

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

January 28, 2021

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: Unaudited Financial Results (Consolidated and Standalone) for the quarter & Nine Months ended December 31, 2020

Dear Sir/Madam,

Pursuant to the provisions of Regulation 33, Regulation 52 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time), we hereby inform the Exchange that the Board of Directors (“Board”) of the Company at its Meeting held on January 28, 2021 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter & nine months ended December 31, 2020.

In this regard, please find enclosed herewith the Unaudited Financial Results (Consolidated and Standalone) for the quarter & nine months ended December 31, 2020 along with Limited Review Report(s) issued by the Statutory Auditors and Press Release for the quarter & nine months ended December 31, 2020.

In compliance with SEBI circular dated October 22, 2019 in respect of Commercial Papers, few line items as specified in Regulation 52(4) of the Listing Regulations are also included in the standalone financial results of the Company.

The Board Meeting commenced at 03.45 p.m. and concluded at 5.00 p.m.

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

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Motilal Oswal Financial Services Ltd

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Motilal Oswal Financial Services Ltd** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate and joint venture (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement) for the quarter ended 31 December 2020 and the consolidated unaudited financial results for the period 01 April 2020 to 31 December 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Motilal Oswal Financial Services Ltd
Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 6 and note 7 in the accompanying statement which describes the impact of uncertainties relating to the effects of COVID-19 pandemic on expected credit loss recognised towards housing loans to customers outstanding and carrying value of Investments in Real Estate Funds amounting to ₹ 24,461 lakhs as at 31 December 2020. Our conclusion is not modified in respect of this matter.
6. We did not review the interim financial information of nine subsidiaries included in the Statement, whose interim financial information reflects total revenues of ₹ 4,797 lakhs and 12,732 lakhs, total net profit after tax of ₹ 1,546 lakhs and 3,080 lakhs, total comprehensive income of ₹ 1,514 lakhs and 3,105 lakhs, for the quarter and nine-month period ended on 31 December 2020. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the Holding Company's management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries, one subsidiary is located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been reviewed by other auditors under International Standard on review Engagements 2410. The Holding Company's management has converted the financial information of such subsidiary from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditors.

7. The Statement includes the interim financial information of three subsidiaries, which have not been reviewed by their auditors, whose interim financial information reflects total revenues of ₹ 349 lakhs and 605 Lakhs, net profit after tax of ₹ 141 lakh and 120 lakhs, total comprehensive income of ₹ 1,514 lakhs and 3,106 Lakhs for the quarter and nine-months period ended on 31 December 2020. The Statement also includes the Group's share of net profit after tax (including other comprehensive income) of ₹ 93 lakhs and 6,839 lakhs and total comprehensive income of ₹ 93 lakhs and 6,839 lakhs, for the quarter and nine-month period ended on 31 December 2020, in respect of one associate and one joint venture, based on their financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the aforesaid subsidiaries, associate and joint venture are based solely on such management certified unreviewed financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

**Motilal Oswal Financial Services Ltd
Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date
Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

Further, these subsidiaries are located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been reviewed by their auditors. The Holding Company's management has converted the financial information of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the management certified reviewed financial information and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the management.

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

MURAD D
DARUWALLA

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MURAD D DARUWALLA
Date: 2021.01.28
17:52:09 +05'30'

Murad D. Daruwalla
Partner
Membership No:043334

UDIN:21043334AAAAAI8982

Place: Mumbai
Date: 28 January 2021

Motilal Oswal Financial Services Ltd
Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date
Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

List of Subsidiaries

Name of the Company
Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)
MOPE Investment Advisors Private Limited
MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited)
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
Motilal Oswal Wealth Management Limited
Motilal Oswal Asset Management Company Limited
Motilal Oswal Trustee Company Limited
Motilal Oswal Securities International Private Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets (Singapore) Pte. Limited
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
India Business Excellence Management Company
Motilal Oswal Asset Management (Mauritius) Private Limited
Motilal Oswal Capital Limited
Glide Tech Investment Advisory Private Limited
Motilal Oswal Finsec IFSC Limited
TM Investment Technologies Private Limited (w.e.f. 24 July 2020)

List of Associate

India Reality Excellence Fund II LLP

List of Joint Venture

India Business Excellence Fund III (upto 29 September 2020)

