12,116	9,046
Depository income	7,097	6,527
	1,89,140	1,74,619
Investment banking fees	2,905	3,641
Asset management and advisory fees		
Portfolio Management Fees	41,641	35,919

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Investment management and advisory fees from :		
- Mutual fund	16,619	17,470
- Alternate investment funds	10,794	6,991
- Private Equity	1,406	13,766
Wealth management	10,838	8,324
	81,297	82,470
	2,73,342	2,60,730

Note 29 : Net gain on fair value changes

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
On financial instruments designated at fair value through profit or loss	13,876	49,593
	13,876	49,593
Fair Value changes:		
Realised	29,577	12,734
Unrealised	(15,701)	36,859
	13,876	49,593
Net gain on fair value changes included in:		
Fund based activities	11,638	47,966
Brokerage and related activities	1,775	1,164
Asset Management and advisory fees	337	424
Housing finance	126	39
	13,876	49,593

Note 30 : Other operating income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Brokerage and operating income	5,523	4,163
Investment banking fees	22	9
Asset management fees	0	249
Fund based Income	-	19
Housing finance related	1,212	1,266
	6,757	5,707

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 31 : Other income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Profit on sale of property, plant and equipment	-	5
Interest income	64	122
Other non operating income	1,893	1,825
Partnership gain/(loss)	48	6
Net gain or loss on foreign currency transaction and translation	(5)	(0)
	2,000	1,958

Note 32 : Finance cost

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	13,809	18,153
Interest on debt securities	41,954	26,610
Other borrowing cost	3,396	2,302
Interest on lease liability (refer note 41)	424	412
	59,583	47,477

Note 33 : Fees and commission expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Brokerage sharing with intermediaries		
Broking	72,288	71,190
Wealth management	546	351
	72,834	71,541
Placement fees		
Private equity	290	306
	290	306
Depository and processing charges		
Broking	1,279	1,202
Asset Management	270	228
	1,549	1,430
Distribution cost and spillover expense		
Portfolio management services	7,248	9,924
Alternative investment fund	4,070	4,224
	11,318	14,148

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Advisory referral and other expenses		
Broking	(31)	(52)
Private equity	171	1,912
	140	1,860
	86,131	89,285

Note 34 : Impairment on financial instruments

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Impairment on financial instruments at Amortised cost		
Loans	2,731	7,448
Receivables	1,548	2,017
	4,279	9,466

Note 35 : Employee benefits expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Salary, bonus and allowances	89,840	80,037
Contribution to provident fund and other benefits	3,096	2,388
Expenses on employee stock option scheme (also refer note 50)	2,897	2,449
Staff welfare expenses	3,859	2,090
Gratuity and other long term benefits (refer note 49)	1,146	857
	1,00,838	87,821

Note 36 : Depreciation and amortization expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 12)	3,388	2,662
Amortisation on other intangible assets	1,338	1,150
Amortization on lease (refer note 41)	1,112	1,014
	5,838	4,826

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 37 : Other expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Rates and taxes	418	748
Rent	1,533	988
Insurance	1,050	792
Repairs and maintenance	775	390
Computer repairs and maintenance	2,631	2,093
Legal and professional charges	5,585	4,679
Remuneration to auditors (also refer note. 40)	148	120
Membership and subscription	335	402
Data processing charges	1,017	721
Marketing and brand promotion expenses	9,761	8,855
Advertisement expenses	2,651	1,405
Printing and stationery	542	650
Power and fuel	1,134	864
Communication expenses	3,040	2,675
Travelling and conveyance expenses	2,710	1,236
Donations	42	8
Corporate social responsibility expenses (also refer note 46)	1,755	1,251
Entertainment expenses	149	137
Foreign exchange fluctuation	(87)	(186)
Miscellaneous expenses	3,629	3,357
	38,818	31,185

Note : 38.1 Tax expense

The Group pays taxes according to the rates applicable in India and tax laws of foreign countries. 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 Group 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Tax expense recognised in Profit & loss:		
Current tax expense		
Current tax for the year	29,062	23,588
Total current tax expense	29,062	23,588
Deferred taxes		
Change in deferred tax liabilities	1,823	7,109
Net deferred tax expense	1,823	7,109
Short/(excess) provision for earlier years	58	(189)
	30,943	30,508
B. Tax recognised/(credit) through other comprehensive income:		
Particulars		
Remeasurement of defined benefit plan	(43)	(44)
Equity instruments through other comprehensive income	693	(514)
Total	650	(558)

Note : 38.2 Tax reconciliation (for profit and loss)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before income tax expense	1,24,225	1,61,581
Applicable tax rate	25.17%	25.17%
Tax at the rate	31,267	40,670
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purpose	443	143
Exempt income	(190)	(4,472)
Reversal of Deferred tax	(93)	(3,905)
Tax adjustment of previous years	370	(11)
Tax exemption on special reserve	(581)	(2,221)
MAT credit write off	-	125
Prior Period tax liability on assessment	51	(9)
Loss due to restatement for the year	-	(44)
Miscellaneous disallowance	(146)	(16)
Remeasurement of defined benefit plan	11	25
Origination and reversal of temporary tax difference	2,448	3,592
Effect of different tax rates on subsidiaries and investments	(2,637)	(3,369)
Effective tax	30,943	30,508

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 38.3 Net Deferred Tax

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,629	1,524
Unrealised gain / (loss) on financial instruments	13,649	14,405
Amortization of distribution costs	7,597	6,062
Impairment of Loans and trade receivables	(1,000)	(690)
Provision for employees benefits	(155)	(263)
Long Term Capital Loss of previous years	(29)	(75)
Expenses allowable u/s. 43B on payment basis	(631)	(561)
Impairment of investments	-	(278)
Loss on private equity investment	-	5
MAT credit utilisation	-	(1,179)
Remeasurement of defined benefit plan	-	40
Effect of different tax rates on subsidiaries and investments	(14)	(193)
Total deferred tax liabilities (A)	21,046	18,797
Deferred tax assets on account of:		
Impairment of Loans and trade receivables	1,783	2,149
Carried forward losses	60	680
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	198	142
Amortization of distribution costs	4,188	3,669
Provision for employees benefits	74	(20)
Provision for VAT	13	13
Unrealised gain / (loss) on financial instruments	(152)	(95)
Preliminary expense	6	6
Unamortized borrowing cost	(249)	(189)
Deposit and rent Equalization	58	59
Reserve created u/s 36(1)(viii) of Income Tax Act	88	(60)
Total deferred tax assets (B)	6,067	6,353
Net deferred tax (Assets) / Liabilities (A-B)	14,979	12,445

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note : 38.4 Movement of Deferred Tax

Particulars	As at 31 March 2023	Recognised through retained earnings	Recognised through Other Comprehensive Income	As at 31 March 2022	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 01 April 2021
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,629	106	-	1,524	56	-	1,468
Unrealised gain / (loss) on financial instruments	13,649	(756)	-	14,405	3,854	-	10,551
Amortization of distribution costs	7,597	1,535	-	6,062	3,490	-	2,572
Impairment of Loans and trade receivables	(1,000)	(311)	-	(690)	(231)	-	(459)
Provision for employees benefits	(155)	108	-	(263)	(122)	-	(141)
Long Term Capital Loss of previous years	(29)	46	-	(75)	(75)	-	-
Expenses allowable u/s 43B on payment basis	(631)	(70)	-	(561)	(93)	-	(468)
Section 35 DD disallowance	-	-	-	-	8	-	(8)
Impairment of investments	-	278	-	(278)	(1,029)	-	751
Loss on private equity investment	-	(5)	-	5	-	-	5
MAT credit receivable	-	1,179	-	(1,179)	31	-	(1,210)
Remeasurement of defined benefit plan	-	-	-	40	-	-	15
Effect of different tax rates on subsidiaries and investments	(14)	178	-	(193)	(193)	-	-
Total deferred tax liabilities	21,046	2,288	-	18,797	5,696	-	13,076
Deferred tax assets on account of:							
Impairment of Loans and trade receivables	1,783	(366)	-	2,149	394	-	1,755
Carried forward losses	60	(620)	-	680	(2,814)	-	3,494
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	198	56	-	142	(54)	-	196
Effective Interest Rate	-	-	-	-	(146)	-	146
Amortization of distribution costs	4,188	519	-	3,669	1,659	-	2,010
Provision for employees benefits	74	51	43	(20)	(63)	(69)	112

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023	Recognised through retained earnings	Recognised through Other Comprehensive Income	As at 31 March 2022	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 01 April 2021
Provision for VAT	13	-	-	13	-	-	13
Unrealised gain / (loss)	(152)	636	(693)	(95)	(890)	796	(1)
Preliminary expense	6	1	-	6	3	-	3
Unamortized borrowing cost	(249)	(60)	-	(189)	(147)	-	(43)
Deposit and rent Equalization	58	(0)	-	58	-	-	58
Provision for compensated absence	-	-	-	-	-	-	-
Reserve created u/s 36(1) (viii) of Income Tax Act	88	148	-	(60)	142	-	(202)
Total deferred tax assets	6,067	365	(650)	6,353	(1,918)	727	7,542
Total deferred tax Assets/ liability (net)	14,979	1,923	650	12,444	7,614	(727)	5,533

Note:

- i) The company offsets tax assets and liabilities if and only if it has legally enforceable rights to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income tax levied by the same tax authorities.
- ii) 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 Company has provided bank guarantees aggregating to Rs 3,23,380 lakhs (Previous year :Rs 1,28,258 lakhs) as on 31 March 2023 for the following purposes to:
- 1) National Stock exchange - Rs. 2,87,375 lakhs (Previous year : Rs.1,26,668 lakhs) for meeting margin requirements.
 - 2) NCDEX -Rs. 4,500 lakhs (Previous year: Rs. Nil) for meeting margin requirements.
 - 3) MCX - Rs. 30,000 lakhs (Previous year: Rs. Nil) for meeting margin requirements.
 - 4) Unique Identification Authority - Rs. Nil (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) for security deposit.
 - 7) Bombay High Court - Rs. Nil (Previous year: Rs. 55 lakhs) for security deposit.
 - 8) Bank of Maharashtra - Rs. Nil (Previous year: Rs. 5 lakhs) for security deposit.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Particulars	As at 31 March 2023	As at 31 March 2022
Demand in respect of income tax matters for which appeal is pending (Refer note i)	2,774	3,836

- i) Demand in respect of Income Tax matters for which appeal is pending is Rs.2,774 lakhs (Previous year Rs.3,836 lakhs). This is disputed by the Company and hence not provided for. The Company has paid demand of Rs.493 lakhs till date (Previous year Rs.468 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 appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and operating results.

(C) Claims against the Company:

Pending against forum	Number of Cases		Amount	
	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Civil cases	14	992	21	725
Total	14	992	21	725

The proceedings/ Appeals held at Supreme court/ High court/District court are considered as "Civil cases".

(D) Capital Commitments:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Undrawn committed sanctions to borrowers	27,717	5,409
(ii) Estimated amount of contracts remaining to be executed on capital account	4,415	2,164
(iii) Uncalled liability on shares and other investments partly paid:		
(1) India Business Excellence Fund III	-	381
(2) India Business Excellence Fund IV	2,164	21,600
(3) India Realty Excellence Fund IV	-	2,826
(4) India Realty Excellence Fund V	2,081	6,000

Note 40 Auditors' Remuneration :

Particulars	As at 31 March 2023	As at 31 March 2022
As Auditors:		
Statutory audit	121	106
In other capacity:		
Certification	21	11
Out of pocket expenses	6	4
Total	148	121

Note: Previous year auditors remuneration is inclusive of the remuneration paid to the erstwhile auditors.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 1st April 2022 is 8.46 %.

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

(A) Right of use assets for the year ended 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	2,028	2,774
Movement during the year	3,827	268
Depreciation on Right-Of-Use (ROU) assets	(1,112)	(1,014)
Closing balance	4,743	2,028

The changes in the carrying value of right of use assets for the year ended 31 March, 2023 and 31 March, 2022 has been disclosed in Note 12.

(B) Lease liabilities for the year ended 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	2,698	3,423
Movement during the year	3,808	268
Add: Interest cost accrued during the period	424	412
Less: Payment of lease liabilities	(1,742)	(1,405)
Closing balance	5,188	2,698

(C) Maturity analysis - Undiscounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Less than three months	65	296
Three to twelve months	1,596	655
One to five years	4,269	1,929
More than five years	376	155
Total	6,306	3,035

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Interest cost on lease liabilities	424	412
Amortisation on right of use assets	1,112	1,014
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	2,323	1,782

(E) Amount recognised in statement of cash flows for the year ended 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Cash payments for the principal & interest portion of the lease liability within financing activities	1,765	1,377
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.	2,323	1,782

Note 42 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 2023	For the year ended 31 March 2022
Net Profit attributable to equity shareholders [A]	93,169	1,30,978
Weighted average number of equity shares for Basic EPS Face value Re. 1 each [B] (In numbers)	14,81,35,120	14,69,36,417
Basic Earnings per share (EPS) on PAT (Before OCI) (Rs.) [A/B]	62.89	89.14
Net Profit attributable to equity shareholders [A]	93,169	1,30,978
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A - B]	93,169	1,30,978
Weighted average number of equity shares issued (face value of Re. 1 each) (In numbers) [D]	14,81,35,120	14,69,36,417

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	5,44,997	12,66,328
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	14,86,80,117	14,82,02,745
Diluted Earnings per share (EPS) on PAT (Before OCI) (Rs.) [C/F]	62.66	88.38

Note 43 Provisions made for the year ended 31 March 2023 comprises of:

Particulars	Opening balance as on 01 April 2022	Provided during the year ended 31 March 2023	Paid /reversed during the year ended 31 March 2023	Closing balance as on 31 March 2023
Ex-gratia	19,803	18,062	19,684	18,181
Compensated absences	1,051	1,005	763	1,293
Gratuity	3,335	856	422	3,769
Heritage Club	212	189	21	380
Total	24,401	20,112	20,890	23,623

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	19,892	13,715	19,803
Compensated absences	857	813	619	1,051
Gratuity	2,931	700	296	3,335
Heritage Club	239	(3)	24	212
Total	17,653	21,402	14,654	24,401

Note 44 Dividend Distribution

During the year ended 31 March 2023, dividend recognized as distribution to equity shareholders was Rs. 10.00 per share consisting of final dividend of Rs. 3.00 per share for the year ended 31 March 2022 and interim dividend of Rs. 7 per share for year the ended 31 March 2023.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 45 Credit Ratings

Nature of borrowing			As at 31 March 2023			As at 31 March 2022		
			Rating / Outlook			Rating / Outlook		
			CRISIL	India Ratings	ICRA	CRISIL	India Ratings	ICRA
I.	Short Term							
	a.	Commercial paper						
		Motilal Oswal Financial Services Limited	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+
		Motilal Oswal Home Finance Limited	CRISIL 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						
		Motilal Oswal Financial Services Limited	CRISIL AA Stable	IND AA/ Stable	[ICRA]AA (Stable)	-	IND AA/ Stable	[ICRA] AA (Stable)
		Motilal Oswal Home Finance Limited	CRISIL AA /Stable	IND AA / Stable	[ICRA] AA(Stable)	CRISIL AA /Stable	IND AA / Stable	[ICRA] AA-(Stable)
		Motilal Oswal Finvest Limited	CRISIL AA/ Stable	IND AA / Stable	-	CRISIL AA/ Stable	IND AA / Stable	-
	b.	Market linked Debentures						
		Motilal Oswal Financial Services Limited	-	IND PP-MLD AA/ Stable	PP-MLD[ICRA] AA (Stable)	-	IND PP-MLD AAemr/ Stable	PP-MLD[ICRA] (Stable)
		Motilal Oswal Home Finance Limited	CRISIL PPMLD AA / Stable	-	-	CRISIL PP-MLD AA r/ Stable	-	[ICRA] PP-MLD ICRA AA-/Stable
		Motilal Oswal Finvest Limited	CRISIL PPMLD AA /Stable	IND PP-MLD AA/ Stable	-	CRISIL PPMLD AA r /Stable	IND PP-MLD AAemr/ Stable	-
	c.	Bank Borrowings						
		Motilal Oswal Financial Services Limited	-	IND AA/ Stable	[ICRA]AA (Stable)	-	IND Aaemr/ Stable	[ICRA] AA (Stable)
		Motilal Oswal Home Finance Limited	CRISIL AA / Stable	IND AA / Stable	-	CRISIL AA /Stable	IND AA / Stable	-

Note: These ratings indicate strong degree of safety regarding timely servicing of financial obligations of the Group.

