

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 71934200 / 4263

Fax: +91 22 50367363

July 31, 2019

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 ended June 30, 2019

Dear Sir/Madam,

Pursuant to the provisions of Regulation 33 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"), we hereby inform the Exchange that the Board of Directors ("Board") of the Company at its meeting held on July 31, 2019 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2019.

In this regard, please find enclosed herewith the Unaudited Financial Results (Consolidated and Standalone) along with the Limited Review Report(s) issued by the Statutory Auditors and Press Release for the quarter ended June 30, 2019.

The Board Meeting commenced at 02.00 p.m. and concluded at 03.00 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 Chandlok & Co LLP

Walker Chandlok & Co LLP
16th Floor, Tower II,
Indabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai - 400 013
India

T +91 22 6626 2600
F +91 22 6626 2601

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

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Motilal Oswal Financial Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 30 June 2019, 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 has been 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'), specified under section 133 of the Companies Act, 2013, SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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, 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.



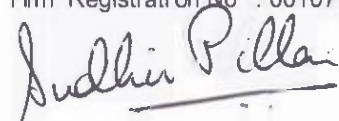
Motilal Oswal Financial Services Limited
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Motilal Oswal Financial Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, specified under Section 133 of the Companies Act, 2013, the SEBI Circular 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 did not review the interim financial information of five subsidiaries included in the Statement, whose interim financial information reflects total assets of ₹ 48,558 lakhs as at 30 June, 2019 and total revenues of ₹ 2,445 lakhs and total comprehensive loss of ₹ 190 lakhs, for the quarter ended on 30 June 2019. The Statement also includes the Group's share of net profit after tax of ₹ 54 lakhs for the quarter ended on 30 June 2019, as considered in the Statement, in respect of one associate, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the 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.

We did not review the interim financial information of four subsidiaries included in the Statement, whose interim financial information reflects total assets of ₹ 3,616 lakhs as at 30 June, 2019 and total revenues of ₹ 495 lakhs, total comprehensive income of ₹ 141 lakhs, for the quarter ended on 30 June 2019. These interim financial information have not been reviewed by other auditors and have been furnished to us by the management. Our conclusion on the consolidated financial results, and our report in terms of Regulation 33 (read with Regulation 63) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular(s), in so far as it relates to the aforesaid subsidiaries, are based solely on such unreviewed financial information. In our conclusion and according to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of these matters.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No : 001076NN5000B



Sudhir N. Pillai
Partner
Membership No. 105782

UDIN No:19105782AAAABY2941

Place: Mumbai
Date: 31 July 2019

Motilal Oswal Financial Services Limited
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Motilal Oswal Financial Services Limited Pursuant to the 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
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers 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

List of Associate

India Reality Excellence Fund II LLP



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Tel: +91-22-71934200, Fax: +91-22-50362365 Email: shareholders@motilaloswal.com Website: www.motilaloswalgroup.com
CIN: L67190MI12005PLC153397

