

**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

July 31, 2020

**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, 2020 and Issuance of Non-Convertible Debentures**

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 July 31, 2020 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2020 and Issuance of Non-Convertible Debentures not exceeding Rs. 500,00,00,000/- on private placement basis in one or more tranches.

In this regard, please find enclosed herewith the Unaudited Financial Results (Consolidated and Standalone) for the quarter ended June 30, 2020 along with Limited Review Report(s) issued by the Statutory Auditors and Press Release for the quarter ended June 30, 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 05.00 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

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**Walker Chandio & Co LLP**

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## **Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company 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 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 and joint venture (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement) for the quarter ended 30 June 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 accounting 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. 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.

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 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting 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 in the accompanying Statement which describes the uncertainties relating to the effects of the COVID 19 pandemic on the impact on expected credit loss recognised towards the housing loans to customers and carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to ₹ 2,094 lakhs and ₹ 55,968 lakhs respectively as at 30 June 2020. Our conclusion is not modified in respect of this matter.

**Motil Oswal Financial Services Limited**

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

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6. We did not review the interim financial information of eight subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 3290 lakhs, total net profit after tax of ₹ 348 lakhs, total comprehensive income of ₹ 397 lakhs, for the quarter ended on 30 June 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 their respective countries and which have been reviewed by other auditors under International Standards on Auditing applicable in their respective country. 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 reports 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 ₹ 117 lakhs, net profit after tax of ₹ 1 lakh, total comprehensive income of ₹ 1 lakh for the quarter ended 30 June 2020. The Statement also includes the Group's share of net profit after tax of ₹ 420 lakhs, and total comprehensive income of ₹ 420 lakhs for the quarter ended on 30 June 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.

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 unreviewed 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 Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No:001076N/N500013

**MURAD D**  
**DARUWALLA**  
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**Murad D. Daruwalla**  
Partner  
Membership No:043334

**UDIN No:20043334AAAAAF2237**

Place: Mumbai  
Date: 31 July 2020

# Walker Chandniok & Co LLP

## Motilal Oswal Financial Services Limited

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

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### 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
Glide Tech Investment Advisory Private Limited
Motilal Oswal Finsec IFSC Limited

#### List of Associate

India Reality Excellence Fund II LLP
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#### List of Joint Venture

India Business Excellence Fund III
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CIN: L67190MH2005PLC153397