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

Statement of Consolidated Financial Results for the quarter and nine months period ended 31 December 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	18,789	18,198	18,510	54,250	57,607	76,754
(ii) Dividend income	45	65	15	119	153	194
(iii) Rental income	0	1	9	2	13	39
(iv) Fee and commission income	48,494	48,321	39,710	1,35,959	1,13,554	1,54,922
(v) Net gain on fair value change	25,393	13,262	4,805	53,607	13,699	-
(vi) Other operating income	2,041	1,276	973	4,527	3,306	3,846
(I) Total revenue from operations	94,762	81,123	64,022	2,48,464	1,88,332	2,35,755
(II) Other income	55	39	75	261	510	786
(III) Total Income (I)+(II)	94,817	81,162	64,097	2,48,725	1,88,842	2,36,541
Expenses						
(i) Finance cost	10,330	10,910	11,860	32,118	36,710	49,447
(ii) Fees and commission expense	15,626	15,912	12,126	43,860	34,172	46,911
(iii) Net loss on fair value change	-	-	-	-	-	21,902
(iv) Impairment on financial instruments	3,385	2,380	1,093	7,357	7,453	9,130
(v) Employee benefits expenses	16,407	15,063	13,176	45,768	40,388	53,980
(vi) Depreciation and amortisation expenses	1,171	1,140	935	3,369	2,880	3,971
(vii) Other expenses	5,883	5,707	5,827	16,244	16,060	22,681
(IV) Total expenses	52,802	51,112	45,017	1,48,716	1,37,663	2,08,022
(V) Profit/(loss) before exceptional items and tax (III)-(IV)	42,015	30,050	19,080	1,00,009	51,179	28,519
(VI) Exceptional items	-	-	-	(8,896)	-	-
(VII) Profit/(Loss) before tax and after exceptional items (V)+(VI)	42,015	30,050	19,080	91,113	51,179	28,519
Tax expense/(credit)						
(1) Current tax	4,722	5,538	3,057	13,866	11,049	13,371
(2) Deferred tax expense/(credit)	3,705	866	(461)	3,540	(5,150)	(6,424)
(3) Short/(excess) provision for earlier years	(4)	80	29	76	27	32
(VIII) Total tax expenses	8,423	6,484	2,625	17,482	5,926	6,979
(IX) Profit/(Loss) after tax (VII)-(VIII)	33,592	23,566	16,455	73,631	45,253	21,540
(X) Share of profit/(loss) from associate and joint venture (net of taxes)	93	6,326	398	6,839	(894)	(2,582)
(XI) Profit/(Loss) after tax and share in profit/(loss) of associate & joint venture (IX)+(X)	33,685	29,892	16,853	80,470	44,357	18,958
(XII) Other comprehensive income						
(i) Items that will not be reclassified to profit or loss						
-Remeasurement of the defined employee benefit plans	44	43	(30)	309	234	201
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	10,130	5,420	5,557	18,790	7,953	(6,914)
(ii) Tax expenses relating to items that will not be reclassified to profit or loss	(1,168)	(630)	(629)	(2,231)	(976)	727
Total other comprehensive income/(loss) (XII)	9,006	4,833	4,898	16,868	7,211	(5,986)
(XIII) Total comprehensive income/(loss) (XI)+(XII)	42,691	34,725	21,750	97,338	51,568	12,972
(XIV) Net profit/(loss) attributable to:						
Owners of parent	33,387	29,646	16,544	79,731	43,721	18,337
Non-controlling interests	298	246	309	739	636	621
(XV) Other comprehensive income/(loss) attributable to:						
Owners of parent	9,005	4,833	4,900	16,865	7,211	(5,983)
Non-controlling interests	1	(0)	(2)	3	0	(3)
(XVI) Total comprehensive income/(loss) attributable to: (XIV)+(XV)						
Owners of parent	42,392	34,479	21,444	96,596	50,932	12,354
Non-controlling interests	299	246	307	742	636	618
(XVII) (a) Paid up equity share capital (Face value Re.1 per share)	1,465	1,469	1,480	1,465	1,480	1,481
(b) Other Equity						3,07,149
(XVIII) Earning per share (EPS)*						
Basic EPS (Amount in Rs.)	22.84	20.07	11.20	54.12	29.81	12.47
Diluted EPS (Amount in Rs.)	22.34	19.65	11.05	52.95	29.38	12.20

*EPS for the quarters / period is not annualized

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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

Statement of Consolidated Financial Results for the quarter and nine months period ended 31 December 2020

Consolidated notes:

1) The consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 28 January 2021. The results for the quarter and period ended 31 December 2020 have been reviewed by the Statutory Auditors of the Company.

2) The consolidated results of the Company include limited reviewed results of the subsidiaries – Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited) (100%), MOPE Investment Advisors Private Limited (87.16%), Motilal Oswal Commodities Broker Private Limited (100%), Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited) (100%), Motilal Oswal Wealth Management Limited (100%), MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (100%), Motilal Oswal Asset Management Company Limited (98.64%), Motilal Oswal Trustee Company Limited (100%), Motilal Oswal Securities International Private Limited (100%), Motilal Oswal Real Estate Investment Advisors Private Limited (87.16%), Motilal Oswal Real Estate Investment Advisors II Private Limited (78.444%), Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd) (97.87%), India Business Excellence Management Company (87.16%), Motilal Oswal Capital Limited (98.64%), Motilal Oswal Finsec IFSC Limited (100%), Glide Tech Investment Advisory Private Limited (100%), TM Investment Technologies Pvt. Ltd (63.83%) and unaudited results of the subsidiaries - Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Asset Management (Mauritius) Private Limited (98.64%), Motilal Oswal Capital Markets (Singapore) Pte. Limited (100%), Joint Venture, India Business Excellence Fund III (12.97%)(upto 29 September 2020), Associate, India Realty Excellence Fund II LLP (20.44%)

3) During the quarter, India Ratings & Research Private Limited has re-affirmed credit rating of "IND A1+" on the commercial paper, ICRA has re-affirmed the credit rating on the non-convertible debentures rating at 'ICRA AA/Stable' of Motilal Oswal Financial Services Limited.