Statement Of Consolidated Financial Results For The Quarter ended 30 June 2019

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
Income				
Revenue from operations				
(i) Interest income	19,687	19,721	20,984	81,783
(ii) Dividend income	15	9	-	37
(iii) Rental income	0	90	97	363
(iv) Fee and commission income	35,799	37,842	37,897	1,51,447
(v) Net gain on fair value change	4,176	6,345	-	8,025
(vi) Other operating income	1,242	1,300	1,273	4,613
(I) Total revenue from operations	60,919	65,307	60,251	2,46,268
(II) Other income	199	445	35	555
(III) Total Income (I+II)	61,118	65,752	60,286	2,46,823
Expenses				
(i) Finance cost	12,396	13,098	13,049	51,685
(ii) Fees and commission expense	11,005	12,387	11,310	46,164
(iii) Impairment on financial instruments	1,304	2,158	3,630	6,485
(iv) Net loss on fair value change	-	-	(1,356)	-
(v) Employee benefits expenses	12,904	12,848	11,905	50,177
(vi) Depreciation and amortisation expenses	949	600	604	2,395
(vii) Other expenses	4,761	5,065	6,716	51,478
(IV) Total expenses	43,319	46,156	45,858	2,08,384
(V) Profit before tax (III- IV)	17,799	19,596	14,428	38,439
Tax expense/(credit)				
(1) Current tax	5,361	5,009	4,797	18,426
(2) Deferred tax liability/(asset)	(764)	(174)	(729)	(8,958)
(3) Short/(excess) provision for earlier years	(2)	(62)	-	(61)
(VI) Total tax expenses/Credit	4,595	4,773	4,068	9,407
(VII) Profit after tax (VII) = (V)-(VI)	13,204	14,823	10,360	29,032
(VII) Share of profit from associates (net of taxes)	53	113	76	799
(IX) Profit after tax and share in profit of associates (IX) = (VII)+(VIII)	13,257	14,936	10,436	29,831
(X) Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
- Actuarial gain/(losses) on post retirement benefit plans	(127)	17	95	190
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	3,605	(603)	1,237	(470)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(407)	64	(177)	(10)
Total other comprehensive income (X)	3,071	(522)	1,155	(290)
(XI) Total comprehensive income (XI) = (IX)+(X)	16,328	14,414	11,591	29,541
(XII) Net profit attributable to:				
Owners of parent	12,942	14,605	10,384	29,398
Non-controlling interests	315	331	53	433
(XIII) Other comprehensive income attributable to:				
Owners of parent	3,072	(519)	1,154	(292)
Non-controlling interests	(1)	(3)	1	2
(XIV) Total comprehensive income attributable to: (XIV) = (XII)+(XIII)				
Owners of parent	16,014	14,085	11,538	29,106
Non-controlling interests	314	329	53	435
(XV) (a) Paid up equity share capital (Face value Rs.1 per share)	1,460	1,457	1,451	1,457
(b) Other Equity				3,03,887
(XVI) Earning per share (EPS)*				
Basic EPS (Amount in Rs)	8.88	10.03	7.16	20.21
Diluted EPS (Amount in Rs)	8.66	9.77	7.06	19.67

*See note 8

*EPS for the quarter is not annualized

(Page 1 of 3)



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Statement Of Consolidated Financial Results For The Quarter ended 30 June 2019

Consolidated notes:

- The consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 31 July 2019, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- The consolidated results of the Company include the unaudited results of the subsidiaries – Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited) (100%), MOPE Investment Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (100%), Motilal Oswal Finance Limited (formerly known as Motilal Oswal Capital Markets Limited) (100%), Motilal Oswal Wealth Management Limited (98.38%), Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited) (100%), Motilal Oswal Asset Management Company Limited (97.29%), Motilal Oswal Trustee Company Limited (100%), Motilal Oswal Securities International Private Limited (100%), Motilal Oswal Capital Markets (Singapore) Pte. Limited (100%), Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Real Estate Investment Advisors Private Limited (85%), Motilal Oswal Real Estate Investment Advisors II Private Limited (76.50%), Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd) (98.00%), India Business Excellence Management Company (88.00%), Motilal Oswal Asset Management (Mauritius) Private Limited (97.29%), Motilal Oswal Capital Limited (97.29%) and an Associate, India Realty Excellence Fund II LLP (20.74%).
- During the quarter, CRISIL has upgraded its rating on the non-convertible debentures and long term bank facilities of Motilal Oswal Home Finance Limited (MOHFL, Formerly known as Aspire Home Finance Corporation Limited) to 'CRISIL AA-/Stable' from 'CRISIL A+/Stable' and reaffirmed its short term rating as 'CRISIL A1+'. Also, CRISIL has assigned its 'CRISIL DFD-MLD AA-/r/Stable' rating to MOHFL's long term principal protected market linked Debentures. Also, CRISIL Limited re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of Rs 1,30,000 lakhs of Motilal Oswal Financial Services Limited. India Ratings & Research Private Limited has re-affirmed credit rating of "IND A1+" to the Commercial Paper Programme of Rs 1,30,000 lakhs of Motilal Oswal Financial Services Limited. ICRA has re-affirmed the rating of ICRA AA rating with stable outlook (pronounced ICRA double A rating with Stable Outlook) to the Long Term Debt Programme for Rs. 35,000 lakhs of Motilal Oswal Financial Services Limited. CRISIL Limited re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of Rs. 25,000 lakhs of Motilal Oswal Finvest Limited, 100% subsidiary of the company.
- As per IndAS 109 the group has unrealised gain/(loss) of Rs (837) lakhs and Rs (2,786) lakhs for the quarter ended 30 June 2019 and quarter ended 30 June 2018 respectively which has been classified under 'Income from Operations'. Further, the group has investment designated as 'Fair value through other comprehensive income' on which unrealised gain/(loss) has been classified under 'Other comprehensive income' amounting to Rs. 3,605 lakhs and Rs. 1,237 lakhs for the quarter ended 30 June 2019 and 30 June 2018 respectively.
- Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" using the cumulative catch-up approach. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. As a result of adoption of Ind AS 116, Company has recognised lease liability amounting to Rs 3,474 Lakhs and right of use assets amounting to Rs 3,442 Lakhs as of 30 June, 2019. Resulting impact in the statement of Profit and Loss is Rs 307 Lakhs and Rs 691 Lakhs shown as Depreciation and Finance cost respectively & Rent paid decrease by Rs 293 Lakhs.

