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

August 5, 2022

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

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

Subject: ICRA Rating upgraded to "AA(Stable)" from AA-(Stable) of Motilal Oswal Home Finance Limited, a material subsidiary of the company

Dear Sir /Madam,

We are pleased to inform the Exchange that ICRA Limited ("ICRA") has upgraded the credit rating on long term debt instruments of Motilal Oswal Home Finance Limited ("MOHFL"), a material subsidiary of Motilal Oswal Financial Services Limited ("the Company/MOFSL") to **[ICRA] AA(Stable)** from [ICRA] AA-(Stable).

Further, ICRA have also reaffirmed rating of **[ICRA] A1+** for Commercial Paper Programme.

The ratings take into account the Group's healthy operational profile, given its long-standing track record and established position in capital market related businesses. The ratings also consider MOFSL's healthy financial and capitalization profile on a consolidated basis.

The ratings also take into account MOHFL's healthy capitalization profile and the improvement in its profitability, primarily on account of the expansion in the net interest margin with the improvement in the cost of funds.

The credit rating upgraded and reaffirmed by ICRA is effected in the below mentioned credit facilities:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme	25	25	**[ICRA]AA(Stable);** upgraded from [ICRA]AA-(Stable)
Commercial Paper Programme	500	500	Reaffirmed as **[ICRA]A1+**

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

The rating rationale letter from ICRA is enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Motilal Oswal Financial Services Limited

Kailash Chunnilal Purohit
Digitally signed by Kailash Chunnilal Purohit
Date: 2022.08.05 20:23:06 +05'30'

Kailash Purohit
Company Secretary & Compliance Officer

Encl: As above

August 05, 2022

Motilal Oswal Home Finance Limited: Long-term rating upgraded to [ICRA]AA(Stable) and short-term rating reaffirmed; ratings withdrawn for matured/redeemed instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture programme	300.00	-	[ICRA]AA(CE)(Stable); reaffirmed and withdrawn
Non-convertible Debenture programme	25.00	25.00	[ICRA]AA(Stable); upgraded from [ICRA]AA-(Stable)
Non-convertible Debenture programme	99.70	-	[ICRA]AA(Stable); upgraded from [ICRA]AA-(Stable) and withdrawn
Market Linked Debenture Programme	14.32	-	PP-MLD[ICRA]AA(Stable); upgraded from PP-MLD[ICRA]AA-(Stable) and withdrawn
Commercial Paper Programme	500.00	500.00	[ICRA]A1+; reaffirmed
Total	**939.02**	**525.00**	

Instrument details are provided in Annexure-I

Note: *PP-MLD refers to the principal protected market linked debenture programme. According to the terms of the rated market linked debentures, the amount invested, i.e. the principal, is protected against erosion while the returns on the investment could vary as they are linked to movements in one or more variables such as equity indices, commodity prices, and/or foreign exchange rates. The assigned rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with the variability in returns resulting from the adverse movements in the variable(s) concerned.*

Rating without Explicit Credit Enhancement	[ICRA]AA

Note: *The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement*

Rationale

Motilal Oswal Home Finance Limited's (MOHFL) rating has been upgraded following a change in the analytical approach as ICRA is now taking a consolidated view for assessing the company vis-à-vis the 'implicit support from parent or group[1]' approach followed earlier. Historically, ICRA has assessed the consolidated credit profile of Motilal Oswal Financial Services Limited (MOFSL; rated at [ICRA]AA(Stable)/PP-MLD[ICRA]AA(Stable)/[ICRA]A1+). Therefore, in line with the revised rating approach, MOHFL's ratings are being aligned with the ratings of MOFSL. MOFSL directly and indirectly holds a stake of ~98% in MOHFL. MOHFL provides some diversification to the Motilal Oswal's Group's traditional capital market related businesses, with its standalone operations being predominantly focussed on affordable home financing. MOHFL benefits from the operational and business synergies in addition to the shared name and management oversight with the Group.