Also, CRISIL Limited has re-affirmed credit rating of "CRISIL A1+" & India Ratings & Research Private Limited has re-affirmed credit rating of "IND A1+" to the Commercial Paper Programme and also CRISIL Limited has assigned the credit rating of "CRISIL PP-MLD AA-r/ Stable" to the Long Term Principal Protected Market Linked Debentures and re-affirmed "CRISIL AA-/Stable" Non-Convertible Debentures programme of Motilal Oswal Finvest Limited.

4) As per IndAS 109 the group has unrealised gain of Rs.23,434 lakhs and Rs.42,924 lakhs for the quarter and period ended 31 December 2020 respectively which has been included in net gain on fair value changes. Further, the group has investment designated as 'Fair value through other comprehensive income' on which unrealised gain has been classified under 'Other comprehensive income' amounting to Rs.10,130 lakhs and Rs.18,790 lakhs for the quarter and period ended 31 December 2020 respectively.

5) The subsidiary company Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)("MOHFL") has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced through 'The Taxation Laws (Amendment) Act, 2019'. Accordingly, the Company has recognised provision for income tax for the period ended 31 December 2020 and re-measured its deferred tax assets/ liability basis the rate prescribed in the aforesaid section. Accordingly, an amount of Rs.682 lakhs and Rs.2,048 lakhs for the quarter and period ended 31 December 2020 respectively, is attributable to the effect of revising the annual effective income tax rate.

6) During the period ended 31 December 2020, the subsidiary company MOHFL made an expected credit loss (ECL) provision on stage 1 and 2 assets of Rs. 1,676 lakhs, taking the overall ECL provision on stage 1 and 2 assets to Rs. 4,359 lakhs as at 31 December 2020. The ECL provision on stage 1 and 2 assets as a percentage of underlying assets stands at 1.26% as of 31 December 2020 (0.74% as of 31 March 2020). The provision on loans made by the subsidiary company MOHFL is more than requirement as per the RBI guideline dated 17 April 2020. The Company has recognised provisions as at 31 December 2020 towards its assets including loans based on the information available at this point of time including estimates and assumptions specific to the impact of the COVID-19 pandemic, in accordance with the Expected Credit Loss method. Given the dynamic and evolving nature of the COVID-19 pandemic, these estimates and assumptions may be affected by the severity, duration of the pandemic and other variables.

7) The Company as a Sponsor/as a part of its Investment portfolio makes investments in the Real Estate Funds. The company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to Rs.24,461 lakhs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in the Real Estate Funds as at 31 December 2020, may be affected by the severity and duration of the pandemic and other variables.

8) The Honourable Supreme Court of India ("Hon'ble SC"), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 03 September 2020 ("Interim Order"), has directed banks and financial institutions that accounts which were not declared Non Performing Assets (NPA) till 31 August 2020 shall not be declared as NPA till further orders. However, for ECL provision as per Ind AS accounting guidelines, the subsidiary company MOHFL continues to consider 90 days past due cases under Stage 3 and provisioned accordingly.

9) Exceptional item comprises of provision made by the Company of Rs.8,896 Lakhs on account of negative price settlement effected by MCX vide its circular dated 21 April 2020, in respect of Client positions entered by the company as a Commodity Broker. The customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering the contract for taking exposure on the contract value, the customers were required to pay only the margin as required by the exchange including mark to market losses. In relation to such contracts, the Company has net receivables from the clients aggregating Rs 8,896 lakhs. The Company has filed writ petition before the Bombay High court (BHC) against the MCX circular and the said writ petition is pending. Moreover the Company has filed arbitration petition for interim relief before the BHC against one of the major client where the court has directed the client not to dispose off its assets; Further the company has filed an arbitration claim for recovery of outstanding debits against the client. In another matter vide award dated December 31, 2020 Arbitral Tribunal of MCX, directed one client to pay MOFSL Rs. 603 lakhs towards outstanding debit balance. However, the client has expressed its intention to file an appeal against the said award. The company is hopeful of recovery as the client is reputed entity and has resources to pay, however pending the arbitration proceedings company had conservatively provided for the full outstanding amount in respect of its client positions in quarter ended 30 June 2020.