6) Consolidated segment results for the quarter ended 30 June 2019 is as follows:

Rs. in Lakhs

Particulars	For the quarter ended			For the year ended
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
1 Segment revenue				
(a) Broking and other related activities	27,765	28,079	28,869	1,13,318
(b) Fund based activities	3,389	5,355	693	5,912
(c) Asset management and advisory	19,416	20,319	19,534	80,702
(d) Investment banking	28	1,458	1,509	3,813
(e) Home finance	15,273	16,117	16,033	64,841
(f) Unallocated	28	20	44	67
Total	65,899	71,348	66,682	2,68,653
Less: Inter segment revenue	(4,703)	(5,081)	(4,922)	(20,675)
Total segment revenue (Inclusive of revenue from associate)	61,196	66,267	61,760	2,47,978
2 Segment results (Profit before tax)				
(a) Broking and other related activities	6,130	6,037	8,083	26,417
(b) Fund based activities	3,007	5,002	445	4,688
(c) Asset management and advisory	6,774	7,182	7,781	30,102
(d) Investment banking	(542)	685	1,037	1,209
(e) Home finance	2,513	980	(1,667)	(20,945)
(f) Unallocated	5	(126)	(1,133)	(1,877)
Total segment results (Inclusive of share of profit from associate)	17,877	19,760	14,546	39,594

Particulars	For the quarter ended			For the year ended
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
3. Segment assets				
(a) Broking and other related activities	3,34,228	3,66,098	2,76,730	3,66,098
(b) Fund based activities	2,22,384	2,01,578	2,04,580	2,01,578
(c) Asset management and advisory	30,808	31,146	29,686	31,146
(d) Investment banking	202	1,715	1,544	1,715
(e) Home finance	4,44,639	4,62,026	4,89,033	4,62,026
(f) Unallocated	27,230	21,148	15,506	21,148
Less: Inter segment assets	(25,113)	(17,882)	(8,826)	(17,882)
Total segment assets	10,34,378	10,65,749	9,98,253	10,65,749
4. Segment liabilities				
(a) Broking and other related activities	3,09,098	3,31,389	2,59,966	3,31,389
(b) Fund based activities	20,494	16,279	1,156	16,279
(c) Asset management and advisory	12,218	13,829	12,883	13,829
(d) Investment banking	1,283	2,048	1,721	2,048
(e) Home finance	3,71,533	3,91,488	4,17,384	3,91,488
(f) Unallocated	12,709	14,376	21,299	14,376
Less: Inter segment liabilities	(20,694)	(13,083)	(15,053)	(13,083)
Total segment liabilities	7,06,644	7,56,326	6,99,356	7,56,326

(Page 2 of 3)



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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
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Statement Of Consolidated Financial Results For The Quarter ended 30 June 2019

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.

7) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,37,882 shares during the quarter ended 30 June 2019.

8) The consolidated figures for the quarter ended 31 March 2019 are the balancing figures between audited figures in respect of the full financial year and year-to-date figures upto third quarter approved by the Company's Board of Directors.

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



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

A handwritten signature in blue ink, appearing to be 'Motilal Oswal'.

Motilal Oswal
Chairman & Managing Director
(DIN - 00024503)

Mumbai
31-07-2019

Walker Chandiook & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai- 400 013
India

T +91 22 6626 2600
F +91 22 6626 2601

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of Motilal Oswal Financial Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 ('the Statement') of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended 30 June 2019 being submitted by the 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. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review of the Statement, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), specified under Section 133 of the Companies Act, 2013, SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India.
2. We conducted our review in accordance with the Standard on Review Engagement (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, 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.



Motilal Oswal Financial Services Limited

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

3. 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, specified under Section 133 of the Companies Act, 2013, the SEBI Circular, 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.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm Registration No: 0 01076NN500013



Sudhir N. Pillai

Partner

Membership No. 105782

UDIN No:19105782AAAABX9713

Place: Mumbai

Date: 31 July 2019

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
Tel: +91-22-71934200, Fax: +91-22-50362365 Email:shareholders@motilaloswal.com, Website: www.motilaloswalgroup.com
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Statement Of Standalone Financial Results For The Quarter Ended 30 June 2019

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
Revenue from operations				
(i) Interest income	4,192	3,884	4,756	17,254
(ii) Dividend income	-	8,065	-	8,093
(iii) Rent income	510	590	648	2,482
(iv) Fees and commission income				
-Brokerage income	17,392	17,934	17,528	71,035
-Other commission income	2,163	2,521	2,519	10,835
(v) Net gain on fair value changes	3,028	4,482	1,349	8,216
(vi) Other operating revenue	1,007	866	1,020	3,812
(I) Total Revenue from operations	28,292	38,342	27,820	121,727
(II) Other income	885	837	968	3,142
(III) Total Income (I+II)	29,177	39,179	28,788	124,869
Expenses				
(i) Finance cost	2,788	2,307	2,763	10,428
(ii) Fees and commission expense	7,391	8,390	7,825	31,832
(iii) Impairment on financial instruments	173	145	144	681
(iv) Employee benefit expenses	7,489	7,517	6,566	27,906
(v) Depreciation and amortisation expense	725	442	471	1,801
(vi) Other expenses	2,878	2,895	2,844	12,871
(IV) Total Expenses (IV)	21,444	21,696	20,613	85,519
(V) Profit before tax (III-IV)	7,733	17,483	8,175	39,350
Tax expense/(credit)				
(1) Current tax	2,891	2,369	2,428	8,914
(2) Deferred tax	(1,468)	(411)	(514)	(1,927)
(VI) Total tax expenses / (credit)	1,423	1,958	1,914	6,987
(VII) Profit from continuing operations (V-VI)	6,310	15,525	6,261	32,363
(VIII) Profit / (loss) from discontinuing operations	-	-	(131)	(186)
(IX) Tax on discontinuing operations	-	-	(46)	54
(X) Profit/(loss) from discontinued operations (VIII-IX)	-	-	(85)	(132)
(XI) Profit for the period/year (VII+X)	6,310	15,525	6,176	32,231
Other Comprehensive income				
A(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined employee benefit plans	(200)	-	42	34
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	3,692	(870)	1,237	(737)
(ii) Income tax related to items that will not be reclassified to profit and loss account	(389)	100	(156)	74
(XII) Other Comprehensive Income	3,103	(770)	1,123	(629)
(XIII) Total Comprehensive Income for the period (XI+XII)	9,413	14,755	7,299	31,602
(XIV) (a) Paid-up Equity Share Capital (Face value of Re. 1)	1,460	1,457	1,451	1,457
(b) Other Equity				257,899
Earnings/(loss) Per Share (EPS) from continuing operations (Face value Re. 1 per equity share) (10t annualised)				
Basic (amount in Rs)	4.33	10.66	4.26	22.23
Diluted (amount in Rs)	4.22	10.38	4.20	21.65
Earnings/(loss) Per Share (EPS) from discontinued operations (Face value Re. 1 per equity share) (not annualised)				
Basic (amount in Rs)	-	-	(0.06)	(0.03)
Diluted (amount in Rs)	-	-	(0.06)	(0.03)