Note 46 Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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	As at 31 March 2023	As at 31 March 2022
Amount required to be spent	802	1,210
Amount actually spent	1,755	1,251
Shortfall/(excess) if any during the year	(953)	(41)
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

b) Amount spent during the year on :

Particulars	Amount Paid 31 March 2023	Amount Paid 31 March 2022
a) Construction/acquisition of any asset*	1,158	17
b) On purposed other than (a) above	597	1,234
Total	1,755	1,251

*As represented by Motilal Oswal foundation, Amount of Rs. 1,158 lakhs (Previous Year : Rs. 17 lakhs) has been spent by the Company for the construction/ acquisition of a new asset.

c) Above includes a contribution of Rs.1,554 lakhs (Previous year Rs 1,601 lakhs) to Motilal Oswal Foundation which is classified as related party under IndAS 24 - " Related Party Disclosures".

Note 47 Assets pledged as security :

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
First charge		
Receivables		
(I) Trade receivables	32,250	52,200
Loans	5,48,188	3,40,750
Floating charge		
Investments	4,32,502	1,25,974
Non-financial assets		
First charge		
Property, plant and equipment	39,864	39,864
Total assets pledged as security	10,52,804	5,58,788

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 two times cover is provided for the borrowings facilities availed against the pledge of Investments and 1.33 times for Trade receivables and Property, plant and equipment.

Note:-

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 48 Related Party Disclosure

Names of Related Parties :-

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 exercises 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
- Opulency Advisors and Consultants LLP

C) Key Management Personnel

- | | |
|-------------------------------------|---|
| 1. Mr. Motilal Oswal | Managing Director and Chief executive officer |
| 2. Mr. Raamdeo Agarawal | 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 |
| 9. Mr. Pankaj Bhansali | Independent Director |
| 10. Mrs. Divya Sameer Momaya | Independent Director |
| 11. Mr. Chandrashekhar Anant Karnik | Independent Director |

NOTES TO FINANCIAL STATEMENT (Contd..)

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

12. Mrs. Swanubhuti Jain

Independent Director

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. Ms. Natashax Oswal	- Daughter-in-law of Mr. Motilal Oswal
6. Mr. Pratik Mehta	- Son-in-law of Mr. Motilal Oswal
7. Ms. Suneeta Agarawal	- Spouse of Mr. Raamdeo Agarawal
8. Mr. Vaibhav Agarawal	- Son of Mr. Raamdeo Agarawal
9. Mr. Dhairya Agarawal	- Grandson of Mr. Raamdeo Agarawal
10. Ms. Vedika Karnani	- Daughter-in-law of Mr. Raamdeo Agarawal
11. Dr. Karoon Ramgopal Agarawal	- Brother of Mr. Raamdeo Agarawal
12. Mr. Vinay R. Agarawal	- Brother of Mr. Raamdeo Agarawal
13. Mr. Sukhdeo Ramgopal Agarawal	- Brother of Mr. Raamdeo Agarawal
14. Mr. Govinddeo R. Agarawal	- Brother of Mr. Raamdeo Agarawal
15. Mr. Satish Agarawal	- Brother of Mr. Raamdeo Agarawal
16. Ms. Suman Agarawal	- Sister of Mr. Raamdeo Agarawal
17. Ms. Anita Anandmurthy Agarawal	- Sister of Mr. Raamdeo Agarawal
18. Ms. Chanda Agarawal	- Mother of Mr. Navin Agarawal
19. Ms. Asha Menon	- Sister of Mr. Ajay Menon
20. Ms. Kamalam Menon	- Mother of Mr. Ajay Menon
21. Ms. Priti Shah	- Spouse of Mr. Shalibhadra Shah
22. Ms. Lalita Rajgarhia	- Mother of Mr. Rajat Rajgarhia

E) Associate

- India Reality Excellence Fund II LLP

II. Transactions with related parties and outstanding balances:

a) 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income/ (expense)	Mr. Shalibhadra Shah	3	93	-	-	3	93
	Like Minded Wealth Creation Trust	-	-	6	6	6	6
	Mr. Ajay Menon	0	0	-	-	0	0
Total		3	93	6	6	9	99

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Managerial remuneration**	Mr. Motilal Oswal	249	241	-	-	249	241
	Mr. Navin Agarwal	1,425	1,725	-	-	1,425	1,725
	Mr. Ajay Menon	1,033	903	-	-	1,033	903
	Mr. Rajat Rajgarhia	449	607	-	-	449	607
	Mr. Shalibhadra Shah	187	210	-	-	187	210
	Mr. Kailash Purohit	36	34	-	-	36	34
	Mr. Pratik Oswal	52	46	-	-	52	46
	Mr. Vaibhav Agarawal	-	18	-	-	-	18
	Ms. Vedika Karnani	-	4	-	-	-	4
Total		3,431	3,788	-	-	3,431	3,788
Director sitting fees	Mr. Chitradurga Narasimha Murthy	2	2	-	-	2	2
	Mr. Pankaj Bhansali	2	2	-	-	2	2
	Mrs. Divya Sameer Momaya	2	6	-	-	2	6
	Mr. Chandrashekhar Anant Karnik	2	2	-	-	2	2
	Mrs. Swanubhuti Jain	4	4	-	-	4	4
Total		12	16	-	-	12	16
Director commission	Mr. Raamdeo Agarawal	240	240	-	-	240	240
	Mr. Chitradurga Narasimha Murthy	3	5	-	-	3	5
	Mr. Pankaj Bhansali	3	3	-	-	3	3
	Mrs. Divya Sameer Momaya	3	3	-	-	3	3
	Mr. Chandrashekhar Anant Karnik	7	3	-	-	7	3
	Mrs. Swanubhuti Jain	3	1	-	-	3	1
Total		259	255	-	-	259	255
Reimbursement of expenses	Mr. Raamdeo Agrawal	74	106	-	-	74	106
Total		74	106	-	-	74	106
Donation given	Motilal Oswal Foundation	-	-	1,554	1,601	1,554	1,601
Total		-	-	1,554	1,601	1,554	1,601

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent (received)/paid	Textile Exports Private Limited	-	-	16	16	16	16
Total		-	-	16	16	16	16
Business support service (received)/paid	Boundless Media Private Limited	-	-	(1)	-	(1)	-
	OSAG Enterprises LLP	-	-	-	13	-	13
Total		-	-	(1)	13	(1)	13
Brokerage and depository income	Mr. Motilal Oswal	3	1	-	-	3	1
	Mr. Raamdeo Agarawal	4	1	-	-	4	1
	Mr. Navin Agarwal	1	0	-	-	1	0
	Mr. Ajay Menon	1	1	-	-	1	1
	Mr. Rajat Rajgarhia	2	1	-	-	2	1
	Mr. Shalibhadra Shah	1	1	-	-	1	1
	Mr. Kailash Purohit	0	0	-	-	0	0
	Ms. Vimla Oswal	3	0	-	-	3	0
	Mr. Pratik Oswal	-	0	-	-	-	0
	Ms. Natasha Oswal	0	0	-	-	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	-	-	10	11	10	11
	India Reality Excellence Fund II LLP	-	-	0	0	0	0
	OSAG Enterprises LLP	-	-	0	0	0	0
	Ms. Vedika Karnani	0	0	-	-	0	0
	Dr. Karoon Ramgopal Agarawal	0	1	-	-	0	1
	Mr. Vinay R. Agarawal	0	0	-	-	0	0
	Mr. Sukhdeo Ramgopal Agarawal	3	3	-	-	3	3
	Mr. Govinddeo R. Agarawal	0	0	-	-	0	0

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Mr. Satish Agarawal	0	0	-	-	0	0
	Ms. Anita Anandmurthy Agrawal	0	0	-	-	0	0
	Raamdeo Agarawal HUF	-	-	3	9	3	9
	Navshital Consultants LLP	-	-	0	0	0	0
	Gracious Advisors LLP	-	-	0	0	0	0
	Opulency Advisors and Consultants LLP	-	-	0	0	0	0
	Ms. Kamalam Menon	0	0	-	-	0	0
	Ms. Asha Menon	1	3	-	-	1	3
	Ms. Lalita Rajgarhia	0	-	-	-	0	-
	Ms. Suneeta Agarawal	1	-	-	-	1	-
	Mrs. Divya Sameer Momaya	0	-	-	-	0	-
	Ms. Priti Shah	0	0	-	-	0	0
	Shalibhadra N Shah HUF	-	-	0	0	0	0
Total		20	12	13	20	33	32
Fees & Commission income	Mr. Pratik Mehta	-	24	-	-	-	24
Total		-	24	-	-	-	24
Fees and commission expense	Mr. Sukhdeo Ramgopal Agarawal	4	4	-	-	4	4
	Agarawal Portfolios	-	-	-	49	-	49
Total		4	4	-	49	4	53
Partnership gain/(loss)	India Reality Excellence Fund II LLP	-	-	423	241	423	241
Total		-	-	423	241	423	241

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans given/ (received)	Mr. Shalibhadra Shah	-	89,279	-	-	-	89,279
	Like Minded Wealth Creation Trust	-	-	43	17	43	17
	Mr. Ajay Menon	-	0	-	-	-	0
Total		-	89,279	43	17	43	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	774	981	-	-	774	981
	Mr. Raamdeo Agarawal	4,004	909	-	-	4,004	909
	Motilal Oswal HUF	-	-	0	0	0	0
	Raamdeo Agarawal HUF	-	-	451	78	451	78
	Ms. Suneeta Agarawal	639	35	-	-	639	35
	Ms. Vimla Oswal	12	15	-	-	12	15
	Mr. Rajendra Gopilal Oswal	5	7	-	-	5	7
	Dr. Karoon Ramgopal Agarawal	10	12	-	-	10	12
	Mr. Vinay R. Agarawal	10	12	-	-	10	12
	Mr. Sukhdeo Ramgopal Agarawal	8	9	-	-	8	9
	Mr. Govinddeo R. Agarawal	6	7	-	-	6	7
	Mr. Dhairya Agrawal	9	-	-	-	9	-
	Mr. Pratik Mehta	1	-	-	-	1	-
Ms. Suman Agarawal	10	12	-	-	10	12	

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Mr. Satish Agrawal	8	9	-	-	8	9
	Ms. Anita Anandmurthy Agrawal	8	10	-	-	8	10
	Ms. Vimladevi Salecha	0	0	-	-	0	0
	Ms. Vedika Karnani	10	12	-	-	10	12
	Mr. Vaibhav Raamdeo Agarawal	25	31	-	-	25	31
	Motilal Oswal Family Trust	-	-	4,308	19	4,308	19
	Mr. Navin Agarwal	766	924	-	-	766	924
	Mr. Ajay Menon	37	46	-	-	37	46
	Mr. Rajat Rajgarhia	173	209	-	-	173	209
	Mr. Shalibhadra Shah	4	4	-	-	4	4
	OSAG Enterprises LLP	-	-	0	0	0	0
Total		6,519	3,244	4,759	97	11,278	3,341
Portfolio management services fee	Mr. Raamdeo Agarawal	4	4	-	-	4	4
	Ms. Suneeta Agarwal	46	43	-	-	46	43
	Mr. Shalibhadra Shah	2	2	-	-	2	2
	Mr. Ajay Menon	1	1	-	-	1	1
	Ms. Chanda Agarwal	0	0	-	-	0	0
	Ms. Vedika Karnani	1	0	-	-	1	0
	Mr. Vaibhav Agarwal	14	12	-	-	14	12
Total		67	62	-	-	67	62

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans and advances given / (received)	Mr. Shalibhadra Shah	-	2,001	-	-	-	2,001
	Like Minded Wealth Creation Trust	-	-	61	28	61	28
Total		-	2,001	61	28	61	2,029
Other receivables / (payables)	OSAG Enterprises LLP	-	-	2	2	2	2
	Boundless Media Private Limited	-	-	0	-	0	-
	Like Minded Wealth Creation Trust	-	-	1	0	1	0
Total		-	-	3	2	3	2

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 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment outstanding balance	India Reality Excellence Fund II LLP	-	-	1,455	2,034	1,455	2,034

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.

** The above numbers are in the nature of Short term employee benefits as per IND AS 24. Managerial remuneration does not include provision for gratuity and Insurance premiums for medical and life.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 49 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	Year ended 31 March 2023	Year ended 31 March 2022
Contribution to Provident Fund and Administrative Expenses	2,750	2,079
Contribution to ESIC	188	218
Contribution to Labour welfare fund	4	3
Contribution to NPS	154	88
Total	3,096	2,388

(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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
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%	5.55%	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%
II) Changes in present value of obligations (PVO)				
PVO at beginning of period	3,335	2,931	212	239
Interest cost	140	94	-	-
Current service cost	852	776	168	(27)
Transfer In-Liability	0	55	-	-
Transfer Out-Liability	(4)	(52)	-	-
Benefits paid	(385)	(294)	-	(0)
Contributions by plan participants	-	1	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Gratuity		Heritage club benefits	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Actuarial (Gain)/Loss on obligation	(169)	(176)	-	-
PVO at end of period	3,769	3,335	380	212
III) Interest expense				
Interest cost	140	94	-	-
IV) fair value of plan assets				
V) Net Liability				
PVO at beginning of period	3,335	2,931	212	239
Net Liability at the beginning of the period	3,335	2,931	212	239
VI) Net Interest				
Interest Expenses	140	94	-	-
Net Interest	140	94	-	-
VII) Actual return on plan assets				
VIII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	(164)	(306)	-	-
Due to Financial Assumption	(84)	(279)	-	-
Due to Experience	79	410	-	-
Total Actuarial (Gain)/Loss	(169)	(176)	-	-
IX) Fair Value of Plan Assets				
Contributions by Employer	385	294	-	-
Benefits Paid	(385)	(294)	-	-
X) Past Service Cost Recognised				
Recognised Past service Cost- non vested benefits	-	-	-	-
XI) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	3,769	3,335	380	212
Funded Status	(3,769)	(3,335)	(380)	(212)
Net Asset/(Liability) recognized in the balance sheet	(3,769)	(3,335)	(380)	(212)
XII) Expense recognised in the statement of profit and loss				
Current service cost	852	776	168	(27)
Net Interest	140	95	-	-
Transfer In-Liability	0	37	-	-
Transfer Out-Liability	(4)	(51)	-	-
Expense recognized in the statement of profit and loss	988	857	168	(27)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars		Gratuity		Heritage club benefits	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
XIII)	Other Comprehensive Income (OCI)				
	Actuarial (Gain)/Loss recognized for the period	(169)	(176)	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	(169)	(176)	-	-
XIV)	Movement in liability recognized in balance sheet				
	Opening net liability	3,335	2,931	212	239
	Adjustment to opening balance	-	62	-	-
	Transfer In-Liability	0	45	-	-
	Transfer Out-Liability	(4)	(51)	-	-
	Expenses as above	992	809	168	(27)
	Contribution paid	(385)	(284)	-	(0)
	Other Comprehensive Income(OCI)	(169)	(176)	-	-
	Closing net liability	3,768	3,335	380	212
XV)	Projected Service Cost 31 Mar 2023	759	1,220	-	-

XVI) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	0	0	0	0

XVII) Expected Payout

Year	Expected	Expected	Expected	Expected Outgo
	Outgo First	Outgo Second	Outgo Third	Fourth
Payouts	2,069	794	386	349

Year	Expected Outgo	Expected Outgo
	Fifth	Six to ten years
Payouts	158	377

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Asset Liability Comparisons

Year	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
PVO at End of period	2,213	2,644	2,931	3,335	3,768
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(2,213)	(2,644)	(2,931)	(3,335)	(3,768)
Experience adjustments on plan assets	-	-	-	-	-

Note: 50 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 their meeting held on July 22, 2010 for grant of 20 lakhs 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 lakhs equity shares of Rs.10 each.