Statement of Consolidated Financial Results for the quarter ended 30 June 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended
	30 June 2020 (Unaudited)	31 March 2020 (Unaudited)#	30 June 2019 (Unaudited)	31 March 2020 (Audited)
<b>Revenue from operations</b>				
(i) Interest income	17,262	19,146	19,687	76,754
(ii) Dividend income	10	41	15	194
(iii) Rental income	1	26	0	39
(iv) Fee and commission income	39,144	41,368	35,799	1,54,922
(v) Net gain on fair value change	14,953	-	4,862	-
(vi) Other operating income	1,210	540	1,242	3,846
<b>(I) Total revenue from operations</b>	<b>72,580</b>	<b>61,121</b>	<b>61,605</b>	<b>2,35,755</b>
(II) Other income	167	275	367	786
<b>(III) Total Income (I)+(II)</b>	<b>72,747</b>	<b>61,396</b>	<b>61,972</b>	<b>2,36,541</b>
<b>Expenses</b>				
(i) Finance cost	10,879	12,736	12,395	49,447
(ii) Fees and commission expense	12,322	12,740	11,005	46,911
(iii) Net loss on fair value change	-	35,600	-	21,902
(iv) Impairment on financial instruments	1,592	1,676	1,298	9,130
(v) Employee benefits expenses	14,299	13,583	12,904	53,980
(vi) Depreciation and amortisation expenses	1,058	1,091	949	3,971
(vii) Other expenses	4,653	6,621	4,768	22,681
<b>(IV) Total expenses</b>	<b>44,803</b>	<b>84,047</b>	<b>43,319</b>	<b>2,08,022</b>
<b>(V) Profit/(loss) before exceptional items and tax (III)-(IV)</b>	<b>27,944</b>	<b>(22,651)</b>	<b>18,653</b>	<b>28,519</b>
(VI) Exceptional items (refer note 7)	(8,896)	-	-	-
<b>(VII) Profit/(Loss) before tax and after exceptional items (V)+(VI)</b>	<b>19,048</b>	<b>(22,651)</b>	<b>18,653</b>	<b>28,519</b>
<b>Tax expense/(credit)</b>				
(1) Current tax	3,606	2,572	5,583	13,371
(2) Deferred tax (credit)	(1,031)	(1,524)	(764)	(6,424)
(3) Short/(excess) provision for earlier years	-	5	(2)	32
<b>(VIII) Total tax expenses</b>	<b>2,575</b>	<b>1,053</b>	<b>4,817</b>	<b>6,979</b>
<b>(IX) Profit/(Loss) after tax (VII)-(VIII)</b>	<b>16,473</b>	<b>(23,704)</b>	<b>13,836</b>	<b>21,540</b>
(X) Share of profit/(loss) from associate and joint venture (net of taxes)	420	(1,686)	(561)	(2,582)
<b>(XI) Profit/(Loss) after tax and share in profit/(loss) of associate &amp; joint venture (IX)+(X)</b>	<b>16,893</b>	<b>(25,390)</b>	<b>13,275</b>	<b>18,958</b>
<b>(XII) Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss				
- Remeasurement of the defined employee benefit plans	222	(32)	(127)	201
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	3,240	(14,868)	3,605	(6,914)
(ii) Tax expenses relating to items that will not be reclassified to profit or loss	(433)	1,703	(407)	727
<b>Total other comprehensive income/(loss) (XII)</b>	<b>3,029</b>	<b>(13,197)</b>	<b>3,071</b>	<b>(5,986)</b>
<b>(XIII) Total comprehensive income/(loss) (XI)+(XII)</b>	<b>19,922</b>	<b>(38,587)</b>	<b>16,346</b>	<b>12,972</b>
<b>(XIV) Net profit/(loss) attributable to:</b>				
Owners of parent	16,699	(25,375)	12,942	18,337
Non-controlling interests	194	(15)	333	621
<b>(XV) Other comprehensive income/(loss) attributable to:</b>				
Owners of parent	3,026	(13,195)	3,072	(5,983)
Non-controlling interests	3	(2)	(1)	(3)
<b>(XVI) Total comprehensive income/(loss) attributable to: (XIV)+(XV)</b>				
Owners of parent	19,725	(38,570)	16,014	12,354
Non-controlling interests	197	(17)	332	618
<b>(XVII) (a) Paid up equity share capital (Face value Re.1 per share)</b>	<b>1,480</b>	<b>1,481</b>	<b>1,460</b>	<b>1,481</b>
<b>(b) Other Equity</b>				<b>3,07,149</b>
<b>(XVIII) Earning per share (EPS)*</b>				
Basic EPS (Amount in Rs.)	11.28	(17.14)	8.88	12.47
Diluted EPS (Amount in Rs.)	11.05	(16.81)	8.66	12.20

#See note 11

\*EPS for the quarters is not annualized

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**Statement of Consolidated Financial Results for the quarter ended 30 June 2020**

**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 2020, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 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%), Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers 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) (97.93%), 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%), 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)%, Associate, India Realty Excellence Fund II LLP (20.44%)
- During the previous quarter, CRISIL had re-affirmed the credit 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) of 'CRISIL AA-/Stable'. Also, reaffirmed its short term rating at 'CRISIL A1+'. Also, CRISIL had reaffirmed its 'CRISIL PP-MLD AA-r/Stable' rating of Rs 10,000 Lakhs each 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 had affirmed credit rating of "IND A1+" to the Commercial Paper Programme of Rs. 1,30,000 lakhs of Motilal Oswal Financial Services Limited. Also, CRISIL Limited had assigned the credit rating of "CRISIL A1+" to the Commercial Paper Programme of Rs. Rs.2,50,000 lakhs and re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of Rs. Rs.50,000 lakhs of Motilal Oswal Finvest Limited, 100% subsidiary of the company.
- As per IndAS 109 the group has unrealised gain / (loss) of Rs 11,309 lakhs and Rs.(35,905) lakhs for the quarter ended 30 June 2020 and year ended 31 March 2020 respectively which has been included in net gain/ (loss) on fair value changes. 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.3,240 lakhs and Rs.(6,914) lakhs for the quarter ended 30 June 2020 and year ended 31 March 2020 respectively.
- Consolidated segment results for the quarter ended 30 June 2020 is as follows:

(Rs. in Lakhs)

Particulars	For the quarter ended			For the year ended
	30 June 2020 (Unaudited)	31 March 2020 (Unaudited)#	30 June 2019 (Unaudited)	31 March 2020 (Audited)
<b>1. Segment revenue</b>				
(a) Broking and other related activities	34,340	33,808	27,765	1,22,461
(b) Fund based activities	14,854	882	3,389	3,559
(c) Asset management and advisory	15,006	20,612	19,416	78,865
(d) Investment banking	35	86	28	1,211
(e) Home finance	13,330	13,977	15,273	57,644
(f) Unallocated	5	(25)	28	33
<b>Total</b>	<b>77,570</b>	<b>69,340</b>	<b>65,899</b>	<b>2,63,773</b>
Less: Inter segment revenue	(4,447)	(6,978)	(4,703)	(22,717)
<b>Total segment revenue (Inclusive of revenue from associate and joint venture)</b>	<b>73,123</b>	<b>62,362</b>	<b>61,196</b>	<b>2,41,056</b>
<b>2. Segment results</b>				
(a) Broking and other related activities	8,444	6,695	6,130	26,122
(b) Broking exceptional items	(8,896)	-	-	-
(c) Fund based activities	13,996	(38,581)	3,007	(29,063)
(d) Asset management and advisory	4,192	6,149	6,774	26,391
(e) Investment banking	(516)	(474)	(542)	(1,019)
(f) Home finance	2,412	2,819	2,513	6,129
(g) Unallocated	(207)	(1,111)	(5)	(3,029)
<b>Total segment results (Inclusive of share of profit from associate and joint venture)</b>	<b>19,425</b>	<b>(24,503)</b>	<b>17,877</b>	<b>25,531</b>
<b>3. Segment assets</b>				
(a) Broking and other related activities	4,32,473	3,97,315	3,34,228	3,97,315
(b) Fund based activities	2,13,607	2,04,668	2,22,384	2,04,668
(c) Asset management and advisory	26,846	28,411	30,808	28,411
(d) Investment banking	170	167	202	167
(e) Home finance	3,99,141	3,78,057	4,44,639	3,78,057
(f) Unallocated	16,504	16,848	27,230	16,848
Less : Inter segment assets	(22,832)	(14,406)	(25,113)	(14,406)
<b>Total segment assets</b>	<b>10,65,909</b>	<b>10,11,060</b>	<b>10,34,378</b>	<b>10,11,060</b>
<b>4. Segment liabilities</b>				
(a) Broking and other related activities	3,93,991	3,66,976	3,09,098	3,66,976
(b) Fund based activities	21,423	22,141	20,494	22,141
(c) Asset management and advisory	8,806	10,952	12,218	10,952
(d) Investment banking	1,229	725	1,283	725
(e) Home finance	3,20,297	3,01,649	3,71,533	3,01,649
(f) Unallocated	5,422	4,675	12,709	4,675
Less : Inter segment liabilities	(16,881)	(8,347)	(20,694)	(8,347)
<b>Total segment liabilities</b>	<b>7,34,287</b>	<b>6,98,771</b>	<b>7,06,641</b>	<b>6,98,771</b>

#See note 11

(Page 2 of 3)



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**Statement of Consolidated Financial Results for the quarter ended 30 June 2020**

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.