See note no 9

(Page 1 of 2)



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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
Tel: +91-22-71934200, Fax: +91-22-50362365 Email:shareholders@motilaloswal.com, Website: www.motilaloswalgroup.com
CIN: L67190MH2005PLC153397

Notes to statement of standalone financial results for the quarter ended 30 June 2019

STANDALONE NOTES:-

- 1) The standalone financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Wednesday 31 July 2019. A limited review of financial results for the quarter ended 30 June 2019 has been carried out by the statutory auditors of the Company.
- 2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind/AS) prescribed under Section 133 of the Companies Act, 2013.
- 3) Pursuant to receipt of Order dated 30 July 2018 from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") approving the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company" or "Company") and their respective shareholders ("Scheme"), the Board of Directors ("Board") of the Company at its Meeting held on 21 August 2018, inter-alia, has made the Scheme effective from 21 August 2018. The appointed date is 1 April 2017. The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Finvest Limited ("MOFL") (formerly known as 'Motilal Oswal Capital Markets Limited') as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of Rs. 5,000 lakhs.
- 4) In terms of Ind AS 105 on Non-current Assets Held for Sale and Discontinued operations, the details of discontinued operations as disclosed in the above results are as follows:

Particulars	For the quarter ended			(Rs. in lakhs)	
	For the year ended				
	30 June 2019	31 March 2019	30 June 2018	31 March 2019	
Total income	-	-	662	1,067	
Total expenses	-	-	793	1,253	
Profit / (loss) before tax from discontinuing operations	-	-	(131)	(186)	
Tax charge/ (credit) including deferred tax pertaining to discontinuing operations	-	-	(46)	(54)	
Profit / (loss) after tax from discontinuing operations	-	-	(85)	(132)	

- 5) 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.
- 6) As per IndAS 109 the Company has unrealised gain / (loss) of Rs (1,842) lakhs for the quarter ended 30 June 2019 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 3,692 lakhs for the quarter ended 30 June 2019.
- 7) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,37,382 equity shares to the employees during the quarter ended 30 June 2019.
- 8) Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" using the cumulative catch-up approach. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. As a result of adoption of Ind AS 116, Company has recognised lease liability amounting to Rs 2,639 lakhs and right of use assets amounting to Rs 2,606 lakhs as of 30 June 2019. Resulting impact in the Statement of Profit and Loss is Rs 235 lakhs and Rs 57 lakhs shown as Depreciation and Finance cost respectively.
- 9) The standalone figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto third quarter of the previous year.
- 10) Previous quarter and year ended figures have been regrouped/ reclassified, wherever found necessary, to conform to the current quarter/year end presentation.



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

Motilal Oswal
Chairman & Managing Director
(DIN 00024503)

Mumbai,
31 July 2019

Motilal Oswal Financial Services Limited
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Board: +91 22 7193 4200 / 4263
Fax: +91 22 5036 2365

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q1FY20 PAT of Rs 1.29 bn, +25% YoY.

Mumbai, July 31, 2019: Motilal Oswal Financial Services Ltd. announced its results for the quarter ended June 30, 2019 post approval by the Board of Directors at a meeting held in Mumbai on July 31, 2019.