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 Company Limited -Employees' Stock Option Scheme - I (ESOS - I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each. Pursuant to approval of the members at its meeting dated February 20, 2017 for sub-division of face value of equity shares from Rupees 10 to Rupee 1 each, the total number of options allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each.

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

The activity in the stock options during the year ended 31 March 2023 and 31 March 2022 is set below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	In Numbers	Weighted Average	In Numbers	Weighted Average
		Exercise Price (In Rs.)		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
Add: Granted	-	-	-	NA
Less: Exercised	-	-	-	NA
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	82,00,000	13.40
Option outstanding end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
The MOAMC (ESOP-II) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	4,00,000	15.06	15,25,741	15.06
Add: Granted	-	NA	-	NA
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	4,00,000	22.00	11,25,741	12.59
Option outstanding end of the year	-	-	4,00,000	15.06
Exercisable at the end of the year	-	-	-	-
The MOFSL (ESOP-V) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	20,000	430.10	94,900	478.80
Add Granted	20,000	905.00	-	-
Less: Exercised	10,000	287.90	59,500	539.43
Less: Forfeited	-	-	-	-
Less: Lapsed	-	-	15,400	307.82
Option outstanding end of the year	30,000	794.10	20,000	430.10
Exercisable at the end of the year	10,000	572.30	20,000	430.10
The MOFSL (ESOP-VI) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	59,595	649.20	46,595	572.75
Add Granted	30,000	905.00	35,000	700.00
Less: Exercised	-	-	22,000	572.30
Less: Forfeited	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at	Weighted	As at	Weighted
	31 March 2023	Average	31 March 2022	Average
	In Numbers	Exercise Price	In Numbers	Exercise Price
		(In Rs.)		(In Rs.)
Less: Lapsed	20,000	905.00	-	-
Option outstanding end of the year	69,595	685.96	59,595	649.20
Exercisable at the end of the year	28,095	588.60	23,385	572.30
The MOFSL (ESOP-VII) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	3,92,550	635.06	4,53,900	559.96
Add Granted	50,000	905.00	2,20,000	700.00
Less: Exercised	29,200	596.72	2,16,400	555.35
Less: Forfeited	-	-	-	-
Less: Lapsed	82,300	633.32	64,950	596.94
Option outstanding end of the year	3,31,050	679.64	3,92,550	635.06
Exercisable at the end of the year	1,46,050	581.45	1,92,550	565.49
The MOFSL (ESOP-VIII) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	24,44,050	740.74	28,04,900	720.58
Add Granted	6,58,535	741.35	2,40,000	700.00
Less: Exercised	3,750	700.00	2,76,200	557.96
Less: Forfeited	-	-	-	-
Less: Lapsed	5,13,250	756.28	3,24,650	691.90
Option outstanding end of the year	25,85,585	737.87	24,44,050	740.74
Exercisable at the end of the year	7,89,800	789.51	4,14,200	796.60
The MOFSL (ESOP-IX) : (Face value of Re. 1/- each)				
Option outstanding at the beginning of the year	26,59,172	691.70	-	-
Add Granted	1,74,634	735.76	26,59,172	692
Less: Exercised	2,95,802	253.24	-	-
Less: Forfeited	-	-	-	-
Less: Lapsed	2,15,000	856.37	-	-
Option outstanding end of the year	23,23,004	735.60	26,59,172	691.70
Exercisable at the end of the year	2,85,870	451.03	-	-
The MOWML (ESOS-I) : (Face value of Rs. 1 each)				
Option outstanding at the beginning of the year	-	-	6,000	815.00
Add Granted	-	NA	-	NA

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at	Weighted	As at	Weighted
	31 March 2023	Average	31 March 2022	Average
	In Numbers	Exercise Price	In Numbers	Exercise Price
		(In Rs.)		(In Rs.)
Less: Exercised	-	NA	-	NA
Less: Forfeited	-	NA	-	NA
Less: Lapsed	-	-	6,000	815.00
Option outstanding end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
The MOHFL (ESOS 2014) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	2,42,23,000	3.39	99,85,000	2.88
Add Granted	82,80,500	4.25	2,35,95,000	3.50
Less: Exercised	20,43,000	3.26	10,39,000	2.62
Less: Lapsed	77,11,000	3.56	83,18,000	3.20
Option outstanding end of the year	2,27,49,500	3.65	2,42,23,000	3.39
Exercisable at the end of the year	1,44,750	3.50	5,09,000	3.00
The MOHFL (ESOS 2016) : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	4,10,72,000	3.54	3,83,87,500	3.28
Add: Granted	2,88,09,250	4.25	2,00,95,000	3.61
Less: Exercised	7,17,610	3.03	29,75,500	1.68
Less: Lapsed	3,56,23,000	3.75	1,44,35,000	3.34
Option outstanding end of the year	3,35,40,640	3.94	4,10,72,000	3.54
Exercisable at the end of the year	9,19,393	3.44	3,51,000	1.88
The MOHFL (ESOS 2017) - Grant I : (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	13,42,000	3.63	19,11,750	3.03
Add: Granted	81,17,500	4.25	-	NA
Less: Exercised	6,16,000	4.20	1,95,500	1.60
Less: Lapsed	27,56,000	4.16	3,74,250	1.60
Option outstanding end of the year	60,87,500	4.16	13,42,000	3.63
Exercisable at the end of the year	-	-	3,19,700	4.28
The MOHFL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	43,53,000	2.05	1,06,02,000	1.60
Add: Granted	1,00,000	4.25	9,00,000	3.78
Less: Exercised	29,78,500	1.64	50,33,750	1.60

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at	Weighted	As at	Weighted
	31 March 2023	Average	31 March 2022	Average
	In Numbers	Exercise Price	In Numbers	Exercise Price
		(In Rs.)		(In Rs.)
Less: Lapsed	9,24,500	2.42	21,15,250	1.60
Option outstanding end of the year	5,50,000	4.05	43,53,000	2.05
Exercisable at the end of the year	-	-	24,72,835	1.60
The MOHFL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Option outstanding at the beginning of the year	-	-		
Add: Granted	5,55,47,500	4.25		
Less: Exercised	-	-		
Less: Lapsed	61,62,500	4.25		
Option outstanding end of the year	4,93,85,000	4.25		
Exercisable at the end of the year	-	-		

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	Various Dates	Various dates
Date of Board Approval	Various dates	Various dates	Various Dates	Various Dates	Various Dates	Various Dates	Various Dates	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 August 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 6 Years	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life								
Current year. -Granted but not Vested	-	-	3.59 years	4.62 years	4.58 years	4.27 years	2.25 Years	-
Current year -Vested but not exercised	-	-	0.75 years	1 years	0.41 years	0.79 years	0.02 years	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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)
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	Rs. 777.40	NA	Rs. 746.87	Rs. 742.04	Rs. 662.04	NA
Previous year -Granted but not Vested	0 Years	0 Years	0 years	5.67 years	5.67 years	4.75 years	0.13 Years	-
Previous year -Vested but not exercised	0 Years	3 Years	0 years	1.62 years	1.14 years	0.35 years	0 years	-
Previous 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
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	Nil	Rs. 351.13 (Previous year Rs. Nil)	Rs. 240.45 (Previous year Rs. 196.08)	Rs. 244.72 (Previous year Rs. 195.83)	Rs. 257.82 (Previous year Rs. 250.22)	Rs. 382.12 (Previous year Rs. 776.71)	NIL (Previous year Rs. 858.76)
Range of Risk free interest rate	6.97%	7.13%	6.05% - 7.8%	5.63% - 7.8%	5.63% - 8.04%	6.18% - 7.72%	5.63% - 7.38%	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%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	MOHFL ESOS 2014	MOHFL ESOS 2016	MOHFL ESOS 2017	MOHFL ESOS 2017 H Co.	MOHFL ESOS 2022 (IV)
Date of Grant	Various dates	Various dates	Various dates	Various dates	Various dates
Date of Board Approval	11-Sep-14	29-Apr-16	25-Apr-17	25-Apr-17	26-Apr-22
Date of Shareholder's approval	16-Oct-14	7-Jul-16	25-May-17	25-May-17	24-Jun-22
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period	1 year to 4 years	1 year to 4 years	1 year to 4 years	1 year to 5 years	1 year to 6 years
Weighted Average Remaining Contractual Life					
Current year. -Granted but not Vested	2.41 Years	2.35 Years	2.52 Years	2.82 Years	2.45 Years
Current year -Vested but not exercised	0 Years	0 Years	0 Years	0 Years	0 Years
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	4.13	4.13	4.13	4.13	4.13
Weighted Average Remaining Contractual Life					
Previous year -Granted but not Vested	2.88 Years	3.94 Years	2.05 Years	1.93 Years	0 Years
Previous year -Vested but not exercised	0 Years	0 Years	0.03 Years	0 Years	0 Years
Previous 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	3.51
Exercise Period	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.		Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.		
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.				

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	MOHFL ESOS 2014	MOHFL ESOS 2016	MOHFL ESOS 2017	MOHFL ESOS 2017 H Co.	MOHFL ESOS 2022 (IV)
Weighted Average Fair Value of options (granted but not vested) as on grant date (In Rs.)	1.28	1.39	1.46	1.17	1.39
Range of Risk free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%	7.10% - 7.38%
Dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%
Expected volatility	40%	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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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:

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Other Information regarding Employee Share Based Payment Plan is as below

	Year ended 31 March 2023	Year ended 31 March 2022
Expense arising from employee share based payment plans	2,897	2,449
Total carrying amount at the end of the period	23,644	24,422

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

Impact on the income statement of a change in leaver assumptions	Year ended 31 March 2023	Year ended 31 March 2022
(+)5%	(171)	(228)
(-)5%	171	228

Note 51 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as “unallocable” in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

Particulars		For the year ended	
		31 March 2023 (Audited)	31 March 2022 (Audited)
1. Revenue:			
1. Capital market		2,83,239	2,54,481
a) External Revenue		2,10,250	2,01,223
b) Interest Income		72,989	53,258
2. Fund based activities		14,252	50,494
a) External Revenue		12,938	49,255
b) Interest Income		1,314	1,239
3. Asset management and advisory		96,228	1,12,883
a) External Revenue		94,410	1,12,012
b) Interest Income		1,818	871
4. Home finance		53,193	52,841
a) External Revenue		1,851	2,655
b) Interest Income		51,342	50,186
5. Unallocated		47	100
a) External Revenue		47	100
b) Interest Income		-	-
6. Inter-Segment		(27,247)	(39,158)
a) External Revenue		(22,613)	(36,130)
b) Interest Income		(4,634)	(3,028)
7. Total		4,19,712	4,31,641
a) External Revenue		2,96,883	3,29,115
b) Interest Income (Including gain on derecognition of financial assets)		1,22,829	1,02,526
1. Capital market			
a) Interest Expense		37,688	25,497
b) Net Interest Revenue		35,301	27,761
c) Depreciation and amortization		5,029	3,892
2. Fund based activities			
a) Interest Expense		3,886	2,204
b) Net Interest Revenue		(2,572)	(965)
c) Depreciation and amortization			
3. Asset management and advisory			
a) Interest Expense		1,417	495
b) Net Interest Revenue		400	376
c) Depreciation and amortization		440	465
4. Home finance			
a) Interest Expense		21,856	23,124
b) Net Interest Revenue		29,487	27,062
c) Depreciation and amortization		369	469

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	For the year ended	
	31 March 2023 (Audited)	31 March 2022 (Audited)
5. Inter-Segment		
a) Interest Expense	(5,264)	(3,843)
b) Net Interest Revenue	630	814
c) Depreciation and amortization	-	-
6. Total		
a) Interest Expense	59,583	47,477
b) Net Interest Revenue	63,246	55,049
c) Depreciation and amortization	5,838	4,826
2. Segment results		
(a) Capital market	67,933	67,475
(b) Fund based activities	6,402	46,262
(c) Asset management and advisory	36,288	44,482
(d) Home finance	17,758	11,871
(e) Unallocated	(4,156)	(8,510)
Total segment results	1,24,225	1,61,581
Tax expense:		
Current tax	29,062	23,588
Deferred tax	1,823	7,109
Short/(excess) provision for earlier years	58	(189)
Profit from ordinary activities	93,282	1,31,073
Add : Share of profit/(loss) from associate (net of taxes)	196	172
Profit after tax including share of associate	93,478	1,31,245
Less: Non controlling interest	309	267
Net profit/(loss) attributable to Owners of parent	93,169	1,30,978
3. Segment assets		
(a) Capital market	13,99,127	8,63,353
(b) Fund based activities	4,66,266	4,21,145
(c) Asset management and advisory	42,757	60,084
(d) Home finance	4,12,254	3,72,782
(e) Unallocated	10,647	12,600
Less : Inter segment assets	(30,058)	(37,630)
Total segment assets	23,00,994	16,92,334
4. Segment liabilities		
(a) Capital market	13,25,574	8,00,162
(b) Fund based activities	17,181	21,121
(c) Asset management and advisory	16,122	23,068
(d) Home finance	2,99,749	2,75,353
(e) Unallocated	26,681	24,730
Less : Inter segment liabilities	(12,631)	(22,165)
Total segment liabilities	16,72,676	11,22,269

NOTES TO FINANCIAL STATEMENT (Contd..)

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

*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.

Note: 52 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 2023	31 March 2022
(i) Broking and other related activities	1,89,140	1,74,619
(ii) Interest income	1,22,829	1,03,425
(iii) Portfolio management fee, Investment management and advisory fees	84,201	86,112
	3,96,170	3,64,156

Revenue disaggregation by business segment has been included in segment information (refer note 51).

c) Contract balances

Receivables - The outstanding balance as at 31 March 2023 : INR 1,02,911 lakhs, 31 March 2022: INR 1,00,332 lakhs (also refer note 6).