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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Statement of Consolidated Financial Results for the quarter and nine months period ended 31 December 2020

10) Consolidated segment results for the period ended 31 December 2020 is as follows:

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Broking and other related activities	43,065	42,160	30,826	1,19,565	88,656	1,22,461
(b) Fund based activities	25,226	20,354	5,353	60,434	11,688	3,559
(c) Asset management and advisory	19,161	18,077	19,681	52,250	58,264	78,865
(d) Investment banking	20	199	266	254	1,125	1,211
(e) Home finance	13,690	13,597	13,767	40,617	43,667	57,644
(f) Unallocated	28	7	16	35	45	33
Total	1,01,190	94,394	69,909	2,73,155	2,03,445	2,63,773
Less: Inter segment revenue	(6,244)	(5,895)	(5,343)	(16,585)	(15,739)	(22,717)
Total segment revenue (Inclusive of revenue from associate and joint venture)	94,946	88,499	64,566	2,56,570	1,87,706	2,41,056
2. Segment results						
(a) Broking and other related activities	10,326	11,789	6,663	30,567	19,339	26,122
(b) Broking exceptional item	-	-	-	(8,896)	-	-
(c) Fund based activities	24,502	19,336	4,229	57,835	9,532	(29,063)
(d) Asset management and advisory	7,446	6,314	7,383	17,951	20,202	26,391
(e) Investment banking	(374)	(198)	(230)	(1,089)	(560)	(1,019)
(f) Home finance	1,544	1,687	2,539	5,644	3,301	6,129
(g) Unallocated	(1,299)	(1,540)	(1,046)	(3,054)	(1,780)	(3,029)
Total	42,145	37,388	19,538	98,958	50,034	25,531
Total segment results (Inclusive of share of profit from associate and joint venture)	42,145	37,388	19,538	98,958	50,034	25,531
3. Segment assets						
(a) Broking and other related activities	5,78,374	4,37,476	3,29,538	5,78,374	3,29,538	3,97,315
(b) Fund based activities	2,90,709	2,48,862	2,52,938	2,90,709	2,52,938	2,04,668
(c) Asset management and advisory	29,741	26,981	32,077	29,741	32,077	28,411
(d) Investment banking	157	219	415	157	415	167
(e) Home finance	3,74,337	4,15,706	3,95,592	3,74,337	3,95,592	3,78,057
(f) Unallocated	13,631	15,224	16,207	13,631	16,207	16,848
Less : Inter segment assets	(34,396)	(23,151)	(15,267)	(34,396)	(15,267)	(14,406)
Total segment assets	12,52,553	11,21,317	10,11,500	12,52,553	10,11,500	10,11,060
4. Segment liabilities						
(a) Broking and other related activities	5,35,287	3,91,333	2,89,617	5,35,287	2,89,617	3,66,976
(b) Fund based activities	22,629	31,023	31,717	22,629	31,717	22,141
(c) Asset management and advisory	12,399	13,612	12,170	12,399	12,170	10,952
(d) Investment banking	1,701	1,366	473	1,701	473	725
(e) Home finance	2,92,160	3,35,134	3,22,108	2,92,160	3,22,108	3,01,649
(f) Unallocated	16,829	11,615	7,106	16,829	7,106	4,675
Less : Inter segment liabilities	(26,449)	(16,451)	(9,725)	(26,449)	(9,725)	(8,347)
Total segment liabilities	8,54,556	7,67,632	6,53,466	8,54,556	6,53,466	6,98,771

The group has reported segment information as per Indian Accounting Standard 108 on 'Operating Segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified five reportable segments, namely i) Broking and other related activities, ii) Fund based activities, iii) Asset management and advisory, iv) Investment banking and v) Home finance. The balance is shown as unallocated items.

11) Total segment revenue (inclusive of revenue from associate and joint venture) includes Net gain on fair value change from Broking and other related activities, Asset management and advisory and Home finance segment of Rs. 4,515 lakhs for the year ended 31 March 2020 which has been classified under 'Net loss on fair value change' in Statement of Consolidated Financial Results.

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

Statement of Consolidated Financial Results for the quarter and nine months period ended 31 December 2020

12) The Board of Directors at its meeting held on 28 January 2021 has declared an interim dividend of Rs. 5/- per equity share (on face value of Re.1/- per equity share) for the Financial year 2020-21.

13) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,79,750 equity shares to the employees during the quarter and period ended 31 December 2020 respectively.

14) The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has filed the Scheme along with necessary documents with Stock Exchange(s).

15) The amounts reflected as "0" in the financial information are values with less than rupees fifty thousands.

16) Previous quarter and period ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/ period ended/year end presentation.

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

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Mumbai, 28 January 2021

Motilal Oswal
Managing Director and Chief Executive Officer
(DIN - 00024503)

Walker Chandiook & Co LLP

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SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

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Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended)

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Motilal Oswal Financial Services Limited** ('the Company') for the quarter ended 31 December 2020 and the year to date results for the period 1 April 2020 to 31 December 2020 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Motilal Oswal Financial Services Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended)

5. We draw attention to Note 3 in the accompanying Statement relating to carrying value of Investments in Real Estate Funds amounting to Rs. 15,902 lakhs as at 31 December, 2020.

As described in the aforesaid note, the carrying value of such investments is subject to the uncertainties related to the impact of the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.