6) The SARS-CoV-2 virus responsible for COVID -19 has spread across the globe and India, which has contributed to a significant decline in the economic activities. Government have introduced a variety of measures to contain the spread of the virus. On 24th March 2020 the Indian Government had announced nationwide lockdown which was further extended till 31 May 2020 to contain the spread of virus. Further, In June month as well there was region specific lockdown implemented by states, thereby resulting in entire Q1 in lockdown. However, a gradual and calibrated easing of lockdown measures has started from June 2020. During this unprecedented time, the company has successfully migrated all its employees to work from home .The Company recalibrated the management methodology for each of the businesses and processes including Sales, Technology, Operations, Collections, Liquidity etc .

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the subsidiary company Motilal Oswal Home Finance Limited ('MOHFL') granted a moratorium of three months on payments of instalments and/ or interest falling due between 01 March 2020 and 31 May 2020 to eligible borrowers. The period was further extended for 3 months till 31 August 2020 by RBI through its circular dated 23 May 2020. MOHFL has accordingly extended the moratorium option to its borrowers. The moratorium proportion has been continuously coming down month on month. MOHFL has recognised provisions as on 30 June 2020 towards its assets including loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. Moreover during quarter ended 30 June 2020, MOHFL has made an additional Covid-19 related provision amounting to Rs. 1,266 lakhs. As at 30 June 2020, Covid-19 related total provision of Rs 2,094 lakhs. This additional provision made is more than requirement as per the RBI guideline dated 17 April 2020.

The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & Real Estate Funds). The Company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to Rs.55,968 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 Private Equity Funds and Real Estate Funds as at 30 June 2020, may be affected by the severity and duration of the outbreak.

The Company believes that it has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. The Company will continue to monitor for any material changes to future economic conditions.

7) Exceptional item comprises of provision made by the Company of Rs.8,896 lakhs (post tax Rs.6,657 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 the 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. The Company is hopeful of recovery as the client is reputed entity and has resources to pay, however pending the arbitration proceedings, the Company has conservatively provided for the full outstanding amount in respect of its client positions in quarter ended 30 June 2020.

8) The Board of Directors of the Company at its Meeting held on 21 March 2020, had approved the proposal of Buy-back of Equity Shares of the Company for a total amount not exceeding Rs.15,000 lakhs at a price not exceeding Rs.650 per share. Accordingly, the Company commenced Buy-back on 01 April 2020 and has bought-back 1,58,276 equity shares and extinguished 88,626 equity shares during the quarter ended 30 June 2020 and cumulative amount utilised for Buy-back of said equity shares is Rs. 842 lakhs.

9) The subsidiary company Motilal Oswal Home Finance Limited 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 subsidiary company has recognised provision for Income Tax for the quarter ended 30 June 2020 and re-measured its Deferred tax assets/ liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate. The impact of remeasurement of Deferred tax assets/ liability during the quarter ending 30 June 2020 is reversal of deferred tax asset of Rs. 682 lakhs taken through profit and loss.

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

11) The figures for the quarter ended 31 March 2020 represents the balance between audited financial in respect of the full financial year and those published till the third quarter of the respective financial year.

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

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

**MOTILAL** Digitally signed  
by MOTILAL  
**GOPILAL** GOPILAL OSWAL  
**OSWAL** Date: 2020.07.31  
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**Motilal Oswal**  
Managing Director and Chief Executive Officer  
(DIN - 00024503)

Mumbai, 31 July 2020

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**Walker Chandiook & Co LLP**

16th floor, Tower II,  
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Mumbai – 400 013  
India

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## **Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019**

### **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 30 June 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, 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 accounting 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. 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 accounting 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 circulars, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# Walker Chandiok & Co LLP

## Motilal Oswal Financial Services Limited

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

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5. We draw attention to Note 3 in the accompanying Statement relating to carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to Rs. 50,984 lakhs as at 30 June, 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