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Loans and advances - The outstanding balance as at 31 March 2023 : Rs. 7,21,764 lakhs, 31 March 2022: Rs. 4,90,452 lakhs (also refer note 7).

d) Performance obligations and timing of revenue recognition

(i) Broking and other related activities:-

Income from services rendered as a broker & referral fees is recognised upon rendering of the services. Fees for subscription based services & training fees 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 53 Maturity analysis of assets and liabilities

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	2,57,631	-	2,57,631	2,13,754	-	2,13,754
Bank balance other than cash and cash equivalents above	5,87,811	38,248	6,26,060	1,90,241	1,27,530	3,17,771
Receivables						
(I) Trade receivables	71,897	31,012	1,02,909	72,506	27,803	1,00,309
(II) Other receivables	3	-	3	23	-	23
Loans	3,86,641	3,35,123	7,21,764	2,05,920	2,84,532	4,90,452

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Investments	59,050	4,19,646	4,78,696	60,046	4,08,445	4,68,491
Other financial assets	26,323	2,845	29,168	33,805	1,789	35,594
Non-financial assets						
Current tax assets (net)	56	3,431	3,487	-	3,381	3,381
Deferred tax assets (net)	27	6,040	6,067	-	6,353	6,353
Property, plant and equipment	4,743	37,908	42,651	2,028	30,339	32,367
Other intangible assets	-	3,930	3,930	-	3,299	3,299
Other non-financial assets	8,436	20,192	28,628	10,360	10,181	20,540
Total assets	14,02,619	8,98,375	2,300,994	7,88,682	9,03,652	16,92,334

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
(I) Trade payables	3,19,633	25,209	3,44,842	3,45,081	25,005	3,70,086
Debt securities	5,53,653	1,42,859	6,96,512	2,76,980	1,19,900	3,96,880
Borrowings (Other than debt securities)	1,51,709	1,79,372	3,31,080	97,988	1,20,284	2,18,271
Deposits	-	170	170	-	98	98
Other financial liabilities	2,41,619	3,859	2,45,478	79,743	4,056	83,800
Non-financial liabilities						
Current tax liabilities (net)	3,666	-	3,666	3,166	-	3,166
Provisions	18,539	5,106	23,644	21,426	2,996	24,422
Deferred tax liabilities (net)	-	21,046	21,046	-	18,797	18,797
Other non-financial liabilities	6,070	168	6,238	6,749	-	6,749
Total liabilities	12,94,888	3,77,788	16,72,676	8,31,133	2,91,136	11,22,269
Net	1,07,730	5,20,587	6,28,318	(42,452)	6,12,516	5,70,065

Note 54 Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	2,57,631	-	-	2,13,754
Bank balance other than cash and cash equivalents above	-	-	6,26,060	-	-	3,17,771

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Receivables						
(I) Trade receivables	-	-	1,02,909	-	-	1,00,309
(II) Other receivables	-	-	3	-	-	23
Loans	-	-	7,21,764	-	-	4,90,452
Investments	411,843	61,726	5,127	3,97,376	68,811	2,303
Other financial assets	-	-	29,168	-	-	35,594
Total financial assets	411,843	61,726	17,42,662	3,97,376	68,811	11,60,206
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	3,44,842	-	-	3,70,086
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	-	-	6,96,512	-	-	3,96,880
Borrowings (Other than debt securities)	-	-	3,31,080	-	-	2,18,271
Deposits	-	-	170	-	-	98
Other financial liabilities	-	-	2,45,478	-	-	83,800
Total financial liabilities	-	-	16,18,082	-	-	10,69,135

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

As at 31 March 2023

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	2,11,398	-	-	2,11,398
- Quoted equity and preference shares	2,428	-	-	2,428
- Alternative Investment funds	-	15,613	-	15,613
- Private equity funds	-	-	99,227	99,227
- Real estate funds	-	-	25,390	25,390
- Unquoted equity and preference shares	-	-	32,671	32,671
- Unquoted Security receipts	-	-	19,646	19,646
- 'Debentures and Bonds - Unquoted	-	-	5,470	5,470
Financial Investments at FVOCI				
- Quoted equity shares	61,726	-	-	61,726
Total financial assets	2,75,552	15,613	1,82,404	4,73,569

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	1,71,582	4,66,188

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 and preference investments - price multiples of comparable companies.
- 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 measurements using significant unobservable inputs (level 3)

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

Particulars	Private Equity Funds	Real Estate Funds	Debentures and Bonds	Security receipts	Unquoted Shares	Total
As at 1 April 2021	67,980	20,683	3,013	21,617	5,863	1,19,156
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	85,208	20,395	8,036	21,746	36,197	1,71,583
Additions	18,841	13,129	2,310	5,048	150	39,478
Disposals	(6,127)	(8,329)	(4,876)	(5,618)	(920)	(25,870)
Gains/(losses) recognised in statement of profit and loss	1,302	195	-	(1,530)	(2,772)	(2,805)
As at 31 March 2023	99,226	25,390	5,470	19,646	32,655	1,82,386

d) Transfers between levels 2 and 3

There are no transfers between Level 2 and Level 3 during the year

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

Sensitivity analysis

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of instruments	1,82,404	1,71,583
Significant unobservable inputs		
Net worth of the fund at Fair value		
- increase by 1000 bps	18,240	17,158
- decrease by 1000 bps	(18,240)	(17,158)

Note 55: 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

Expected credit loss measurements

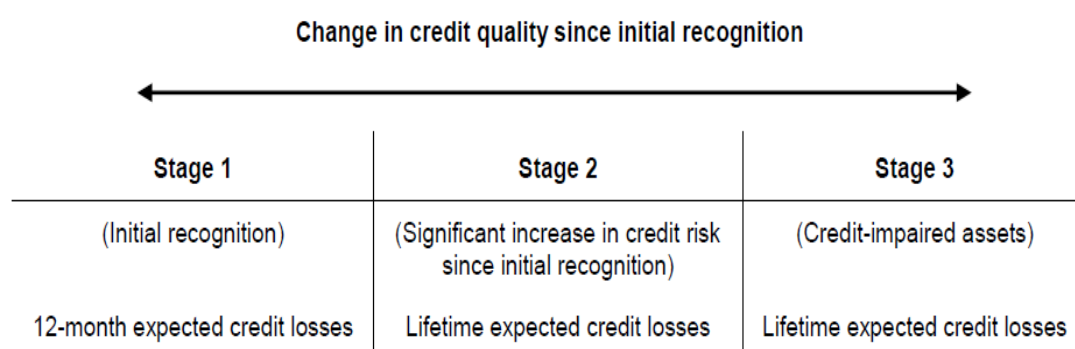
(I) Expected credit loss measurement for Loans :

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:

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

- 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.

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

- 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 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.

One check

"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;

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 2023

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	Above 5 Years	Total
Financial assets				
Cash and cash equivalents	2,57,631	-	-	2,57,631
Bank balance other than cash and cash equivalents above	5,87,812	38,248	-	6,26,060
Receivables				
(I) Trade receivables	71,897	31,012	-	1,02,909
(II) Other receivables	3	-	-	3
Loans	3,86,641	3,35,123	-	7,21,764
Investments	59,050	4,19,646	-	4,78,696
Other financial assets	26,323	2,845	-	29,168
Total financial assets	13,89,358	8,26,873	-	22,16,231
Financial liabilities				
Payables				
(I) Trade payables	3,19,633	25,209	-	3,44,842
Debt securities	5,53,653	1,42,859	-	6,96,512
Borrowings (Other than debt securities)	1,51,708	1,79,372	-	3,31,080
Deposits	-	170	-	170
Other financial liabilities	2,41,619	3,859	-	2,45,478
Total financial liabilities	12,66,613	3,51,469	-	16,18,082

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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	72,506	27,803	-	1,00,309
(II) Other receivables	23	-	-	23
Loans	2,05,920	2,84,532	-	4,90,452
Investments	60,046	4,08,445	-	4,68,491
Other financial assets	33,805	1,789	-	35,594
Total financial assets	7,76,294	8,50,099	-	16,26,394
Financial liabilities				
Payables				
(I) Trade payables	3,45,081	25,005	-	3,70,086
Debt securities	2,76,980	1,19,900	-	3,96,880
Borrowings (Other than debt securities)	97,987	1,20,284	-	2,18,271
Deposits	-	98	-	98
Other financial liabilities	79,744	4,056	-	83,800
Total financial liabilities	7,99,792	2,69,343	-	10,69,135

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.

Foreign currency risk management

In respect of the foreign currency transactions, the Group hedges part of the exposures in foreign currency. However, 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

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.

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	
	Friday, March 31, 2023	31 March 2022
Loans		
Interest rates – increase by 100 basis points	5,225	3,665
Interest rates – decrease by 100 basis points	(5,225)	(3,665)
Borrowings		
Interest rates – increase by 100 basis points	(2,996)	(2,342)
Interest rates – decrease by 100 basis points	2,996	2,342

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.

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 2023	31 March 2022
Exposure to price risk	4,73,569	4,66,189

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs / price with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs / price of the investments held at FVTPL/FVOCI at balance sheet date:

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 10% increase in NAV/price	47,357	46,619
Impact on profit before tax for 10% decrease in NAV/price	(47,357)	(46,619)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates (all other variables being constant) of the Group's net receivable/(payable).

Particulars	31 March 2023	31 March 2022
Exposure to foreign currency risk	79	65

Sensitivity	31 March 2023	31 March 2022
Impact on profit before tax for 10% increase foreign exchange rate	8	6
Impact on profit before tax for 10% decrease foreign exchange rate	(8)	(6)

Note 56 : 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 2023	31 March 2022
Gross debt*	10,30,980	6,22,811
Cash and cash equivalents	(2,57,631)	(2,13,754)
Net debt (A)	7,73,349	4,09,057
Total equity (B)	6,28,318	5,70,065
Gearing ratio (A / B)	1.23	0.72

*Debt includes debt securities and borrowings (other than debt securities) including outstanding interest.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note: 57 Principles and assumptions used for consolidated financial statements and proforma adjustments:

- a) 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.'

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 2023 and 31 March 2022 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2023	As at 31 March 2022
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	100
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	97.60	97.71
Motilal Oswal Finsec IFSC Limited	India	100	100
Glide Tech Investment Advisory Private Limited	India	100	100
TM Investment Technologies Private Limited	India	61.64	63.83
MO Alternative IFSC Limited	India	100.00	0.00

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2023	As at 31 March 2022
b) Step down Subsidiaries			
India Business Excellence Management Company	Mauritius	100.00	100.00
Motilal Oswal Asset Management (Mauritius) Limited	Mauritius	100.00	100.00
Motilal Oswal Capital Limited	India	100.00	100.00
II) Associate Enterprise			
India Reality Excellence Fund II LLP	India	20.44	20.44

Note 58 Additional disclosure pertaining to Subsidiaries/Associate as per division III of Companies Act, 2013

FY 22-23

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	71.23%	445,354	60.85%	56,695	74.55%	(3,466)	60.13%	53,229
Subsidiaries								
Indian								
Motilal Oswal Commodities Broker Private Limited	0.14%	883	0.00%	(1)	0.00%	-	0.00%	(1)
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	1.96%	12,258	1.22%	1,133	-0.05%	2	1.28%	1,135
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	18.59%	116,204	6.98%	6,499	27.25%	(1,267)	5.91%	5,232
Motilal Oswal Wealth Management Limited	3.65%	22,835	4.84%	4,507	-0.18%	8	5.10%	4,516
MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited)	1.96%	12,255	4.65%	4,332	-0.47%	22	4.92%	4,354
Motilal Oswal Asset Management Company Limited	19.21%	120,078	18.19%	16,952	-0.69%	32	19.19%	16,984
Motilal Oswal Trustee Company Limited	0.01%	67	0.01%	6	0.00%	(0)	0.01%	5
Motilal Oswal Securities International Private Limited	0.08%	526	0.03%	23	0.08%	(4)	0.02%	20
Motilal Oswal Home Finance Limited	18.36%	114,772	14.64%	13,636	-0.32%	15	15.42%	13,651
Motilal Oswal Capital Limited	0.00%	-	0.04%	34	0.00%	-	0.04%	34

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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
Glide Tech Investment Advisory Private Limited	0.09%	577	0.21%	199	-0.16%	7	0.23%	207
Motilal Oswal Finsec IFSC Limited	0.25%	1,560	0.15%	136	0.00%	0	0.15%	136
TM Investment Technologies Private Limited	0.14%	886	-0.04%	(37)	-0.02%	1	-0.04%	(36)
MO Alternative IFSC Private Limited	0.00%	5	0.77%	721	0.00%	(0)	0.81%	721
Foreign								
Motilal Oswal Capital Markets (Honkong) Private Limited	0.03%	162	0.02%	23	0.00%	-	0.03%	23
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.07%	451	0.02%	16	0.00%	-	0.02%	16
India Business Excellence Management Company	0.38%	2,350	0.06%	60	0.00%	-	0.07%	60
Motilal Oswal Asset Management (Mauritius) Private Limited	0.05%	343	-0.34%	(316)	0.00%	-	-0.36%	(316)
Total	136.20%	851,567	112.30%	104,620	99.99%	(4,649)	112.93%	99,971
Associates								
Indian								
India Reality Excellence Fund II LLP	0.23%	1,455	0.21%	196	0.00%	-	0.22%	196
Total	0.23%	1,455	0.21%	196	0.00%	-	0.22%	196
Eliminations Adjusted	-35.94%	(224,704)	-12.17%	(11,338)	-0.02%	1	-12.81%	(11,338)
Net Total	100.49%	628,318	100.33%	93,478	99.98%	(4,648)	100.34%	88,829
Non Controlling Interest in all Subsidiaries	-0.48%	(3,094)	-0.33%	(309)	0.02%	(1)	-0.34%	(310)
FY 22-23	100%	625,224	100%	93,169	100%	(4,649)	100%	88,520

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%	424,211	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

NOTES TO FINANCIAL STATEMENT (Contd..)

(All amounts are in INR Hundred, 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 Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	19.63%	111,386	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%	103,120	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%	100,697	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
TM Investment Technologies Private Limited	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) Private Limited	0.11%	614	0.35%	457	0.00%	-	0.34%	457
Total	138.49%	785,815	115.01%	150,650	100.09%	4,106	114.58%	154,757
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%	(215,750)	-14.95%	(19,578)	0.00%	0	-14.49%	(19,579)
Net Total	100.47%	570,065	100.20%	131,244	100.07%	4,106	100.22%	135,350
Non Controlling Interest in all Subsidiaries	-0.45%	(2,628)	-0.20%	(266)	-0.07%	(3)	-0.19%	(269)
Grand Total	100%	567,437	100%	130,978	100%	4,103	100%	135,081

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Note 59: Foreign currency transactions:

(i) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Travelling and conveyance expenses	109	13
Legal and professional charges	70	87
Marketing & brand promotion expense	232	163
Membership and subscription	488	412
Repairs and maintenance	244	332
Remuneration to auditors	0	-
Insurance	-	0
Rates and taxes	3	1
Advisory and other fees	505	443
Placement Fees	594	-
Salary and other benefits	21	-
Miscellaneous expenses	711	153
Total	2,977	1,604

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Research and advisory fees	1,355	1,289
Total	1,355	1,289

(iii) Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	1	1
	INR (Indian Rupees)	124	91
	GBP (Pound Sterling)	0	0
	INR (Indian Rupees)	6	10
	EUR(EURO Dollar)	-	0
	INR (Indian Rupees)	-	4
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	1	1
	INR (Indian Rupees)	124	91
	GBP (Pound Sterling)	0	0

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
	INR (Indian Rupees)	6	10
	EUR(EURO Dollar)	-	0
	INR (Indian Rupees)	-	4
Unhedged foreign currency exposure	USD (USA Dollar)	1	1
	INR (Indian Rupees)	124	91
	GBP (Pound Sterling)	0	0
	INR (Indian Rupees)	6	10
	EUR(EURO Dollar)	-	0
	INR (Indian Rupees)	-	4

b) Payables

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	0	0
	INR (Indian Rupees)	41	34
	SGD (Singapore Dollar)	0	0
	INR (Indian Rupees)	9	6
Foreign currency payable in next 5 years including interest	USD (USA Dollar)	0	0
	INR (Indian Rupees)	41	34
	SGD (Singapore Dollar)	0	0
	INR (Indian Rupees)	9	6
Unhedged foreign currency exposure	USD (USA Dollar)	0	0
	INR (Indian Rupees)	41	34
	SGD (Singapore Dollar)	0	0
	INR (Indian Rupees)	9	6

c) Investments

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	3	1
	INR (Indian Rupees)	216	57
Foreign currency exposure in next 5 years including interest	USD (USA Dollar)	3	1
	INR (Indian Rupees)	216	57
Unhedged foreign currency exposure	USD (USA Dollar)	3	1
	INR (Indian Rupees)	216	57

NOTES TO FINANCIAL STATEMENT (Contd..)