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

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DARUWALLA

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Murad D. Daruwalla
Partner
Membership No:043334

UDIN:21043334AAAAAH9631

Place: Mumbai
Date: 28 January 2021

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	4,705	4,411	4,207	12,660	12,827	17,291
(ii) Dividend income	108	29	6	137	5,279	13,986
(iii) Rent income	378	514	520	1,406	1,545	2,084
(iv) Fees and commission income						
-Brokerage income	30,898	31,535	20,235	87,537	56,537	79,538
-Other commission income	2,672	2,443	3,169	6,777	8,303	10,937
(v) Net gain on fair value changes	14,092	11,526	3,425	36,698	9,342	-
(vi) Other operating revenue	1,782	1,182	755	4,125	2,698	3,113
(I) Total Revenue from operations	54,635	51,640	32,317	1,49,340	96,531	1,26,949
(II) Other income	497	642	1,106	2,021	2,878	3,690
(III) Total Income (I+II)	55,132	52,282	33,423	1,51,361	99,409	1,30,639
Expenses						
(i) Finance cost	3,001	2,920	3,055	9,086	9,037	12,924
(ii) Fees and commission expense	12,965	13,330	8,646	36,134	23,782	33,310
(iii) Impairment on financial instruments	519	418	575	1,253	942	1,439
(iv) Net loss on fair value changes	-	-	-	-	-	15,849
(v) Employee benefit expenses	9,937	8,984	7,799	27,243	23,424	31,171
(vi) Depreciation and amortisation expense	893	850	705	2,550	2,169	2,984
(vii) Other expenses	4,245	3,908	3,413	11,363	9,648	13,552
(IV) Total Expenses	31,560	30,410	24,193	87,629	69,002	1,11,229
(V) Profit/(Loss) before exceptional items and tax (III-IV)	23,572	21,872	9,230	63,732	30,407	19,410
(VI) Exceptional items (Refer note 4)	-	-	-	8,896	-	-
(VII) Profit/(Loss) before tax (V-VI)	23,572	21,872	9,230	54,836	30,407	19,410
Tax expense/(credit)						
(1) Current tax	2,631	3,970	1,594	8,938	5,700	7,056
(2) Deferred tax/(credit)	1,866	(116)	(1,435)	(202)	(5,895)	(7,326)
(3) (Excess)/ short provision for earlier years	-	47	-	47	-	-
(VIII) Total tax expenses / (credit)	4,497	3,901	159	8,783	(195)	(270)
(IX) Profit/(Loss) after tax (VII-VIII)	19,075	17,971	9,071	46,053	30,602	19,680
Other Comprehensive income						
(i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the defined employee benefit plans	26	54	(29)	170	121	57
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	7,992	4,377	5,060	14,442	7,385	(4,489)
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	(921)	(514)	(572)	(1,695)	(875)	499
(X) Other Comprehensive Income/(Loss)	7,097	3,917	4,459	12,917	6,631	(3,933)
(XI) Total Comprehensive Income/(Loss) (IX+X)	26,172	21,888	13,530	58,970	37,233	15,747
(XII) (a) Paid-up Equity Share Capital (Face value of Re. 1)	1,465	1,469	1,480	1,465	1,480	1,481
(b) Other Equity						2,74,933
Earnings/(loss) Per Share (EPS)						
(Face value Re. 1 per equity share) (not annualised)						
Basic (amount in Rs.)	13.05	12.17	6.14	31.26	20.86	13.39
Diluted (amount in Rs.)	12.76	11.91	6.06	30.58	20.56	13.09

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CIN: L67190MH2005PLC153397

Notes to Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020

Standalone Notes:-

1) The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 28 January 2021. The results for the quarter and nine months ended 31 December 2020 have been reviewed by the Statutory Auditors of the Company.

2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('IndAS') prescribed under Section 133 of the Companies Act, 2013.

3) The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Real Estate Funds. The company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to Rs.15,902 lakhs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Real Estate Funds as at 31 December 2020, may be affected by the severity and duration of the pandemic and other variables.

4) Exceptional item comprises of provision made by the Company of Rs.8,896 Lakhs on account of negative price settlement effected by MCX vide its circular dated 21 April 2020, in respect of Client positions entered by the company as a Commodity Broker. The customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering the contract for taking exposure on the contract value, the customers were required to pay only the margin as required by the exchange including mark to market losses. In relation to such contracts, the Company has net receivables from the clients aggregating Rs. 8,896 lakhs. The Company has filed writ petition before the Bombay High court (BHC) against the MCX circular and the said writ petition is pending. Moreover the Company has filed arbitration petition for interim relief before the BHC against one of the major client where the court has directed the client not to dispose off its assets; Further the company has filed an arbitration claim for recovery of outstanding debits against the client. In another matter vide award dated December 31, 2020 Arbitral Tribunal of MCX, directed one client to pay MOFSL Rs. 603 lakhs towards outstanding debit balance. However, the client has expressed its intention to file an appeal against the said award. The company is hopeful of recovery as the client is reputed entity and has resources to pay, however pending the arbitration proceedings company had conservatively provided for the full outstanding amount in respect of its client positions in quarter ended 30 June 2020.