**MURAD D**

**DARUWALLA**

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Date: 2020.07.31

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**Murad D. Daruwalla**

Partner

Membership No:043334

**UDIN No:20043334AAAAAE2938**

Place: Mumbai

Date: 31 July 2020

**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@motilalosal.com, Website : www.motilalosalgroup.com

CIN: L67190MH2005PLC153397

**Statement of Standalone Financial Results for the quarter ended 30 June 2020**

(Rs. in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
	(Unaudited)	(Unaudited)*	(Unaudited)	(Audited)
<b>Revenue from operations</b>				
(i) Interest income	3,545	4,465	4,192	17,291
(ii) Dividend income	0	8,706	-	13,986
(iii) Rent income	514	539	510	2,084
(iv) Fees and commission income				
-Brokerage income	25,104	23,001	17,473	79,538
-Other commission income	1,662	2,634	2,165	10,937
(v) Net gain on fair value changes	11,080	-	3,028	-
(vi) Other operating revenue	1,161	415	1,007	3,113
<b>(I) Total Revenue from operations</b>	<b>43,066</b>	<b>39,760</b>	<b>28,375</b>	<b>1,26,949</b>
(II) Other income	882	813	885	3,690
<b>(III) Total Income (I+II)</b>	<b>43,948</b>	<b>40,573</b>	<b>29,260</b>	<b>1,30,639</b>
<b>Expenses</b>				
(i) Finance cost	3,165	3,887	2,788	12,924
(ii) Fees and commission expense	9,839	9,528	7,474	33,310
(iii) Impairment on financial instruments	316	497	173	1,439
(iv) Net loss on fair value changes	-	25,190	-	15,849
(v) Employee benefit expenses	8,322	7,747	7,489	31,171
(vi) Depreciation and amortisation expense	806	815	725	2,984
(vii) Other expenses	3,210	3,905	2,878	13,552
<b>(IV) Total Expenses (IV)</b>	<b>25,658</b>	<b>51,569</b>	<b>21,527</b>	<b>1,11,229</b>
<b>(V) Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>18,290</b>	<b>(10,996)</b>	<b>7,733</b>	<b>19,410</b>
<b>(VI) Exceptional items (Refer note 4)</b>	<b>8,896</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(VII) Profit/(loss) before tax (V-VI)</b>	<b>9,394</b>	<b>(10,996)</b>	<b>7,733</b>	<b>19,410</b>
<b>Tax expense/(credit)</b>				
(1) Current tax	2,337	1,355	2,891	7,056
(2) Deferred tax/(credit)	(1,952)	(1,430)	(1,468)	(7,326)
<b>(VIII) Total tax expenses / (credit)</b>	<b>385</b>	<b>(75)</b>	<b>1,423</b>	<b>(270)</b>
<b>(IX) Profit/(loss) for the quarter/year (VII-VIII)</b>	<b>9,009</b>	<b>(10,921)</b>	<b>6,310</b>	<b>19,680</b>
<b>Other Comprehensive income</b>				
A(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined employee benefit plans	90	(63)	(200)	57
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	2,072	(11,874)	3,692	(4,489)
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	(260)	1,374	(389)	499
<b>(X) Other Comprehensive Income/(loss)</b>	<b>1,902</b>	<b>(10,563)</b>	<b>3,103</b>	<b>(3,933)</b>
<b>(XI) Total Comprehensive Income/(loss) for the quarter/year (IX+X)</b>	<b>10,911</b>	<b>(21,484)</b>	<b>9,413</b>	<b>15,747</b>
<b>(XII) (a) Paid-up Equity Share Capital (Face value of Re. 1)</b>	<b>1,479</b>	<b>1,481</b>	<b>1,460</b>	<b>1,481</b>
<b>(b) Other Equity</b>				<b>2,74,933</b>
<b>Earnings/(loss) Per Share (EPS)</b>				
<b>(Face value Re. 1 per equity share) (not annualised)</b>				
Basic (amount in Rs.)	6.09	(7.38)	4.33	13.39
Diluted (amount in Rs.)	5.96	(7.23)	4.22	13.09

\*See Note 9

**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Registered office:- Motilal Oswal Tower, Rahimullah 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 2020**