Performance for the quarter ended June 30, 2019

- Consolidated revenues stood at Rs 6.5 bn in Q1FY20. Consolidated PAT was at Rs 1.29 bn, +25% YoY in Q1FY20. Asset & Wealth management business contributed to 32% of the profit for the quarter, followed by Capital market business at 28%, fund based investment 27% and Housing finance at 13%.
- Some of the key highlights for the quarter include 25% YoY growth in PE AUM, 18% YoY growth in Wealth AUM, 17% YoY growth in Distribution business AUM, 3% YoY growth in AMC AUM, name change of home finance business to “Motilal Oswal Home Finance” (MOHFL) with improvement in profitability and ROE along with minimal credit costs. CRISIL has also upgraded long term rating of MOHFL to AA- (Stable) from A+ earlier.
- Consolidated net worth stood at Rs 32.4 bn, gross borrowing was Rs 47.8 bn and net borrowing was Rs 40.9 bn (including MOHFL). Excluding MOHFL, gross and net borrowings were Rs 14 bn and Rs 8 bn respectively and this is less than the market value of quoted investments at Rs 16 bn. Overall gearing remains conservative at 1.5x; ex-MOHFL it is at 0.43x and considering market value quoted investments, we are effectively net cash balance sheet.
- Asset and wealth business was highest contributor to profit.
- Besides financial performance, the last quarter has been very eventful in terms of our successes in brand building, advertising and several other fronts. In Q1FY20, MOFSL gets inducted in “Hall of Fame” at 10th financial Advisory Awards 2019. MOFSL wins “Broking House of the year” at MCX awards 2019. MOFSL wins “Best 360 Degree Marketing Campaign” at Masters of Modern Marketing Conference and Awards. These, and several other awards, are recognition of Motilal Oswal as a preferred consumer and employee brand in the financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, CMD said “Our strategy to diversify our business model towards linear sources of earnings continues to show results, with bulk of the revenue pie now coming from these new businesses. Asset & Wealth businesses are now the largest contributor to profits and ahead of the Capital market businesses. Our Housing finance business also started contributing to consolidated profits and likely to scale up further in near future under the new leadership team. Each of our 7 businesses offers significant headroom for growth and operating leverage as they scale up. Prestigious awards like “Hall of fame”, Broking House of the year and several others have made all associated with the group immensely proud”.



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Performance of Business Segments for the quarter ended June 30, 2019

• Asset Management businesses

- **Asset Management** business across MF, PMS & AIF stood at Rs 388 bn AUM, +3% YoY. Our AMC ranks 12 by total equity assets, PMS ranks #1 while AIF assets are growing rapidly. Revenues and PAT for the quarter stood at Rs 1.4 bn and Rs 360 mn, respectively. Asset management business offers highest scalability and operating leverage among all businesses.
- Our Equity MF AUM of Rs 199 bn is just 1.9% of the Industry Equity AUM of Rs 10.4 tn.
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~49% and continues to rise. Yields and profitability of Alternates is higher. As of June 2019, ~19% of Alternates AUM is performance-fee linked and our endeavor is to increase this further. We have been able to maintain our net yields despite challenging regulatory environment.
- **Private Equity** manages an AUM of Rs 64 bn (+25% YoY) across 3 growth capital PE funds and 4 real estate funds. This business has delivered on profitability and scalability fronts. In Q1FY20, revenues grew by 24% YoY at Rs 240 mn and PAT grew by 10% YoY at Rs 49 mn. The 1st growth fund (IBEF 1) has delivered an XIRR of 27%, and alpha of 10% and is expected to return nearly 6x MoC (Multiple of Cost). Strong performance and positioning has also aided new fund raise. We have launched IREF IV in FY19 with a target size of Rs. 12 bn has achieved 2nd close at ~Rs. 8.5 bn.
- **Wealth Management** business AUM grew by 18% YoY at Rs 180 bn in Q1FY20 with net sales of Rs 5 bn. RM count of this business has reached 130 with average RM addition up +5% YoY in Q1FY20. Our trail revenues predominantly cover our fixed costs. As ratio of new adds to opening RM falls and the vintage of RM improves, both productivity and profitability of the business will scale up.
- Overall Asset and Wealth Management revenues were Rs 1.9 bn in Q1FY20 and contributed 29% of consolidated revenues. Profits were Rs 403 mn and contribute 32% of consolidated profits, with highest scalability and with least capital employed among our portfolio of businesses.