5) Pursuant to SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019, on "Framework for listing of Commercial Paper", information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Regulations):

a) During the quarter, CRISIL has reaffirmed the rating of "CRISIL A1+" to the Commercial Paper Programme of the Company for Rs. 1,50,000 lakhs, India Ratings & Research has affirmed the rating of "IND A1+" to the Commercial Paper Programme of the Company for Rs. 1,50,000 lakhs. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

b) Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr No.	Commercial Paper Date of Issue	Redemption Amount	Previous due date (01 April 2020 to 31 December 2020)	Whether paid or not	Next due date
		(Rs. in lakhs)	Principal & Interest		Principal & Interest
1	28-Jan-20	30,000	28-Apr-20	Yes	NA
2	31-Jan-20	17,500	30-Apr-20	Yes	NA
3	28-Feb-20	20,000	28-May-20	Yes	NA
4	06-Mar-20	25,000	04-Jun-20	Yes	NA
5	29-Apr-20	5,000	26-Jun-20	Yes	NA
6	29-Apr-20	10,000	26-Jun-20	Yes	NA
7	28-May-20	2,500	21-Aug-20	Yes	NA
8	22-May-20	40,000	21-Aug-20	Yes	NA
9	10-Jun-20	20,000	28-Aug-20	Yes	NA
10	19-Jun-20	15,000	17-Sep-20	Yes	NA
11	31-Jul-20	10,000	28-Oct-20	Yes	NA
12	31-Jul-20	10,000	28-Oct-20	Yes	NA
13	21-Aug-20	25,000	19-Nov-20	Yes	NA
14	28-Aug-20	7,500	26-Nov-20	Yes	NA
15	01-Sep-20	30,000	25-Sep-20	Yes	NA
16	01-Sep-20	12,500	25-Sep-20	Yes	NA
17	08-Sep-20	10,000	NA	-	19-Mar-21
18	08-Sep-20	10,000	NA	-	19-Mar-21
19	06-Oct-20	6,500	18-Dec-20	Yes	NA
20	06-Oct-20	1,000	18-Dec-20	Yes	NA
21	06-Oct-20	5,000	18-Dec-20	Yes	NA
22	06-Oct-20	12,500	18-Dec-20	Yes	NA
23	08-Oct-20	32,500	18-Dec-20	Yes	NA
24	19-Nov-20	25,000	NA	-	17-Feb-21
25	18-Dec-20	10,000	NA	-	18-Mar-21
26	18-Dec-20	12,500	NA	-	18-Mar-21
27	18-Dec-20	9,000	NA	-	18-Mar-21
28	18-Dec-20	1,000	NA	-	18-Mar-21
29	18-Dec-20	5,000	NA	-	18-Mar-21
30	18-Dec-20	1,000	NA	-	18-Mar-21
31	31-Dec-20	20,000	NA	-	15-Mar-21

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Notes to Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020

c) Financial Key Ratios :

Particulars	Quarter ended			Period ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
Debt Equity Ratio	0.48	0.37	0.43	0.48	0.43	0.52
Debt Service Coverage Ratio	0.10	0.16	0.07	0.32	0.31	0.40
Interest Service Coverage Ratio	4.94	6.90	3.10	5.58	4.90	5.04

d) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the period ended 31 December 2020 is Rs.3,23,353 lakhs.

6) The Board of Directors at its meeting held on 28 January 2021 has declared an interim dividend of Rs.5 per equity share (on face value of Re.1/- per equity share) for the Financial year 2020-21.

7) The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has filed the Scheme along with necessary documents with Stock Exchange(s).

8) The Company had allotted 1,950 Non-Convertible Redeemable Debentures ("NCDs") of face value of Rs. 10,00,000 each at par thereby aggregating to issue size of Rs. 19,500 lakhs on private placement basis on November 6, 2020. The said NCDs are listed on BSE Limited.

9) As per Ind AS 108 'Operating Segments', Segment has been disclosed in consolidated financial results, Hence no separate disclosure has been given in standalone financial results of the Company.

10) As per IndAS 109 the Company has unrealised gain of Rs 13,220 lakhs and Rs 27,885 lakhs for the quarter ended 31 December 2020 and nine months ended 31 December 2020 respectively which has been classified under head 'Net gain on fair value changes'. Further, the Company has investment in financial instruments designated as 'Fair value through other comprehensive income' amounting to Rs. 7,992 lakhs and Rs 14,442 lakhs for the quarter ended 31 December 2020 and nine months ended 31 December 2020.

11) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,79,750 equity shares to the employees during the quarter and nine months ended 31 December 2020 respectively.

12) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.

13) Previous quarter and period ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/period end presentation.

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

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Motilal Oswal

Managing Director and Chief executive officer
 (DIN 00024503)

Mumbai,
 28 January 2021

INVESTOR UPDATE

Motilal Oswal Financial Services reports Highest ever Q3FY21 PAT of Rs 3.34 bn, +102% YoY and Rs 7.97 bn, +82% YoY in 9MFY21. Company declares interim dividend of Rs 5 per share.