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

d) Deposits

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	2	2
	INR (Indian Rupees)	146	137
Foreign currency exposure in next 5 years including interest	USD (USA Dollar)	2	2
	INR (Indian Rupees)	146	137
Unhedged foreign currency exposure	USD (USA Dollar)	2	2
	INR (Indian Rupees)	146	137

e) Loans

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	0	-
	INR (Indian Rupees)	0	-
Foreign currency exposure in next 5 years including interest	USD (USA Dollar)	0	-
	INR (Indian Rupees)	0	-
Unhedged foreign currency exposure	USD (USA Dollar)	0	-
	INR (Indian Rupees)	0	-

f) Lease Liability

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Foreign currency exposure outstanding	USD (USA Dollar)	1	-
	INR (Indian Rupees)	80	-
Foreign currency exposure in next 5 years including interest	USD (USA Dollar)	1	-
	INR (Indian Rupees)	80	-
Unhedged foreign currency exposure	USD (USA Dollar)	1	-
	INR (Indian Rupees)	80	-

Source for conversion rate as on 31 March : Oanda.com

Note 60 : Business Combinations

(A) Summary of Acquisition:

The parent entity acquired 100 % stake in MO Alternative IFSC Private Ltd. from its erstwhile shareholders, resulting MO Alternative IFSC Private Ltd. becoming a subsidiary w.e.f. 12th December 2022. The acquisition would bring synergies to the Group as MO Alternative IFSC Private Ltd. is in the same line of business as the Motilal Oswal Group is.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

1. Purchase consideration – Rs. 5 Lakhs
2. For the purpose of preparation of the Group's audited consolidated financial statements, MO Alternative IFSC Private Ltd. has been considered as a subsidiary with effect from close of business on 11th December 2022.

The assets and liabilities recognised as a result of the acquisition as on 30th November 2022 are as follows:

Particulars	Fair value (Rs. In Lakhs)
Property, plant and equipment	48
Total non - current assets	48
Current assets	
Trade receivables	503
Cash & cash equivalents	131
Loans	0
Other financial assets	9
Other Non - financial assets	926
Total current assets	1,569
Total assets - (1)	1,617
Financial liabilities	
(i) Payables	994
(ii) Other financial liabilities	53
Total non - current liabilities	1,047
Current liabilities	
Other non-financial liabilities	0
Total current liabilities	0
Contingent liabilities	-
Total liabilities - (2)	1,047
Net assets - (3) = (1) - (2)	570

Note: The above figures are from the unaudited financials of MO Alternative IFSC Private Ltd. as on 30th November 2022. There are no material changes in the above figures between the acquisition date and 30th November 2022

3

Calculation of Capital Reserve / Goodwill	(Rs. In lakhs)
Total Consideration	5
Add: NCI based on Fair Value of net assets	-
Less: Net assets acquired	(604)
Goodwill / (Capital Reserve) arising on acquisition	(599)

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(B) Accounting policy choice of non-controlling interest:

The group recognises non-controlling interest in an acquired entity at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

(C) Revenue and profit / (loss) contribution:

Revenue from operations of Rs. 365 Lakhs and Profit after Tax of Rs. 340 Lakhs has been included in the Current Year's Consolidated Statement of Profit & Loss.

(D) Purchase Consideration – Cash Outflow:

Particulars	(Rs. In lakhs)
Outflow of cash to acquire the stake	
Cash Consideration	5
Less: Balance acquired	(131)
Net Outflow of Cash – Investing Activities	(126)

(E) There are no acquisition related costs to acquire the stake in this Company.

(F) The revenue and profit before tax of the combined entity for the current reporting period would have increased by Rs. 945 lakhs and Rs. 381 lakhs approximately, if the acquisition date for the business combination occurred during the year in MO Alternative IFSC Private Ltd. had been as of the beginning of the annual reporting period (i.e. 1st April, 2022).

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- (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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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.
- 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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.

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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 4.6 In case of any difference in accounting policy between the Transferor Company 3 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail and the difference till the Appointed Date will be quantified and adjusted as per Ind AS, to ensure that the financial statements of Transferee Company 1 reflects the financial position on the basis of consistent accounting policy.
- 4.7 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 3 with the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Transferor Company 3 (except shares held by the Transferee Company 1) and whose name appear in the register of members of the Transferor Company 3 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company.
- 5. Demerger Of The Fund Management Undertaking 2 From The Demerged Company 2 Into The Resulting Company**
- 5.1. The Demerged Company 2 shall account for the Scheme from the Appointed Date in its books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:
- Accounting treatment in the books of the Demerged Company 2**
- 5.1.1 The Demerged Company 2 shall reduce the carrying value of assets and liabilities pertaining to the Fund Management Undertaking 2, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 5.1.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company 2 and the Resulting Company relating to the Fund Management Undertaking 3 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 5.1.3 The Demerged Company 2, as on the Appointed Date, shall transfer the balances of all the reserves to the Resulting Company, in the proportion of the net assets transferred to the Resulting Company and the net assets retained by the Demerged Company 2 ("Transferred Reserves").
- 5.1.4 The difference, being the excess of carrying value of assets over the carrying value of liabilities transferred pursuant to Clause 5.1.1 and after giving effect to clause 5.1.2 and clause 5.1.3 above shall be adjusted to the other equity of the Demerged Company 2.
- 5.2 The Holding Company of the Resulting Company shall account for the Scheme in its respective books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in accordance 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:

NOTES TO FINANCIAL STATEMENT (Contd..)

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

Accounting treatment in the books of the Holding Company of the Resulting Company

The Holding Company of the Resulting Company shall credit its share capital with the aggregate face value of the equity shares issued pursuant to Clause 52 of this Scheme and corresponding debit shall be made to Investment in Resulting Company Account.

- 5.3 Upon the Scheme becoming effective, i.e., on amalgamation of the Transferor Company 3 with the Transferee Company 1, the Demerged Company 2 will become a subsidiary of the Holding Company of the Resulting Company.

Upon the Scheme becoming effective and upon the demerger of the Fund Management Undertaking 2 of the Demerged Company 2 into the Resulting Company in terms of this Scheme, the Holding Company of the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of Re. 1/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company 2 (except shares held by the Holding Company of the Resulting Company) and whose name appear in the register of members of the Demerged Company 2 on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company 2/ the Holding Company of the Resulting Company.

6. Amalgamation Of The Transferor Company 4 With The Transferee Company 1

The Transferee Company 1 shall account for the amalgamation in its books/ financial statements as per "Pooling of Interests Method" under Appendix C of "Indian Accounting Standard (Ind-AS)" 103, Business Combinations and any other relevant Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

- 6.1. The Transferee Company 1 shall record the assets and liabilities of the Transferor Company 4, transferred to and vested in it at their respective carrying values as appearing in the books of the Transferor Company 4 in accordance with Para 9(iii) of Appendix C of Ind AS 103.
- 6.2. The Transferee Company 1 shall preserve the identity of the reserves of the Transferor Company 4 transferred to and vested in it and shall record in its books in the same form in which they appear in the books of the Transferor Company 4 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1.
- 6.3. The shares held by the Transferee Company 1 in the Transferor Company 4 on the Effective Date shall be cancelled.
- 6.4. The Transferee Company 1 shall credit to its share capital in its books the aggregate face value of the equity shares issued by it to shareholders of the Transferor Company 4 pursuant to Clause 62 of this Scheme.
- 6.5. Loans and advances, receivables, payables and other dues outstanding between the Transferor Company 4 and the Transferee Company 1 will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

- 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

(g) Identifiable assets acquired and liabilities assumed

Particulars	As at 31 March 2021	Adjustments on account of amalgamation			As at 01 April 2021
	As per signed annual report	PIMPL	MORE II	MOPE	(Restated)
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					
Deferred 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

NOTES TO FINANCIAL STATEMENT (Contd..)

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

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 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
Demerged Company 1 - MOPE	1,349	1,201	2,615	2,363
Demerged Company 2 - MORE II	514	455	1,110	983

(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	86,374,063	57.94%
Demerged Company 1 - MOPE	Equity Shares	906,120	0.61%
Transferor Company 3 - MOPE	Equity Shares	566,325	0.38%
Demerged Company 2 - MORE II	Equity Shares	372,000	0.25%
Transferor Company 4 - MORE II	Equity Shares	24,000	0.02%

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(n) The amount of any difference between the consideration and the value of net identifiable assets acquired and the treatment thereof : Nil

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 2023 and 31 March 2022.

Note: 64 The Company has bought back 14,54,545 equity shares amounting to Rs.19,843 lakhs under Tender Offer on July 18, 2022 (i.e. settlement date) and the said shares have been extinguished on 22 July 2022.

Note 65. No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

Note 66. The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

Note 67. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 68. The Company have no satisfaction of charges which are pending to be filed with ROC.

Note 69: Amendments issued but not yet effective

a. Newly issued standards

There were no standards notified by the Ministry of Corporate Affairs (MCA) during the year ended 31 March 2023.

b. Amendments in prevailing standards but not effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015. The effective date for adoption of these amendments is annual period beginning on or after 01 April 2023. The significant amendments are as below.

NOTES TO FINANCIAL STATEMENT (Contd..)

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

(i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

Note 70: Amounts below 0.50 lakhs are rounded off and shown as "0".

Note 71: Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date

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

Sd/-
Nikhil Singhi
Partner
Membership Number: 061567

Place : Mumbai
Date : 27 April 2023

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397

Sd/-
Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Sd/-
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 27 April 2023

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

Sd/-
Kailash Purohit
Company Secretary

NOTES TO FINANCIAL STATEMENT (Contd..)

Sr. 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)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (MOA IPL)	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	06-04-2006	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	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	NA	NA	NA	NA	NA	NA	NA	
6	Share capital	100	41	300	7,619	6,774	10	800	700	932	
7	Reserves & surplus	12,158	842	11,955	1,08,585	1,13,304	57	47	(123)	(46)	
8	Total assets	12,745	26,385	23,041	4,82,739	1,41,735	71	874	1,099	1,089	
9	Total Liabilities	486	25,503	10,786	3,66,536	21,657	4	26	522	203	
10	Investments	11,596	-	251	1,39,467	1,11,398	50	276	2	-	
11	Turnover	3,378	0	16,273	32,254	56,349	33	87	997	540	
12	Profit before taxation	1,473	0	6,095	8,589	22,677	7	45	267	(47)	
13	Provision for taxation	340	1	1,763	2,090	5,725	2	11	68	(10)	
14	Profit after taxation	1,133	(1)	4,332	6,499	16,952	6	34	199	(37)	
15	Other Comprehensive Income	2	-	22	(1,267)	32	(0)	-	7	1	
16	Total Comprehensive Income	1,135	(1)	4,354	5,232	16,984	5	34	207	(36)	
17	Proposed dividend	-	-	-	-	-	-	-	-	-	
18	% of shareholding	100	100	100	100	100	100	100	100	61.64	

NOTES TO FINANCIAL STATEMENT (Contd..)

Sr. No.	Name of the subsidiary	10	11	12	13	14	15	16	17	18
1										
2										
3	The date since when subsidiary was acquired	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOC-MPL(HK))	Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCM-SPL)	Motilal Oswal 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 Finance Limited (MOFIL)	MO Alternative IFSC Limited (MOA IFSC)
3		29-09-2008	27-06-2011	30-09-2011	30-09-2011	01-10-2013	08-01-2015**	21-03-2014*	07-05-2018	12-12-2022
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period									
4		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	1 HKD = Rs. 10.467	1 SGD = Rs. 61.809	NA	1 USD = Rs. 82.164	1 USD = Rs. 82.164	NA	1 USD = Rs. 82.164
6	Share capital	8	457	412	130	60,334	479	18	1,200	5
7	Reserves & surplus	22,827	69	(250)	322	54,438	(136)	2,332	360	944
8	Total assets	27,339	604	171	641	4,14,798	489	3,202	10,926	1,543
9	Total liabilities	4,504	78	10	190	3,00,026	146	852	9,367	594
10	Investments	21,639	-	-	-	-	0	1	216	-
11	Turnover	21,654	269	134	266	53,193	277	672	314	1,310
12	Profit before taxation	6,181	36	23	35	17,554	(306)	60	239	670
13	Provision for taxation	1,674	12	-	19	3,918	10	0	102	(51)
14	Profit after taxation	4,507	23	23	16	13,636	(316)	60	136	721
15	Other Comprehensive Income	8	(4)	-	-	15	-	-	0	(0)
16	Total Comprehensive Income	4,516	20	23	16	13,651	(316)	60	136	721
17	Proposed dividend	-	-	-	-	-	-	-	-	-
18	% of shareholding	100	100	100	100	97.60	100	100	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 also.
4. Percentage of shareholding is Effective Shareholding of holding company i.e. Motilal Oswal Financial Services Limited.

NOTES TO FINANCIAL STATEMENT (Contd..)

Part "B": Associates and Joint Ventures *

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		No.	Amount of Investment in Associates/ Joint Venture				i. Considered in Consolidation	ii. Not Considered in Consolidation
NOT APPLICABLE								

* Disclosure is given only in case of associate/Joint venture company and not in case of other enterprises. The Group consolidates IREF II LLP as an associates and therefore the above statement is not applicable.



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 - 400 025, Maharashtra, India

E-mail: shareholders@motilaloswal.com, Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200/ 4263 | Fax: +91 22 5036 2365

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Eighteenth Annual General Meeting** ("AGM") of the Members of Motilal Oswal Financial Services Limited ("the Company") will be held on **Tuesday, July 11, 2023 at 04:00 P.M. (IST)** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the below businesses. The venue of the Meeting shall 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 BUSINESSES:

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2023.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2023.
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, 2023.
4. Appointment of a Director in place of Mr. Motilal Oswal (DIN: 00024503), 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. Motilal Oswal (DIN: 00024503), 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. Rajat Rajgarhia (DIN: 07682114), 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. Rajat Rajgarhia (DIN: 07682114), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation."

SPECIAL BUSINESSES:

6. **Re-appointment of Mr. Ajay Menon (DIN: 00024589) as Whole-time Director of the Company**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

NOTICE (Contd....)

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee (“NRC”) and Board, Mr. Ajay Menon (DIN: 00024589) be and is hereby re-appointed as Whole-time Director of the Company for a term of 5 (five) years i.e. from August 21, 2023 to August 20, 2028, being liable to retire by rotation, on the following terms and conditions including remuneration as mentioned herein below, with liberty to the Board (including any Committee thereof) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit:

A. BASIC SALARY:

Presently Fixed Remuneration of Mr. Menon is ₹ 1,60,00,000/-. Further, the fixed remuneration may be increased up to ₹ 4,00,00,000/- per annum during the period of 5 (five) years w.e.f. August 21, 2023 to August 20, 2028, by the Board/ NRC not exceeding the overall permissible limit as prescribed under the provisions of the Act and the rules made thereunder or any other applicable laws (as amended from time to time). The annual or other increments will be merit based and will take into account the Company’s and individual’s performance.

B. VARIABLE REMUNERATION:

Variable Remuneration by way of incentive/ bonus/ performance linked incentive payable to Mr. Menon shall not exceed 15 (fifteen) times of Fixed Remuneration of respective years during the period of 5 (five) years w.e.f. August 21, 2023 to August 20, 2028, as may be determined by the Board/ NRC within the overall permissible limit as prescribed under the provisions of the Act and the rules made thereunder or any other applicable laws (as amended from time to time). The variable pay would be linked with the Company’s and individual’s performance.

C. PERQUISITES:

- The Whole-time Director may be entitled to free accommodation (Company Owned or leased/ rented).
- The Whole-time Director may be entitled to club membership, telephone and other communication facilities at residence, medical & life insurance, Chauffeur, any other benefits applicable to the employees, etc., in accordance with the policies of the Company.
- The Whole-time Director shall be entitled to a Company car (owned/ leased or hired) in accordance with the policies of the Company.
- The Whole-time Director shall be entitled to Company’s contribution to Provident Fund, benefits of Gratuity, adjustment of earned leave at the end of the tenure, in accordance with the policies of the Company.
- The Contribution to National Pension Scheme in accordance with the policies of the Company.

D. It is clarified that employee stock options granted/ to be granted to Whole-time Director, from time to time, shall not be considered as a part of perquisites and that the perquisite value of stock options exercised shall form part of the remuneration.

E. Increment in salary, perquisites and allowances and remuneration based on net profits as may be determined by the Board/ NRC within the aforesaid range and the overall permissible limit as prescribed under the

NOTICE (Contd....)

provisions of the Act or the rules made thereunder or any other applicable laws (as amended from time to time).