• Capital markets Businesses (Broking & Investment banking)

- Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 2.8 bn in Q1FY20 and contributed ~42% of consolidated revenues. Profits were Rs 351 mn in Q1FY20 and contributed ~28% of consolidated PAT. Broking and distribution business profit stood at Rs 392 mn in Q1FY20 led by strong margins on account of better operating leverage on the higher and linear revenues.
- In **Retail Broking & Distribution**, our Market share in high-yield cash segment has been improved. Overall market share stood at 2.2% (ex-prop) in Q1FY20 in rising F&O volumes in market.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM was Rs 97 bn, +17% YoY in Q1FY20. With only 16% of the near 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.



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- In **Institutional Broking**, there was improvement in rankings with encouraging domestic institutions' contribution and new client additions. Every aspect of the business, research, sales, sales trading and corporate access is being strengthened.
- **Investment Banking** business has continued to engage some market transactions in this period. Overall transaction pipeline remains encouraging.
- **Housing finance business**
 - Motilal Oswal Home Finance (MOHFL) profit growth (+257% YoY) for the quarter was led by lower credit cost, lowers operating cost and improvement in yields during the quarter.
 - Name change to "Motilal Oswal Home Finance" to yield multiple benefits like reduction in cost of funds, leveraging on brand, group level synergy across functions, locations and business associates.
 - MOHFL has received credit rating upgrade amid challenging environment based on several positive changes undertaken including name change. CRISIL has upgraded MOHFL's rating to AA- (stable outlook) from earlier A+ (stable). This will further benefit MOHFL in bringing down cost of funds and improve spreads.
 - Loan book stood at Rs 43 bn as of Q1FY20. Disbursements in Q1FY20 were Rs 330 mn.
 - New book sourced from April'18 has encouraging performance, with only 3 cases in NPA out of 3000 loan cases.
 - Margins improved by 60 bps YoY at 5.2% in Q1FY20, on account of improvement in yield coupled with recent equity infusion. Our spreads have remained stable in an environment of higher cost of funds.
 - Annualised credit cost in Q1FY20 was at 1%, lower than last 4 quarters. This was on account of comparatively lower slippages and no write offs during the quarter. Further, provision coverage remained robust at 68% including write-offs in Q1FY20.
 - Strong traction in legal recourse coupled with improvement in collection efficiency will result into faster resolution of delinquent cases.
 - Legacy loan book is now seasoned for over 27 months. Moreover, proactive clean-up of the legacy book, expected positive trends in disbursements in coming quarters along with improvement in collection efficiency, augur well for future asset quality and profitability outlook.
 - Strong support from parent continues with capital infusion of Rs 2 bn in FY19 taking total capital infusion to Rs 8.5 bn. Gearing remains conservative at 4.0x.
 - Limited borrowing repayments till March 2020, strong undrawn borrowing lines and ALM place us in comfortable liquidity situation.
- **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
 - Fund based investments like commitments to our asset management products, not only helped seed these new businesses by investing in highly scalable opportunities, but they also represent liquid resources for future opportunities.
 - Company continues to invest its free cash flow for the quarter, during the quarter we have invested Rs 1.1 bn in quoted equity investments.



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- o Total quoted equity investment including MTM gains was Rs 16 bn as of Q1FY20. MTM on these gains are now part of reported earnings under Ind-AS reporting. Cumulative XIRR of these investments is ~18.5%, which is the see-through RoE.

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. Aspire Housing Finance was awarded 'India's Most Admired & Valuable Housing Finance Company' at India Leadership Conclave 2015.

For further details contact:

Mrs. Rohini Kute (Head of Corporate Communication) Motilal Oswal Financial Services Ph- +91-22-30102340, Mob- +91-9820196838	Mr. Shalibhadra Shah (Chief Financial Officer) Motilal Oswal Financial Services Ph- +91-22-38464917 Mob- +91-9819060032	Mr. Alpesh Nakrani Paradigm Shift Public Relations Ph- +91-22 22813797 Mob- +91-9892343828 / +91-9869121167
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