**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 Friday 31 July 2020. The results for the quarter ended 30 June 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 SARS-CoV-2 virus responsible for COVID -19 has spread across the globe and India, which has contributed to a significant decline in the economic activities. Government have introduced a variety of measures to contain the spread of the virus. On 24th March 2020 the Indian Government had announced nationwide lockdown which was further extended till 31 May 2020 to contain the spread of virus. Further, In June month as well there was region specific lockdown implemented by states, thereby resulting in entire Q1 in lockdown. However, a gradual and calibrated easing of lockdown measures has started from June 2020. During this unprecedented time, the Company has successfully migrated all its employees to work from home .The Company recalibrated the management methodology for each of the businesses and processes including Sales, Technology, Operations, Collections, Liquidity etc.

The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & Real Estate Funds). The Company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to Rs.50,984 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 Private Equity Funds and Real Estate Funds as at 30 June 2020, may be affected by the severity and duration of the outbreak.

The Company believes that it has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. The Company will continue to monitor for any material changes to future economic conditions.

4) Exceptional item comprises of provision made by the Company of Rs.8,896 lakhs (post tax Rs.6,657 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 the 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. The Company is hopeful of recovery as the client is reputed entity and has resources to pay, however pending the arbitration proceedings, the Company has 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. 1,30,000 lakhs, India Ratings & Research has affirmed the rating of "IND A1+" to the Commercial Paper Programme of the Company for Rs. 1,30,000 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 30 June 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	NA	-	21-Aug-20
8	22-May-20	40,000	NA	-	21-Aug-20
9	10-Jun-20	20,000	NA	-	28-Aug-20
10	19-Jun-20	15,000	NA	-	17-Sep-20

c) Financial Key Ratios :

Particulars	Quarter ended			Year Ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
Debt Equity Ratio	0.45	0.52	0.44	0.52
Debt Service Coverage Ratio	0.10	0.13	0.12	0.40
Interest Service Coverage Ratio	4.96	5.37	4.64	5.04

d) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the quarter ended 30 June 2020 is Rs.2,86,801 lakhs.

6) 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.

7) As per IndAS 109 the Company has unrealised gain of Rs.7,754 lakhs for the quarter ended 30 June 2020 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. 2,072 lakhs for the quarter ended 30 June 2020.

8) The Board of Directors of the Company at its Meeting held on March 21, 2020, had approved the proposal of Buy-back of Equity Shares of the Company for a total amount not exceeding Rs. 15,000 lakhs at a price not exceeding Rs. 650 per share. Accordingly, the Company commenced Buy-back on April 01, 2020 and has bought-back 1,58,276 equity shares and extinguished 88,626 equity shares during the quarter ended June 30, 2020 and cumulative amount utilised for Buy-back of said equity shares is Rs. 842 lakhs.

9) The figures for quarter ended 31 March 2020 represents the balance between audited financials in respect of full financials year and those published till the third quarter of the respective financials years.

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

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

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

MOTILAL  
GOPILAL  
OSWAL

**Motilal Oswal**  
Managing Director and Chief executive officer  
(DIN 00024503)

Mumbai,  
31 July 2020

## INVESTOR UPDATE

### **Motilal Oswal Financial Services reports PAT of Rs 1.67 bn, +29% YoY in Q1FY21.**

**Mumbai, July 31, 2020:** Motilal Oswal Financial Services Ltd. announced its results for the quarter ended June 30, 2020 post approval by the Board of Directors at a meeting held in Mumbai on July 31, 2020.