RESOLVED FURTHER THAT the remuneration payable to Mr. Menon, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board (including any Committee thereof) in the event of no profit or inadequate profit may alter and vary the terms and conditions of the said appointment and/ or remuneration as it may deem fit and as may be acceptable to Mr. Menon, subject to the same not exceeding the limits specified under Schedule V of the Act.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year, during the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals, if any, pay to the Whole-time Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

7. Re-appointment of Mr. Chitradurga Narasimha Murthy (Mr. C. N. Murthy) (DIN: 00057222) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee (“NRC”) and Board, Mr. Chitradurga Narasimha Murthy (Mr. C. N. Murthy) (DIN: 00057222) who was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 01, 2020 and holds office up to June 30, 2023 and is eligible for re-appointment as an Independent Director of the Company and has submitted a Declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations along with his consent to such re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 (three) consecutive years with effect from July 01, 2023 up to June 30, 2026 on such terms and conditions including commission on profits, if any, as applicable to other Independent Directors of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of the Listing Regulations and such other applicable provisions of the Act and the applicable rules made thereunder and based on the recommendation of the NRC and approval of the Board, consent of the Members of the Company be and is hereby accorded for the continuation of Directorship of Mr. C. N. Murthy (DIN: 00057222) as an Independent Director of the Company till the expiry of his term notwithstanding that he will be attaining age of 75 (seventy-five) years during the said term.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

NOTICE (Contd....)

8. Re-appointment of Mr. Chandrashekhar Karnik (DIN: 00003874) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board, Mr. Chandrashekhar Karnik (DIN: 00003874) who was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f. September 16, 2020 and holds office up to September 15, 2023 and is eligible for re-appointment as an Independent Director of the Company and has submitted a Declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations along with his consent to such re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 (three) consecutive years with effect from September 16, 2023 up to September 15, 2026, on such terms and conditions including commission on profits, if any, as applicable to other Independent Directors of the Company.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

9. Re-appointment of Mr. Pankaj Bhansali (DIN: 03154793) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board, Mr. Pankaj Bhansali (DIN: 03154793), who was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 01, 2020 and holds office up to June 30, 2023 and is eligible for re-appointment as an Independent Director of the Company and has submitted a Declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations along with his consent to such re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years with effect from July 01, 2023 up to June 30, 2028 on such terms and conditions including commission on profits, if any, as applicable to other Independent Directors of the Company.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

NOTICE (Contd....)

10. Re-appointment of Mrs. Divya Momaya (DIN: 00365757) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board, Mrs. Divya Momaya (DIN: 00365757), who was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 01, 2020 and holds office up to June 30, 2023 and is eligible for re-appointment as an Independent Director of the Company and has submitted a Declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations along with her consent to such re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years with effect from July 01, 2023 up to June 30, 2028 on such terms and conditions including commission on profits, if any, as applicable to other Independent Directors of the Company.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

11. Re-appointment of Mrs. Swanubhuti Jain (DIN: 09006117) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board, Mrs. Swanubhuti Jain (DIN: 09006117), who was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f. December 24, 2020 and holds office up to December 23, 2023 and is eligible for re-appointment as an Independent Director of the Company and has submitted a Declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations along with her consent to such re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years with effect from December 24, 2023 up to December 23, 2028 on such terms and conditions including commission on profits, if any, as applicable to other Independent Directors of the Company.

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

NOTICE (Contd....)

12. Alteration in Articles of Association of the Company

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions if any, of the Companies Act, 2013 (“Act”) and the rules made thereunder (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for alteration of Articles of Association of the Company by substituting Clause 132 as follows:

132	<p>(a) Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees on behalf of such financial institution or so long as any of the aforesaid financial institutions, corporations, banks or such other financing entities hold any securities in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions, corporations, banks or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of the Company as their nominee in accordance with the applicable laws and they will not be liable to retire by rotation.</p> <p>(b) The aforesaid financial institutions, corporations, banks or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from the Board.</p> <p>(c) Each such Nominee Director shall be entitled to the same rights, privileges and obligations as any other Director of the Company, and shall also be entitled to attend all General Meetings, Board Meetings and Meetings of the Committee of which he or she is a member and he or she and the financial institutions, corporations, banks or Debenture Trustees or such other financing entities appointing him/ her shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.</p>	Nominee Directors
-----	--	-------------------

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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

13. 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 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and

NOTICE(Contd....)

Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(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, consent of the Members of the Company be and is hereby accorded 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") up to 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 Crore)
Granting Loans	500
Availing loans and/ or any guarantee/ security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	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 the 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 or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board
For Motilal Oswal Financial Services Limited

Sd/-
Kailash Purohit
Company Secretary & Compliance Officer
(ACS No.: 28740)

Place: Mumbai
Date: June 16, 2023

Notes:

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021 May 05, 2022, December 28, 2022 and such other related circulars issued from time to time (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide circular dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM"/ "Meeting") 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 (as 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, 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 the 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 the AGM. The instructions for the process to be followed for Remote e-Voting and e-Voting during the AGM is forming part of the Notice.

4. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014, 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 the MCA and SEBI Circulars, since the AGM will be held through VC/ OAVM, the physical attendance of the 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 e-Voting during 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 Financial Year ("FY") 2022-23 is being sent only through electronic mode to those Members whose name appear in the Register of Members/ Beneficial Owners maintained by the Company/ Depositories as on benpos date i.e. June 09, 2023 and whose e-mail addresses are registered with the Company/ Depositories for communication purpose, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report for FY 2022-23 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. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent ("RTA") i.e. Link Intime India Private Limited/ their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
8. Process for registration of e-mail id for obtaining Annual Report in electronic mode and User ID/ password for e-Voting is annexed to this Notice.
9. 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 the AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com.
10. The Company has appointed Mr. Umashankar K. Hegde, Practicing Company Secretary, as the Scrutinizer for scrutinizing the Remote e-Voting and e-Voting during the AGM, to ensure that the voting process is carried out in a fair and transparent manner.

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11. Interim dividend for the financial year ended March 31, 2023 of ₹ 7/- per Equity Share having face value of ₹ 1/- each was paid by February 15, 2023.
12. The Members whose name appears on the Register of Members/ Beneficial Owners maintained by the Company/ Depositories as on cut-off date i.e. Tuesday, July 04, 2023 will only be considered for the purpose of e-Voting.
13. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members/ Beneficial Owners maintained by the Company/ Depositories as on the cut-off date i.e. Tuesday, July 04, 2023.
14. The Remote e-Voting period commences on Saturday, July 08, 2023 at 09:30 A.M. (IST) and ends on Monday, July 10, 2023 at 05:00 P.M. (IST) During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, July 04, 2023 may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting thereafter.
15. 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/ Beneficial Owners of the Company will be entitled to vote at the AGM.
16. 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 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.
17. A person who is not a Member as on the cut-off date i.e. Tuesday, July 04, 2023 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. Tuesday, July 04, 2023 may obtain the User ID and password by following the instructions as mentioned in the Notice.
18. 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 the rules made thereunder. Members desiring to avail this facility may send their nomination in Form SH-13 duly filled in to the RTA of the Company. 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.
19. 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 Wednesday, August 09, 2023 to those Members whose name appear in the Register of Members/Beneficial Owners as on the Record Date i.e. Tuesday, July 04, 2023.
20. As per the Listing Regulations and pursuant to the 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 Members are available. In case, where the dividend can not 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.
21. 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 Tuesday, July 04, 2023 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, e-mail address, bank details and other KYC details or changes/ update thereof by sending requests in Form ISR-1 to the RTA.

NOTICE (Contd....)

22. The SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
23. 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 01, 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.

24. Unclaimed/ Unpaid 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 (seven) 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 the Company/ RTA for claiming the unclaimed dividends standing to the credit in their account.

25. Shares transferred to IEPF

The equity shares in respect to which dividend has not been encashed for 7 (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 the 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 FY 2022-23, the Company has transferred 1,381 equity shares on December 07, 2022 to IEPF.

26. Members are hereby informed that the SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated:
- Furnishing of PAN, e-mail address, mobile number, bank account details, signature and nomination by holders of physical securities.
 - 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.
 - Folios wherein any one of the said document(s)/ detail(s) are not available on or after October 01, 2023, shall be frozen. Such Members 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.

NOTICE (Contd....)

- d. After December 31, 2025, the frozen folios shall be referred by the 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 the SEBI Circular dated November 03, 2021, are duly updated 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.

27. Additional Information of Directors seeking appointment/ re-appointment as per Item No. 4 to 11 at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings ("SS-2"), is annexed to the Notice.
28. 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 Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.
29. 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 the 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 THE AGM

1. The Remote e-Voting period commences on Saturday, July 08, 2023 at 09:30 A.M. (IST) and ends on Monday, July 10, 2023 at 05:00 P.M. (IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, July 04, 2023, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting thereafter.
2. Members who have already voted prior to the AGM date would not be entitled to vote at the AGM.
3. Pursuant to the provisions of the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 and Regulation 44 of the Listing Regulations, listed entities are required to provide Remote

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e-Voting facility to its Shareholders, in respect of all Shareholders' Resolutions. However, it has been observed that the participation by the Public Non-institutional Shareholders/ Retail Shareholders are at a negligible level.

Currently, there are multiple e-Voting service providers ("ESPs") providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

I. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

In terms of the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, Login method for e-Voting and joining virtual AGM for Individual Shareholders holding securities in Demat mode with CDSL/ NSDL is given below:

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 requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the Remote e-Voting period or joining virtual AGM & e-Voting during the AGM. Additionally, there is also links provided to access the system of all e-Voting service providers, 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 CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting service providers.

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Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>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.nSDL.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 AGM & e-Voting during the AGM.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>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 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 AGM & e-Voting during the AGM.</p>
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 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 AGM & e-Voting during the AGM.

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 websites.

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 toll free no. 1800 22 55 33
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 : 1800 1020 990 and 1800 22 44 30

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II. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL AGM FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM

- (i) The Shareholders should log-on to the e-Voting website at www.evotingindia.com.
- (ii) Click on “Shareholders” module.
- (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.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-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 Physical Shareholders and other than Individual Shareholders holding shares in Demat	
PAN	Enter your 10 (ten) digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by the Company/ RTA or contact the Company/ RTA.
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 depository or company, please enter the member id/ folio number in the Dividend Bank details field.

- (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, Members 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 Members 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.

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- (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.
- (xvi) If demat account holder has forgotten the login 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) Additional Facility for Non-individual Shareholders and Custodians – For Remote e-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 e-mailed 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 e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney 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(ies) 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.

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 e-Voting.
2. Only those Members, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolution(s) 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. If any votes are cast by the Members through the e-Voting available during the AGM and if the same Members have not participated in the AGM through VC/ OAVM facility, then the votes cast by such Members may be considered invalid as the facility of e-Voting during the AGM is available only to the Members attending the AGM.

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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 Shareholders/ Members login where the EVSN of the 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 Chairman of the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee and 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. Therefore, it is 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, e-mail id, mobile number at shareholders@motilaloswal.com up to Tuesday, July 04, 2023 [05:00 P.M. (IST)]. 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, e-mail id, mobile number at shareholders@motilaloswal.com up to Tuesday, July 04, 2023 [05:00 P.M. (IST)]. 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.

V. INSTRUCTIONS FOR SHAREHOLDERS FOR REGISTRATION OF E-MAIL ADDRESS

1. 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 e-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....)

2. 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 the procedure prescribed by the DP.

3. 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 the 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 (self-attested copy of PAN card), address proof (self-attested copy of address proof), mobile number, e-mail id and share certificate (front and back).

If you have any queries or issues regarding attending the AGM & e-Voting from the 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 e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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 Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

NOTICE (Contd....)

ANNEXURE TO THE NOTICE

The Statement under Section 102 of the Companies Act, 2013

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 who 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. Oswal and Mr. Rajgarhia, 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 of Mr. Oswal and Mr. Rajgarhia are given herein below and other relevant details as required pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, are provided in Annexure to the Notice.

Save and except Mr. Oswal and Mr. Rajgarhia and their relatives to the extent of their respective shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 4 & 5 of the Notice respectively. Mr. Oswal and Mr. Rajgarhia are not related to any other Director/ KMP of the Company.

Accordingly, the Board recommends the Ordinary Resolution(s) set out in Item No. 4 & 5 of the Notice for approval of the Members.

Brief Profile of Mr. Motilal Oswal

Mr. Motilal Oswal is a Chartered Accountant and started the business along with co-promoter, Mr. Raamdeo Agarawal in 1987.

Mr. Oswal has served on the Governing Board of the BSE, Indian Merchant's Chamber (IMC) and has also served on various committees of BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and Central Depository Services Limited. He served as Chairman of the Jain International Trade Organisation (JITO) and President of JITO for two consecutive terms and has been awarded the Rashtriya Samman Patra by the Government of India for being amongst the highest income tax payers in the country for a period of 5 years.

For his work and contribution to the capital markets, Mr. Oswal has been felicitated with several awards and accolades including:

- 'Excellent Business Achiever in Financial Services' Award by the Institute of Chartered Accountants of India;
- 'Rajasthan Ratna Manav Seva' Award by Manav Seva Trust;
- 'Special Contribution award to Indian Capital Markets' Award by Zee Business;
- 'The Hall of Fame for Excellence in Franchising' by Franchising World Magazine;
- 'Champion of Arthshastra' by the Rotary Club;
- 'Durgadevi Saraf Puraskar' by Marwadi Sammelan for extraordinary contributions in the field of Trade & Industry; and
- 'Samaj Ratna' Award at the hands of Her Excellency President Smt. Pratibhatai Patil in Rashtrapati Bhawan;
- 'Lifetime Achievement Award' by Jain Chartered Accountants Federation.

NOTICE (Contd....)

Mr. Oswal has authored two books of quotations on 'The Essence of Business & Management' and 'The Essence of Life'.

Brief Profile of Mr. Rajat Rajgarhia

Mr. Rajat Rajgarhia is a qualified Chartered Accountant and has done Master of Business Administration from Management Development Institute, Gurgaon.

Mr. Rajgarhia started his career with his family run broking business in equities. Post completing his CA and MBA, he joined India Infoline for a short stint in the research function.

Mr. Rajgarhia joined Motilal Oswal in 2001 as a research analyst. He became the Head of Research of Institutional Equities business of Motilal Oswal Securities Limited and was recognized as one of India's foremost Equity Research analysts. He is now Whole-time Director & Chief Executive Officer of Institutional Equities business of MOFSL.

ITEM NO. 6

The Members, at the Thirteenth AGM held on September 27, 2018 have approved the appointment of Mr. Ajay Menon as Whole-time Director of the Company for a period of 5 (five) years w.e.f. August 21, 2018. The said term of 5 (five) years will expire on August 20, 2023.

Accordingly, the Members' approval is sought for the re-appointment of and remuneration payable to Mr. Menon as Whole-time Director of the Company in terms of the applicable provisions of the Companies Act, 2013.

Considering the vast experience and knowledge of Mr. Menon in capital markets and his immense contribution towards the growth of Broking & Distribution business of the Company, the Board at its Meeting held on April 27, 2023, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Menon as a Whole-time Director for a term of 5 (five) years i.e. from August 21, 2023 to August 20, 2028, being liable to retire by rotation.

The brief profile of Mr. Menon is given herein below and other relevant details as required pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, are provided in Annexure to the Notice.

Save and except Mr. Menon and his relatives to the extent of their respective shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. Mr. Menon is not related to any other Director/ KMP of the Company.

Accordingly, the Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of the Members.

Brief Profile of Mr. Ajay Menon

Mr. Ajay Menon is a member of the Institute of Chartered Accountants of India from since 1997 and a graduate from N.M. College of Commerce, Mumbai. He is also certified in Series 7, 24 and 63 of the FINRA Regulations.