Mumbai, January 28, 2021: Motilal Oswal Financial Services Ltd. announced its results for the quarter and nine month ended December 31, 2020 post approval by the Board of Directors at a meeting held in Mumbai on January 28, 2021.

Performance for the quarter and nine month ended December 31, 2020:

- In Q3FY21, consolidated revenues grew by 45% YoY at Rs 10.09 bn, Consolidated PAT grew by 102% YoY at Rs 3.34 bn including gains on investments (Rs 2.1 bn, +280% YoY).
- Consolidated revenues in 9MFY21 grew by 34% YoY at Rs 27.2 bn, consolidated profit grew by 82% YoY at Rs 7.97 bn.

Key highlights for the Q3FY21

- Highest-ever Consolidated Quarterly Revenues & Profits. Strong Sequential growth revenues and profitability across businesses.
- **Broking** - Highest ever Revenues, market share gains 20 bps YoY to 2.8%, strong traction in cash market share, highest ever quarterly clients addition, significant investments made in last 12 months in expanding talent pool & distribution network.
- **Asset Management**– Highest ever AUM, MF gross sales gaining traction, strong traction in SIP addition, Introduced digital platform for on boarding PMS clients. IREF V launched with target size of Rs 8 bn.
- **Home Finance** - Sharp reduction in cost of funds driving margin expansion, improvement in collection efficiency, continued superior quality of new book underwritten, traction in login/sanction pipeline, and gearing up for Q4 and FY22 with expansion in sales FOS.
- Consolidated net worth is at all-time high at Rs 39.3 bn, net debt is Rs 37 bn. Excluding Home finance, net debt is Rs 11.3 bn. Total D/E declined to 1.2x. Ex-MOHF D/E stood at 0.5x. Net of investments, we have a net cash balance sheet. RoE for 9MFY21 stands at 34% (ex-OCI).
- During 9MFY21, company has completed Buyback of its equity shares amounting to Rs 1.5 bn (including tax) resulting in increase in promoter equity in the company by 1.3% to 70.67%.
- The board has declared Interim dividend of Rs 5 per share (FV Re 1/share).
- Besides financial performance, recent time has been very eventful in terms of our successes in brand building, advertising and several other fronts. MOFSL rank 1st **“Best Local Brokerage”** in Asia Money broker’s poll 2020. MOFSL got inducted in **“Hall of Fame”** at 10th Financial Advisory Awards 2019. Our latest Ad on **“Skin in the Game”** has received appreciation in various media. These and several other recognitions of Motilal Oswal as a preferred consumer and employee brand in financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, MD & CEO said *“During this unprecedented time, we have successfully migrated all of our employees to WFH and despite WFH we haven’t witnessed much impact on our businesses. In fact, in most of our fee based businesses are touching new high in terms of scale. Our retail broking business which is our cash cow business has achieved new highs on various parameters and benefitting from industry consolidation with its knowledge driven phygital offerings. Our Institutional Broking business has been ranked #1 as local brokerage house in Asiamoney poll 2020. Our strategy to invest business profits in our own equity investment products has registered highest ever profits and as result our Net worth has touched new high. Moreover, our strategy to diversify our business model towards linear sources of earnings continues to deliver results. Our Asset Management business is likely to gain from process driven investing and its niche offerings. Our Housing finance business is geared up for profitable growth under new leadership. Each of our 7 businesses offers headroom for growth.*

Performance of Business Segments for the quarter and nine month ended December 31, 2020

- **Capital markets Businesses (Broking & Investment banking)**

- Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 4.3 bn, +39% YoY in Q3FY21 and Rs 11.98 bn in 9MFY21, +33% YoY. Capital market businesses have contributed ~44% of consolidated revenues. Profits were Rs 2.11 bn (ex-exception item), +54% YoY and contributed ~18% of consolidated PAT during 9MFY21.
- Broking and distribution business profit grew by 59% YoY at Rs 769 mn in Q3FY21 led by healthy volume growth of 98% YoY and gain in market share.
- In **Retail Broking & Distribution**, our Market share has improved by 20 bps on YoY basis to 2.8%. We have witnessed strong traction in new client addition driven by Franchisee and retail channel , total ~190,000 clients acquired in Q3FY21, +246% YoY. Active clients have also registered 46% YoY growth at 4.95 lacs as of December 2020.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM grew by 15% QoQ at Rs 119 bn as of Q3FY21. With only 13% of the 1.8 million client base tapped, we expect a continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.
- In **Institutional Broking**, team wins big in Asiamoney poll 2020. Ranked #1 Best local brokerage House, Best research team, Best sales and sales trading and Best Corporate access. Strong improvement in domestic client rankings in 9M with top 3 rank retained in most clients. This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors.
- **Investment Banking** business continues to engage on a wide cross-section of mandated transactions across capital markets and advisory. In Q3, we participated in one large OFS in BFSI space.