#### **Performance for the quarter ended June 30, 2020**

- In Q1FY21, consolidated revenues stood at Rs 6.33 bn, +1% YoY. Consolidated PAT grew by 29% YoY at Rs 1.67 bn. Operating profit excluding MTM on fund based investments grew by 4% YoY At Rs 1.03 bn. Reported profit was higher on account of higher MTM gain (Rs 1.3 bn,+334% YoY) on fund based investments during the quarter.
- **Some of the key highlights** for the Q1FY21 includes highest ever quarterly profit for broking business, gain in market share sequentially, strong pace of client addition, continued investment in talent & distribution network, AMC AUM back to near highs, quarterly trend of positive net flows continues, digitally launched India's first NFO of S&P 500 index fund, continued expansion in AMC's branch, sales and IFAs, sharp reduction in cost of funds of home finance business driving margin expansion, traction in collection efficiency, falling morat numbers MoM, special Covid related provisioning of Rs 210 mn, PCR increased to 87% and continued superior quality of new book underwritten.
- Consolidated net worth stood at Rs 32.8 bn, net debt is Rs 37.4 bn. Excluding Home finance, net debt is Rs 9.3 bn. Overall debt is down by 4% YoY. Total D/E declined to 1.4x. Ex-MOHF D/E stood at 0.5x. Net of investments, we have a net cash balance sheet. RoE for Q1FY21 stands at 33% (ex-OCI & exceptional item).
- Company has initiated Buyback of equity shares upto Rs 1.5 bn (excluding tax).
- Besides financial performance, recent time has been very eventful in terms of our successes in brand building, advertising and several other fronts. MOFSL got inducted in "**Hall of Fame**" at 10<sup>th</sup> Financial Advisory Awards 2019. MOFSL rank 2<sup>nd</sup> "**Best Local Brokerage**" in Asia Money broker's poll 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 we have seen traction; retail broking business which is our oldest and cash cow business has achieved new high on various parameters. Our strategy to diversify our business model towards linear sources of earnings continues to show results. Our Asset Management business is likely to gain from strong product performance and its niche positioning. Our Housing finance business is set for new beginning as all legacy issues are behind with incremental focus on profitable growth. Our traditional broking business benefitted from industry consolidation with its knowledge driven phygital offerings. Each of our 7 businesses offers headroom for growth.*

## Performance of Business Segments for the quarter ended June 30, 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 3.44 bn, +24% YoY in Q1FY21 and contributed ~44% of consolidated revenues. Profits excluding exceptional item were Rs 573 mn, +58% YoY and contributed ~59% of consolidated operating PAT.
- Broking and distribution business profit grew by 53% YoY and 36% QoQ at Rs 613 mn in Q1FY21 led by healthy volume growth of 51% YoY and gain in market share.
- In broking business, we have reported one time exceptional provisioning of Rs 666 mn (post tax) on account of negative price settlement effected by MCX vide its circular dated April 21, 2020, in respect of Client positions entered by the company as a Commodity Broker. 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 the 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. The company is hopeful of recovery as the client is reputed entity and has resources to pay. However, pending the arbitration proceedings, we have conservatively provided for the full outstanding amount in Q1FY21.
- In **Retail Broking & Distribution**, our Market share has improved by 40 bps QoQ to 3%. We have witnessed strong traction in new client addition driven by Franchisee and retail channel, total 86,000+ clients acquired in Q1FY21, +166% YoY. Active clients have also registered 24% YoY growth at 4.1 lacs as of June 2020.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM grew by 13% QoQ at Rs 102 bn as of Q1FY21. With only 15% of the 1.5 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**, there was substantial improvement in rankings in ASIA MONEY POLL 2019 with 2<sup>nd</sup> Rank – Best Local Brokerage, 1<sup>st</sup> Rank - Best Overall Sales, 1<sup>st</sup> Rank – Best Sales Trading, 1<sup>st</sup> Rank – Best Corporate Access. This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors. We have also launched our 1<sup>st</sup> edition of virtual conference amid this lockdown period. During lockdown we are arranging expert / management calls on daily basis for clients. Numbers of notes are up by ~30% during this period.
- **Investment Banking** business continues to engage on a wide cross-section of mandated transactions across capital markets and advisory. In Q1, we executed two buyback transactions, including a tender offer buyback.