Mr. Menon has over 22 years of vast experience in Indian Capital Markets. He joined the Motilal Oswal Group in 1998 as an Accounts Manager. Soon he was responsible for operations, compliance, legal, risk management, business process excellence and information technology. He has been the cornerstone of strong track record and a driving force behind the operational excellence of Motilal Oswal Financial Services Limited ("MOFSL").

NOTICE (Contd....)

Mr. Menon has always demonstrated his aptitude and passion for creating and building several cutting edge technology initiatives to provide the best experience to the customers and also the MOFSL team. He has been instrumental in laying the foundation of the group with a strong focus on Compliance and Risk Management. He has also engineered the development of several state-of-the-art technology initiatives to provide businesses a cutting edge and also a unique value proposition within the spaces they operate. Mr. Menon encouraged building on AI capabilities to improve productivity and introduce newer avenues of business.

Under Mr. Menon's leadership, many crucial initiatives took shape like a tie-up with banks, new training initiatives for business partners and launch of rob advisory products.

Under Mr. Menon's stewardship, MOFSL has excelled by delivering superior business results even during volatile market conditions. His multi-product strategy helped the organization sustain its revenue in the changing scenario. He has been highly instrumental in garnering various accolades and awards for the MOFSL group.

ITEM NO. 7 TO 11

Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board, the Members of the Company at their Annual General Meeting ("AGM"), have approved the appointment of following Directors as Independent Directors of the Company for a first term of 3 (three) consecutive years, without being liable to retire by rotation, pursuant to the provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time):

Sr. No.	Name of Director	DIN	Tenure		Date of AGM
			From	To	
1.	Mr. Chitradurga Narasimha Murthy (Mr. C. N. Murthy)	00057222	July 01, 2020	June 30, 2023	15 th AGM held on July 30, 2020
2.	Mr. Pankaj Bhansali	03154793	July 01, 2020	June 30, 2023	
3.	Mrs. Divya Momaya	00365757	July 01, 2020	June 30, 2023	
4.	Mr. Chandrashekhar Karnik	00003874	September 16, 2020	September 15, 2023	16 th AGM held on August 09, 2021
5.	Mrs. Swanubhuti Jain	09006117	December 24, 2020	December 23, 2023	

Thus, the current term of Mr. Murthy, Mr. Bhansali and Mrs. Momaya as Independent Directors of the Company ends on June 30, 2023 and of Mr. Karnik and Mrs. Jain as Independent Directors of the Company ends on September 15, 2023 and December 23, 2023, respectively.

Pursuant to the provisions of Section 149 read with the Schedule IV to the Act and Regulation 25 read with the Schedule II of the Listing Regulations, an Independent Director can hold office for a term of up to 5 (five) consecutive years on the Board of the Company, and he/ she shall be eligible for re-appointment on passing of a Special Resolution by the Company. Also, no Independent Director shall hold office for more than 2 (two) consecutive terms.

Regulation 17(1A) of the Listing Regulations, inter-alia provides that a Listed Company shall not appoint a person or continue the directorship of any person aged 75 (seventy-five) years or more as a Non-Executive Director unless a Special Resolution is passed to that effect.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and Listing Regulations for their re-appointment as Independent Directors of the Company and are independent of the Management. Further, the aforesaid Independent Directors have given their consent to act as Independent Directors and declarations to the Board to the effect that they meet the criteria of independence as provided in the Act and Listing Regulations and that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act nor debarred from

NOTICE(Contd....)

holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any other authority.

Considering their skills, background, experience, integrity, knowledge and contributions made over the years as Independent Directors of the Company and on the basis of their performance evaluation, the Board believes that their continued association as Independent Directors would be of immense benefit to the Company.

Accordingly, the Board at its Meeting held on April 27, 2023, based on recommendation of the NRC, has approved re-appointment(s) of Mr. Murthy, Mr. Karnik, Mr. Bhansali, Mrs. Momaya and Mrs. Jain as Independent Directors, not liable to retire by rotation, for a second term as detailed below, subject to approval of the Members of the Company by way of Special Resolution(s):

Sr. No.	Name of Director	Term	Tenure	
			From	To
1.	Mr. Chitradurga Narasimha Murthy (Mr. C. N. Murthy) ⁽¹⁾	3 years	July 01, 2023	June 30, 2026
2.	Mr. Chandrashekhar Karnik ⁽¹⁾	3 years	September 16, 2023	September 15, 2026
3.	Mr. Pankaj Bhansali	5 years	July 01, 2023	June 30, 2028
4.	Mrs. Divya Momaya	5 years	July 01, 2023	June 30, 2028
5.	Mrs. Swanubhuti Jain	5 years	December 24, 2023	December 23, 2028

⁽¹⁾ Considering the provisions of Regulation 17 (1A) of the Listing Regulations, their term is proposed for 3 years.

Accordingly, the approval of the Members is being sought for re-appointment of the aforesaid Directors as Independent Directors of the Company for a term as mentioned above pursuant to the provisions of Section 149, 152 and Schedule IV of the Act read with the rules made thereunder and Listing Regulations. The said appointments shall not be subject to retirement by rotation.

It is pertinent to note that Mr. Murthy would be just crossing the age of 75 (seventy-five) years during his second term of appointment. In compliance with the provisions of Regulation 17(1A) of the Listing Regulations, the continuation of Directorship of a person who has attained the age of 75 (seventy-five) years shall be subject to the approval of the Members by way of Special Resolution and therefore, the approval of the Members of the Company is sought to appoint Mr. Murthy as an Independent Director for a term of 3 (three) years and also to continue holding office during the term even after attaining the age of 75 (seventy-five) years.

Mr. Murthy holds a Bachelor's degree in mechanical engineering from IIT Kharagpur. He is a trained Professional Life/ Executive Coach certified by Coaching & Leadership Inc. Canada. He has nearly 40 years of experience in the packaging industry working with ITC Ltd. Mr. Murthy has 3000+ hours of coaching experience working with senior leadership teams across organizations in India and abroad. He is actively involved in executive leadership development activity. He brings independent judgment and steers discussions in thoughtful directions both within the Boardroom and otherwise. The Board believes that his continued association as an Independent Director would be of immense benefit to the Company even after attaining the age of 75 (seventy-five) years.

The brief profile of Directors seeking re-appointment are given herein below and other relevant details as required pursuant to the provisions of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, are provided in Annexure to the Notice.

The aforesaid Directors shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and payment of commission, if any, as approved by the Members of the Company.

NOTICE (Contd....)

The draft Letter of Re-appointment setting out the terms and conditions of the re-appointment of Mr. Murthy, Mr. Karnik, Mr. Bhansali, Mrs. Momaya and Mrs. Jain as Independent Directors and all the relevant documents referred in this Notice and Explanatory Statement, are available for inspection in physical or electronic form at the Registered Office of the Company between 10:00 A.M. (IST) to 12:00 Noon (IST), on all working days (except Saturdays, Sundays and Public Holidays).

Save and except Mr. Murthy, Mr. Karnik, Mr. Bhansali, Mrs. Momaya and Mrs. Jain and their relatives to the extent of their respective shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 7,8,9,10 & 11 of the Notice respectively. Mr. Murthy, Mr. Karnik, Mr. Bhansali, Mrs. Momaya and Mrs. Jain are not related to any other Director/ KMP of the Company.

Accordingly, the Board recommends the Special Resolutions set out in Item No. 7, 8, 9, 10 & 11 of the Notice for approval of the Members.

Brief Profile of Mr. C. N. Murthy

Mr. C. N. Murthy is a B. Tech. (Mechanical) graduate from IIT Kharagpur with 1st class (Hons). He is a trained Professional Life/ Executive Coach certified by Coaching & Leadership Inc. Canada. He is also a Marshall Goldsmith Stake Holder Centred Coach, with certifications in the practice of DiSC and Lumina Spark personality assessments. He is a PCC Credentialed coach by International Coach Federation. He is a certified facilitator for Accountability training by Partners In Leadership, USA, for programs on Collaboration for Results by Dialogue Works, USA, and for facilitation of Business Simulation Exercises by Business Today, SA.

Mr. Murthy has nearly 40 years of experience in the packaging industry working with ITC Ltd. and with a global packaging major, Huhtamaki Oje, headquartered in Finland and with major operations worldwide. He possesses experience of handling Board level assignments as Executive Director & Chief Operating Officer of HPPL.

Mr. Murthy has 3000+ hours of coaching experience working with senior leadership teams across organizations in India and abroad. He is actively involved in executive leadership development activity in large business houses across industry segments in India and abroad, working with leaders at C Suite and senior leadership levels over the past 10 years. The assignments involved working with identified highly potential people (HIPOTs) and helping them develop self-awareness, and building the ability to manage greater complexity in their lives. He is a Certified Coach Supervisor who works with practicing coaches supporting them to increase their capacity to be in service of the clients they coach.

Mr. Murthy is the Past President of ICF, Mumbai Chapter, and he has been invited as a Keynote and Motivational speaker by various organizations and associations.

Brief Profile of Mr. Chandrashekhar Karnik

Mr. Chandrashekhar Karnik, after completing his Bachelor of Science from Bombay University, has done Post Graduation in Business Management. He also holds Post Graduate Diploma in Industrial Relations and Personnel Management. In addition to this, he possesses degree in law with specialization in Labour Welfare.

Mr. Karnik is a Business focused and strategic HR leader with over 46 years of experience across different industry sectors and verticals in the areas of Human Resource Management.

Mr. Karnik has worked with corporates such as Forbes & Company Ltd., Hotel Corporation of India Ltd., FER Electricals Ltd. and Bombay Oxygen Corporation Ltd.

Mr. Karnik retired as a Director-Human Resources of the Forbes Group. He has served as a Non-Executive Director on the Boards of numerous Forbes Group Companies & has vast experience of handling Board level assignments.

NOTICE(Contd....)

In an executive role, he was responsible for leading diverse and multicultural teams in a widely diversified Group. In these situations, he had intense involvement in strategic business decision making, planning as well as execution with regard to diversification, restructuring of businesses, driving Change Management etc.

Mr. Karnik is a Certified Leadership Coach. He specializes in Leadership Coaching, Competency based Behavioural Assessments, Strategic Human Resource Management, Organization Building & Structuring.

Mr. Karnik is a Board Member and Advisor to several companies, institutions, businesses and entrepreneur families. He is on the Board of Governors of a leading Private University. He is also an Advisor to a Family Business organization.

Currently, he is actively engaged in (a) Coaching and mentoring of CEO/ CXOs (b) Leadership Behaviour Evaluation of Senior Leaders to assess their potential for higher roles (c) Advising corporates in crafting HR strategies with practicable implementation plans/ solutions.

Mr. Karnik held Chairmanship of Human Resource Committees of number of Management Organizations such as Employer's Federation of India, Bombay Chamber of Commerce & Industry, etc. He was Employer's Representative on the National Medical Benefit Council of Employees' State Insurance Corporation (ESIC).

Mr. Karnik is a Life member of National Institute of Personnel Management (NIPM) as well as National Human Resource Development Network (NHRD).

Brief Profile of Mr. Pankaj Bhansali

Mr. Pankaj Bhansali is a qualified Chartered Accountant with over 25 years of extensive experience in managing and running businesses into financial services. He has an extensive background of delivering results in complex and challenging environments with proven track record of setting up systems, establishing new divisions and creating synergies between various business lines.

Mr. Bhansali has held the various positions in Religare Enterprise Limited, diversified financial services group, from June 2005 till April 2012 in India as well as in UK. He has worked with and was associated with several other financial services groups.

Mr. Bhansali is currently the Founder and Chief Operating Officer at Eqaro Sureties Private Limited.

Brief Profile of Mrs. Divya Momaya

Mrs. Divya Momaya is B.com Graduate from Garware College of Commerce, University of Pune and a qualified member of Institute of Company Secretaries of India (ICSI).

Mrs. Momaya is a founder mentor of D. S. Momaya & Co. and possesses more than 20 years of industry experience. She has been into Whole-time Company Secretarial Practice for more than 15 years and is also a Board Mentor. Her Corporate Journey includes experience with companies like BSEL Infrastructure Realty Limited and BSE Limited.

Throughout her career, as a Company Secretary, Mrs. Momaya has played a pivotal role in advising the Boards in key areas to both listed and private sector companies under securities, corporate laws, strategy, leadership and corporate governance. Her expertise to consult owners and corporations encouraged her to build MentorMyBoard.

In 2022, Mrs. Momaya marked another milestone. Amongst other initiatives, she launched the Women Director's Conclave which was graced by the Hon'ble Union Minister of Finance and Corporate Affairs, Government of India Smt. Nirmala Sitharaman. She has won accolades for her exemplary work in secretarial services and creating an integrated platform for board leaders, mentors and corporates. In addition to this, she also introduced innovative products like 'WOMB' (Women on Management and Boards) for rising women executives on how to be Board Ready.

NOTICE (Contd....)

Along with this, Mrs. Momaya also serves as Independent Director on the Board of GTPL Hathaway Limited, Blue Jet Healthcare Limited. She is also the Co-Chairperson of IMC Chamber of Commerce and Industry, Navi Mumbai, member of Jain International Trade Organisation, FICCI-FLO and other prestigious organisations contributing for betterment of trade and industry.

Brief Profile of Mrs. Swanubhuti Jain

Mrs. Swanubhuti Jain has a Post Graduate Diploma in Sales and Marketing Management from Narsee Monjee Institute of Management Studies (NMIMS) and MA in Philosophy from Mumbai University. In addition to this, she has done Graduation in Sanskrit medium in Logic, Philosophy & Literature. i.e. Shastri, from Rajasthan University. She is also trained in Six Sigma Black Belt and Lean.

Mrs. Jain has 20+ years of widespread cross-functional experience from Start-up world to Multi-nationals balanced with business and Social impact.

Mrs. Jain has been associated with various organisations viz. Accenture Consulting India, Multi Commodity Exchange of India Ltd., Asit C. Mehta Investment Intermediates Ltd., ICICI Prudential Life Insurance Co. Ltd., Birla Sun Life Insurance Co. Ltd. & JITO Incubation and Innovation Foundation and been performing various roles of Business development (Hunting & Mining), Client relationship management & C-Sat, Marketing Strategy, Lead generation & Sales (Retail, Institutional & Corporate), Quality Ops (Lean Six Sigma).

Mrs. Jain spearheaded the JITO Incubation & Innovation Foundation to become one of the fastest growing Angel Network & Incubator. At ICICI Prudential Life Insurance Co. Ltd, she was the youngest Branch Manager, got promoted to Quality Function and to national role and successfully launched new business models like hub & spoke with 40 branches & 400 spokes within the short span of 4 months. She also won award for Process Excellence from Mr. K.V. Kamath in ICICI Group Forum (2007-08) for savings of ₹ 350 Million facilitating business optimization through Lean & Six Sigma DMAIC Methodology for Sales related functions. Birla Sun Life Insurance Co. Ltd. Continuously ranked her amongst top 20 Managers in India at BSLI and youngest Manager to achieve highest business.

Mrs. Jain is an avid reader and speaker on practical spiritualism at international level, regular expert speaker at CNBC Awaaz Show "Startup Nation", invited as Speaker at JAINA and JAANA USA during their Annual conferences and an Honorary lecturer at Mumbai University Dept. of Philosophy between 2001-2010.

Currently, she is the Founder Director of Learn 2 Liberate Foundation (since 2016) and runs multiple courses for various age groups on Practical Spiritual Science in everyday problem solving under the programs called Parmagam Honours (PH), Masters PH, Juniors PH and Super Juniors with 80+ batches and 5000+ students in 5 languages across US, Canada, UK, Dubai, Nairobi, Australia & Singapore including India. (www.practicaljainism.com). This program is certified by Jain university, Bangalore (JGI) under UG and PG certification.

Mrs. Jain is also on the Board (as Independent Director) of Allied Digital Services Ltd. and Arihant Capital Markets Ltd. apart from Motilal Oswal group.