- **Asset Management businesses (AMC, PE and PWM)**

- **Asset Management** business AUM across MF, PMS & AIF stood at Rs 439 bn, +14% QoQ. Our AMC ranks 15 by total equity assets; in PMS we maintain a leading position. Strong growth of 32% QoQ in PAT for the quarter at Rs 382 mn. In 9MFY21, AMC’s profit was impacted on account of lower average AUM post unprecedented market correction in March and also due to cut in TER in MF. However, MF yields have improved during the quarter resulting in overall yield improvement.
- Our Equity MF AUM of Rs 262 bn is just 1.8% of the Industry MF Equity AUM of Rs 14 tn. We have seen improvement in performance of several products. Our gross sales market share was stable and redemption market share declined on sequential basis. However, we too witnessed net outflow in-line with Industry.
- We have witnessed strong traction in SIP addition and realisation.

- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~40%.
 - **Private Equity** has committed investment AUM of Rs 65 bn across 3 growth capital PE funds and 4 real estate funds. In Q3FY21, revenues stood at Rs 266 mn and PAT stood at Rs 69 mn. The 1st growth fund (IBEF 1) has delivered an XIRR of ~26%. Average IRR on exited investments in Real estate funds is 21%+. We have launched IREF V with target size of Rs 8 bn.
 - **Wealth Management** business AUM grew by 13% QoQ at Rs 227 bn in Q3FY21. Wealth business revenue grew by 31% & 20% YoY in Q3FY21 & 9MFY21 respectively led by strong net sales of +583% YoY at Rs 18.1 bn in 9MFY21. Gross & Net sales were multi-quarter high. Yield stood at ~62 bps. RM count of this business stood at 124. Our trail revenues predominantly cover our fixed costs.
 - Overall **Asset and Wealth Management** revenues were Rs 1.89 bn & Rs 5.14 bn in Q3FY21 & 9MFY21 respectively. Asset & Wealth contributes 19% of consolidated revenues. Profits were Rs 528 mn & Rs 1.26 bn in Q3FY21 & 9MFY21 respectively and contributed 16% of consolidated profits.
- **Housing finance business**
 - Motilal Oswal Home Finance (MOHFL) reported profit of Rs 47 mn in Q3FY21. Reported profit looks suppressed due to higher tax on account of reinstatement of deferred tax asset post migration to new regime. Excluding this, PAT for the quarter would have been Rs 115 mn.
 - NII grew by 20% YoY and NIM expanded 120 bps YoY/QoQ at 6.4% in Q3FY21.
 - Yield on Advances remained flat at 14.25% in Q3FY21 while of Cost of Funds is down by 37 bps QoQ / 163 bps YoY to 8.95%, resulting in expansion in Spread by 38bps QoQ to 5.3%.
 - We have raised Rs 11 bn in 9MFY21 at average cost of 7.4%. We expect average CoF to trend lower in coming quarters.
 - Loan book stood at Rs 35.4 bn as of 9MFY21. Disbursements in 9MFY21 were Rs 1.33 bn. Under new leadership, business is geared up for growth in disbursements. Sales force expansion is currently underway.
 - GNPA at 2.9%, NNPA at 2.3%. In 9MFY21 total credit cost at Rs 606 mn due to acceleration in Covid provisioning.
 - Opex was brought down to Rs 215 mn in Q3FY21 and is down ~25% from the high. As a result, Cost to Income ratio is down to 33% from 44% in Q3FY20.
 - Strong support from parent continues with total capital infusion to Rs 8.5 bn. Net Gearing stands at 2.9x and Tier 1 CAR remains robust at 48%.
 - Limited borrowing repayment for next 1 year, strong undrawn borrowing lines, Cash on Balance sheet of Rs 2.1 bn places us in comfortable liquidity situation.
 - **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
 - Fund based investments have registered Highest ever gains in a quarter of Rs 2 bn and Rs 5.2 bn in 9MFY21
 - Total quoted equity investment including unrealised gains was Rs 18.9 bn as of Q3FY21. Cumulative XIRR of these investments is ~16.3% (since inception).
 - Total equity investment including alternate funds was at Rs 26 bn as of December-20. XIRR of 26% on alternate equity investments.



About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. is a financial services company. Its offerings include capital markets businesses (Retail broking, Institutional broking & Investment banking), Asset & Wealth Management (Asset Management, Private Equity & Wealth Management), Housing Finance & Equity based treasury investments. Motilal Oswal Financial Service won the 'Brand of the Year' award at the IBLA CNBC TV 18. Motilal Oswal Securities won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards for the 6th time. It was ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services & Best Roadshows/Company Visits & amongst the Top-3 in Best Local Brokerage, Best Execution & Sales Trading Visits at the Asia Money Awards 2015. Motilal Oswal Private Equity won the 'Best Growth Capital Investor-2012' award at the Awards for PE Excellence 2013. Motilal Oswal Private Wealth Management won at the UTI-MF CNBC Financial Advisor Award in HNI Wealth Management category for 2015.

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For Motilal Oswal Financial Services Limited



Motilal Oswal
Managing Director & Chief Executive Officer
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