### • Asset Management businesses (AMC, PE and PWM)

- **Asset Management** business AUM across MF, PMS & AIF stood at Rs 352 bn, +18% QoQ. Our AMC ranks 15 by total equity assets; in PMS we maintain a leading position. PAT for the quarter stood at Rs 240 mn as AMC's profit was impacted on account of lower average AUM post unprecedented market correction in March.
- Our Equity MF AUM of Rs 196 bn is just 1.9% of the Industry Equity AUM of Rs 9.6 tn. We have seen improvement in performance of several products. Several schemes rank top decile in performance since inception as well as over the last 1 year. We witnessed traction in gross as well as net flows.
- MOAMC digitally launched India's first NFO of MO S&P 500 index fund amid lockdown.
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~46%.
- **Private Equity** has committed investment AUM of Rs 65 bn across 3 growth capital PE funds and 4 real estate funds. In Q1FY21, revenues stood at Rs 219 mn and PAT stood at Rs 52 mn. The 1<sup>st</sup> growth fund (IBEF 1) has

delivered an XIRR of ~27%. Average IRR on exited investments in Real estate funds is 21%+. Strong performance and positioning has also aided new fund raise, we have achieved final close of IREF IV fund at ~Rs. 11.5 bn in February 2020. The fund has deployed Rs.5.3 bn across 9 investments.

- **Wealth Management** business AUM grew by 14% QoQ at Rs 178 bn in Q1FY21. RM count of this business stood at 131. Our trail revenues predominantly cover our fixed costs. Investments in strong RM addition suppressed reported profitability. Strong traction in Net sales with multi-quarter high at Rs 8 bn.
- Overall **Asset and Wealth Management** revenues were Rs 1.5 bn in Q1FY21 and contributed 19% of consolidated revenues. Profits were Rs 292 mn and contributed 30% of consolidated operating profits.

- **Housing finance business**

- Motilal Oswal Home Finance (MOHFL) reported profit of Rs 111 mn in Q1FY21. Reported profit looks suppressed due to higher tax on account of reinstatement of tax asset post migration to new regime. Excluding this, PAT for the quarter would have been Rs 170 mn, +2% QoQ.
- Yield on Advances improved by 40bps YoY to 14.3% in Q1FY21 while Cost of Funds is down by 30 bps QoQ / 50bps YoY to 9.8%, resulting in expansion in Spread to 4.5% and NIM to 5.8% in Q1FY21.
- We have raised Rs 4 bn in Q1FY21 at incremental cost of 8.6%. We expect average CoF to trend lower over next 3 quarters.
- Loan book stood at Rs 36.8 bn as of Q1FY21. Disbursements in Q1FY21 were Rs 238 mn. New book sourced from April'18 validates the new credit policy with 10 cases in NPA out of ~6000 loan cases.
- GNPA at 1.75%, NNPA at 1.28% 1+ DPD stands at 9%.
- We have further enhanced provisioning in Q1FY21 by Rs 130 mn considering potential Covid-19 impact. This has resulted in increase in our PCR to 87% as of Q1FY21. Total provision towards Covid-19 impact stands at Rs 210 mn as of June-20.
- Opex was brought down to further Rs 210 mn in Q1FY21 and is down ~27% from the high. As a result, Cost to Income ratio is now down to 36%.
- We have provided moratorium facility to ~26% of customer base as of June 20 based on customers' request.
- Strong support from parent continues with total capital infusion to Rs 8.5 bn. Net Gearing stands at 3.2x and Tier 1 CAR remains robust at 42.6%.
- Limited borrowing repayment for next 1 year, strong undrawn borrowing lines (Rs 7.4 bn+), Cash on Balance sheet of Rs 3 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 like commitments to our asset management products.
  - Total quoted equity investment including unrealised gains was Rs 12.7 bn as of Q1FY21.
  - Total equity investment including alternate funds was at Rs 18.6 bn as of Jun-20, Cumulative XIRR of these investments is ~11.6%.



## 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 6<sup>th</sup> 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.

### For further details contact:

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## For Motilal Oswal Financial Services Limited

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ओस्वाल  
फाइनेंशियल सर्विसेस लिमिटेड  
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रजिस्टर्ड इन द स्टॉक एंड  
एक्सचेंज ट्रिस्ट ऑफ इंडिया  
एनएफएसओ

**Motilal Oswal**  
**Managing Director & Chief Executive Officer**  
**(DIN: 00024503)**