ITEM NO. 12

The Securities and Exchange Board of India ("SEBI") vide its notification dated February 02, 2023 has amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2023 ("NCS Regulations") by inserting new sub-regulation 6A in Regulation 18 which requires that debenture trust deed executed between Issuer and Debenture Trustee shall contain a Clause on appointment of Nominee Director in case of following events:

- two consecutive defaults in payment of interest to the debenture holders; or
- default in creation of security for debentures; or
- default in redemption of debentures.

NOTICE (Contd....)

Further, the SEBI has also inserted sub-regulation 6 in Regulation 23 of the NCS Regulations which requires that the Article of Association of the Issuer shall contain a Clause on appointment of a person as a Director nominated by the Debenture Trustee on occurrence of aforesaid events.

The SEBI vide its circular dated February 09, 2023 has clarified that issuer whose debt securities are listed as on the date of publication of the aforesaid amendment in the official gazette i.e. February 02, 2023, shall amend its Articles of Association to comply with this provision, on or before September 30, 2023.

Presently, the Articles of Association ("AOA") of the Company has a provision for appointment of Nominee Director by any Institution in pursuance of the provisions of the applicable law. However, the AOA of the Company is also required to have an enabling provisions for appointment of such Director by the Debenture Trustee(s).

In order to have enabling provisions in the AOA of the Company to comply with the above mentioned requirements, it is proposed to modify/ substitute the existing Clause 132 w.r.t. the appointment of Nominee Directors. The consent of the Members of the Company is sought for substitution of existing Clause 132 of the AOA of the Company by way of a Special Resolution.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution.

Accordingly, the Board recommends the Special Resolution set out in Item No. 12 of the Notice for approval of the Members.

ITEM NO. 13

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 Members 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 Crore 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 or any of its subsidiaries on the other hand, 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, the SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022 has clarified and specified that the Shareholders' approval of omnibus RPTs approved in an Annual General Meeting ("AGM") shall be valid up to 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 the 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 its approval, through Ordinary Resolution passed at the Seventeenth AGM of the Company held on July 11, 2022, for entering into below mentioned RPTs with MOHFL (including transactions already entered), in one or more tranches, from the date of said AGM held on July 11, 2022 up to the date of the next AGM for a period not exceeding fifteen months:

NOTICE (Contd....)

Nature of Transaction	Amount (₹ in Crore)
Granting Loans	500
Availing loans and/ or any guarantee/ security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	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 the Audit Committee and Board.	100
Total	800

In view of the aforementioned clarification issued by the SEBI regarding validity of the Shareholders' approval of omnibus RPTs, it is now proposed to take fresh approval of the Members of the Company for entering into the above mentioned RPTs with MOHFL.

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 RPTs with MOHFL, in one or more tranches, from the date of this AGM up to 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 RPTs, with MOHFL for an aggregate value of up to ₹ 800 Crore to be entered from the date of this AGM up 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 recommend the Resolution set out in Item No. 13 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 and the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 are as under:

Sr. No.	Particular	Information
1.	Name of the Related Party	Motilal Oswal Home Finance Limited
2.	Name of the Director(s) or Key Managerial Personnel ("KMP") who is related/ common, if any	1) Mr. Motilal Oswal - Promoter, Managing Director & CEO and KMP 2) Mr. Raamdeo Agarawal - Promoter and Non-Executive Chairman 3) Mrs. Divya Momaya - Independent Director

NOTICE(Contd....)

Sr. No.	Particular	Information										
3.	Nature of relationship	<p>MOHFL is a Material Subsidiary of the Company.</p> <p>Mr. Motilal Oswal, Promoter and Managing Director & CEO of the Company is also a Promoter and Interim Managing Director of MOHFL.</p> <p>Mr. Raamdeo Agarawal, Promoter and Non-Executive Chairman of the Company is Promoter and Director of MOHFL.</p> <p>Further, Mrs. Divya Momaya, Independent Director of the Company is also an Independent Director of MOHFL.</p>										
4.	Nature, Material terms, particulars of the contract or arrangements; and Monetary Value	<table border="1"> <thead> <tr> <th>Nature of Transaction</th> <th>Amount (₹ in Crore)</th> </tr> </thead> <tbody> <tr> <td>Granting Loans</td> <td>500</td> </tr> <tr> <td>Availing loans and/ or any guarantee/ security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.</td> <td>200</td> </tr> <tr> <td>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 the Audit Committee and Board.</td> <td>100</td> </tr> <tr> <td>Total</td> <td>800</td> </tr> </tbody> </table>	Nature of Transaction	Amount (₹ in Crore)	Granting Loans	500	Availing loans and/ or any guarantee/ security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	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 the Audit Committee and Board.	100	Total	800
Nature of Transaction	Amount (₹ in Crore)											
Granting Loans	500											
Availing loans and/ or any guarantee/ security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	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 the Audit Committee and Board.	100											
Total	800											
5.	Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes, the Audit Committee and Board have approved the transactions at their respective meeting held on April 27, 2023.										
6.	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, 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 27, 2023 and summary of the same is contained herein.										
7.	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 along with Group holds 97.60% of equity 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>										

NOTICE (Contd....)

Sr. No.	Particular	Information										
8.	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										
	whether any Financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> • Nature of Indebtedness, • Cost of funds and • Tenure 	The Company is not borrowing any fund for the aforesaid transactions, hence the question of indebtedness does not arise.										
	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<table border="1"> <tr> <td>Applicable terms & Covenants</td> <td>As mutually agreed under the agreement of loan and borrowing between the Company and MOHFL</td> </tr> <tr> <td>Tenure</td> <td>Up to 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 10% p.a. to 11% 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>Generally Unsecured</td> </tr> </table>	Applicable terms & Covenants	As mutually agreed under the agreement of loan and borrowing between the Company and MOHFL	Tenure	Up to 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 10% p.a. to 11% p.a. However, considering change in market scenario, the Company may change the rate of interest.	Repayment Schedule	On demand	Security	Generally Unsecured
Applicable terms & Covenants	As mutually agreed under the agreement of loan and borrowing between the Company and MOHFL											
Tenure	Up to 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 10% p.a. to 11% p.a. However, considering change in market scenario, the Company may change the rate of interest.											
Repayment Schedule	On demand											
Security	Generally Unsecured											
	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.										
9.	Valuation or other external party report	Valuation report wherever required will be obtained for proposed RPTs and will be made available to the Members on request.										
10.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT	19.15%										
11.	Percentage of the annual turnover of the Company as on March 31, 2023, that is represented by the proposed RPT	151.86%										
12.	Any other information relevant or important for the Members to take a decision on the proposed Resolution	Not Applicable										

The Board expects growth in the business of MOHFL and so is of the opinion that the aforesaid RPT is in the best interests of the Company and accordingly recommends the Resolution set forth in Item No. 13 of the Notice for the approval of the Members.

All the related parties shall abstain from voting on the said Resolution.

NOTICE(Contd....)

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ANNEXURE TO ITEM NO. 4 To 11

Pursuant to the provisions of Regulation 36 of the 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/ Re-appointment at the Annual General Meeting is furnished below:

Name of Director	Mr. Motilal Oswal	Mr. Rajat Rajgarhia	Mr. Ajay Menon	Mr. Chitradurga Narasimha Murthy
DIN	00024503	07682114	00024589	00057222
Date of Birth	May 12, 1962	June 14, 1975	September 25, 1974	March 21, 1951
Age	61 years	48 years	48 years	72 years
Qualifications	Chartered Accountant	Chartered Accountant	Chartered Accountant	B. Tech. (Mechanical)
Date of first appointment on the Board	May 18, 2005	July 31, 2020	August 21, 2018	July 01, 2020
Remuneration sought to be paid	He shall continue to draw remuneration as the Managing Director and Chief Executive Officer of the Company on the terms and conditions as approved by the Members at the AGM held on August 09, 2021	He shall continue to draw remuneration as the Whole-time Director of the Company on the terms and conditions as approved by the Members at the AGM held on August 09, 2021	As per the Resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto.	As per the Resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto.
Last drawn Remuneration	For Remuneration details, please refer the Report on Corporate Governance.			
Experience/ Brief Profile and Expertise in specific functional area	Please refer explanatory statement of Item no. 4, 5, 6 & 7 of the Notice respectively.			
Terms and conditions of appointment/ re-appointment	Appointed as a Director liable to retire by rotation.		As per Resolution at Item no. 6 & 7 of the Notice respectively.	
Directorships held in other companies (excluding foreign companies) as on date	1. Motilal Oswal Investment Advisors Limited 2. MO Alternate Investment Advisors Private Limited 3. Motilal Oswal Foundation 4. Motilal Oswal Home Finance Limited 5. Motilal Oswal Capital Limited	1) Motilal Oswal Finsec IFSC Limited 2) Motilal Oswal Investment Advisors Limited	1. Motilal Oswal Wealth Limited 2. Motilal Oswal Finsec IFSC Limited 3. TM Investment Technologies Private Limited	-

NOTICE (Contd....)

Name of Director	Mr. Motilal Oswal	Mr. Rajat Rajgarhia	Mr. Ajay Menon	Mr. Chitradurga Narasimha Murthy
Memberships of Committees across Companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Audit Committee 1) Motilal Oswal Home Finance Limited B. Stakeholders Relationship Committee 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited C. Corporate Social Responsibility Committee 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited 3) Motilal Oswal Investment Advisors Limited 4) MO Alternate Investment Advisors Private Limited D. Risk Management Committee 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited	A. Corporate Social Responsibility Committee 1) Motilal Oswal Investment Advisors Limited	A. Risk Management Committee 1) Motilal Oswal Financial Services Limited B. Corporate Social Responsibility Committee 1) Motilal Oswal Wealth Limited	A. Audit Committee 1) Motilal Oswal Financial Services Limited B. Nomination and Remuneration Committee 1) Motilal Oswal Financial Services Limited C. Corporate Social Responsibility Committee 1) Motilal Oswal Financial Services Limited
Chairmanship of Committees across Companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Corporate Social Responsibility Committee 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Investment Advisors Limited B. Risk Management Committee 1) Motilal Oswal Financial Services Limited	-	A. Corporate Social Responsibility Committee 1) Motilal Oswal Wealth Limited	A. Nomination and Remuneration Committee 1) Motilal Oswal Financial Services Limited
Details of Listed Companies from which the Director resigned during FY 2020-21, FY 2021-22 and FY 2022-23	-	-	-	-
Shareholding in the Company (Equity) as on the date of notice (in individual capacity and as a beneficial owner)	79,01,093	17,28,140	3,70,768	Nil

NOTICE(Contd....)

Name of Director	Mr. Motilal Oswal	Mr. Rajat Rajgarhia	Mr. Ajay Menon	Mr. Chitradurga Narasimha Murthy
Relationship with other Directors/ Manager/ Key Managerial Personnel	None	None	None	None
Number of Board Meetings attended during the FY 2022-23	5	5	5	5

Name of Director	Mr. Chandrashekhar Karnik	Mr. Pankaj Bhansali	Mrs. Divya Momaya	Mrs. Swanubhuti Jain
DIN	00003874	03154793	00365757	09006117
Date of Birth	June 17, 1952	August 12, 1975	April 25, 1979	October 04, 1979
Age	70 years	47 years	44 years	43 years
Qualifications	Bachelor of Science from Mumbai University, Post Graduation in Business Management, Post Graduate Diploma in Industrial Relations and Personnel Management and holds Law degree with specialization in Labour Welfare	Chartered Accountant	Company Secretary	Post Graduate Diploma in Sales and Marketing Management from Narsee Monjee Institute of Management Studies (NMIMS) and Mphil from Mumbai University
Date of first appointment on the Board	September 16, 2020	July 01, 2020	July 01, 2020	December 24, 2020
Remuneration sought to be paid	As per Resolution at Item No. 8, 9, 10 & 11 of the Notice respectively read with explanatory statement thereto.			
Last drawn Remuneration	For Remuneration details, please refer the Report on Corporate Governance.			
Experience/ Brief Profile and Expertise in specific functional area	Please refer explanatory statement of Item No. 7 to 11 of the Notice respectively.			
Terms and conditions of appointment/ re-appointment	As per Resolution at Item no. 8,9,10 & 11 of the Notice respectively.			

NOTICE (Contd....)

Name of Director	Mr. Chandrashekhar Karnik	Mr. Pankaj Bhansali	Mrs. Divya Momaya	Mrs. Swanubhuti Jain
Directorships held in other companies (excluding foreign companies) as on date	on Corporate	<ol style="list-style-type: none"> Arth Capital Advisors Private Limited Airpro Technology India Private Limited Eqaro Surety Private Limited Anjali Lifestyle Private Limited 	<ol style="list-style-type: none"> MMB Advisors Private Limited Motilal Oswal Home Finance Limited GTPL Hathway Limited Blue Jet Healthcare Limited Motilal Oswal Finvest Limited 	<ol style="list-style-type: none"> Motilal Oswal Asset Management Company Limited Allied Digital Services Limited Learn2Liberate Foundation Arihant Capital Markets Limited
Memberships of Committees across Companies (only Statutory Committees as required to be constituted under the Act are considered)	Governance	<p>A. Audit Committee</p> <ol style="list-style-type: none"> Motilal Oswal Financial Services Limited <p>B. Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> Motilal Oswal Financial Services Limited <p>C. Risk Management Committee</p> <ol style="list-style-type: none"> Motilal Oswal Financial Services Limited 	<p>A. Audit Committee</p> <ol style="list-style-type: none"> Motilal Oswal Financial Services Limited Motilal Oswal Home Finance Limited GTPL Hathway Limited Motilal Oswal Finvest Limited Blue Jet Healthcare Limited <p>B. Stakeholders Relationship Committee</p> <ol style="list-style-type: none"> Motilal Oswal Home Finance Limited GTPL Hathway Limited Blue Jet Healthcare Limited <p>C. Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> Motilal Oswal Home Finance Limited GTPL Hathway Limited <p>D. Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> Motilal Oswal Financial Services Limited Motilal Oswal Home Finance Limited GTPL Hathway Limited Motilal Oswal Finvest Limited Blue Jet Healthcare Limited 	<p>A. Audit Committee</p> <ol style="list-style-type: none"> Motilal Oswal Asset Management Company Limited <p>B. Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> Allied Digital Services Limited <p>C. Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> Allied Digital Services Limited

NOTICE(Contd....)

Name of Director	Mr. Chandrashekhar Karnik	Mr. Pankaj Bhansali	Mrs. Divya Momaya	Mrs. Swanubhuti Jain
Chairmanship of Committees across Companies (only Statutory Committees as required to be constituted under the Act are considered)	-	A. Audit Committee 1) Motilal Oswal Financial Services Limited	A. Audit Committee 1) Motilal Oswal Home Finance Limited B. Stakeholders Relationship Committee 1) GTPL Hathway Limited 2) Blue Jet Healthcare Limited C. Corporate Social Responsibility Committee 1) Motilal Oswal Home Finance Limited 2) GTPL Hathway Limited D. Nomination and Remuneration Committee 1) Motilal Oswal Home Finance Limited 2) Blue Jet Healthcare Limited	A. Corporate Social Responsibility Committee 1) Allied Digital Services Limited
Details of Listed Companies from which the Director resigned during FY 2020-21, FY 2021-22 and FY 2022-23	-	-	Arihant Superstructures Limited (w.e.f. August 10, 2022)	-
Shareholding in the Company (Equity) as on the date of notice (in individual capacity and as a beneficial owner)	Nil	Nil	Nil	Nil
Relationship with other Directors/ Manager/ Key Managerial Personnel	None	None	None	None
Number of Board meetings attended during the FY 2022-23	3	5	5	5

By Order of the Board
For Motilal Oswal Financial Services Limited

Sd/-
Kailash Purohit
Company Secretary & Compliance Officer
(ACS No.: 28740)

Place: Mumbai
Date: June 16, 2023