The ratings take into account the Group's healthy operational profile, given its long-standing track record and established position in capital market related businesses with a focus on scaling up the annuity-based businesses. The ratings also consider MOFSL's healthy financial profile, with a steady performance in the capital market and allied businesses, and the healthy capitalisation profile on a consolidated basis. MOFSL reported a healthy profitability in FY2022 with a return on net worth of 25.7%, profit after tax (PAT)/net operating income (NOI) of 49.8% and the highest-ever PAT of Rs. 1,310.7 crore, supported by the strong performance across businesses as well as the mark-to-market (MTM) gains during the year. On the back of strong

[1] *Please refer to the rating methodology https://www.icra.in/Rating/ShowMethodologyReport/?id=723*

accruals, the gearing at the consolidated level improved to 1.08 times as of March 31, 2022 (1.14 times as of June 30, 2022) from 1.27 times as of March 31, 2021.

The aforesaid strengths are, however, partially offset by the inherently volatile nature of income from the capital market related business, though, the presence of the annuity-based income stream, which accounts ~50% of the Group's NOI provides some stability. In this regard, ICRA has taken cognisance of the moderation in MOFSL's performance in Q1 FY2023 as the geopolitical tensions and the adverse macroeconomic outlook dampened investor sentiments and the capital markets during the quarter.

The ratings also factor in the Group's relatively limited experience in the lending business with asset quality issues faced in the housing finance business (housed under MOHFL) in the recent past. It is noted that the Group undertook several remedial measures and extended greater managerial support with increased oversight and infused capital in the housing finance company (HFC), thereby underscoring its commitment to the venture. Also, while MOHFL reported fresh slippages in FY2021 and FY2022 on account of the Covid-19 pandemic induced stress, increased focus on collections coupled with the sale of stressed exposures to an asset reconstruction company (ARC; Rs. 122 crore in FY2022 and Rs. 114 crore in FY2021) helped the Group contain the reported asset quality indicators. The gross non-performing assets (GNPAs) stood at 1.6% (previous year (PY): 2.2%) and the net non-performing assets (NNPAs) stood at 0.9% (PY: 1.5%) as of March 31, 2022. ICRA notes that the asset quality moderated in Q1 FY2023 with GNPA of 2.2% and NNPA of 1.3%. Nonetheless, the new loans originated post the strengthening of the systems and processes since April 2018 have fared relatively well in terms of the asset quality with the adjusted 2-year lagged GNPA of 1.4% as of March 31, 2022; however, the book remains modest and is yet to be seasoned.

Going forward, the Group's ability to profitably scaleup the home finance business while maintaining healthy asset quality would remain critical from a credit perspective. Nevertheless, ICRA draws comfort from the sizeable accruals from the established capital market related business and the healthy capitalisation profile, which provide adequate buffer to absorb losses and incremental credit costs over the near term, if any. The Stable outlook reflects ICRA's expectation that MOFSL would maintain its credit profile supported by the performance of its capital market related business.

The outstanding ratings of [ICRA]AA(CE)(Stable) for the Rs. 300-crore non-convertible debenture (NCD) programme and PP-MLD[ICRA]AA(Stable) for the Rs. 14.32 crore of market linked debenture programme have been withdrawn, as the rated instruments have matured/redeemed and there is no amount outstanding against these instruments. Further, in accordance with ICRA's policy on the withdrawal and suspension of credit ratings, the outstanding rating of [ICRA]AA(Stable) for the Rs. 99.07 crore of NCD programme stands withdrawn as requested by the company.

Key rating drivers and their description

Credit strengths

Established position and demonstrated track record in capital market related businesses – The Group has a presence in diverse business segments comprising retail and institutional broking, wealth management, margin funding, commodity broking, investment banking, asset management, private equity and housing finance. MOFSL serves as the main holding company and primarily houses the capital market business of the Group. MOFSL is an established player in the equity broking business with a track record of over three decades, and an aggregate adjusted[2] market share of 2.4% of the turnover in FY2022 (2.7% in FY2021 and 2.4% in FY2020).

While the Group caters to both retail and institutional clientele segments, the retail segment contributes ~87% to the gross broking income. The Group has scaled up its operations significantly over the years. It continues to be among the top 10 brokers

[2] *Excluding industry proprietary turnover*

in terms of active NSE clients, catering to 28.5 lakh customers through 98 branches and 6,895 franchises as of March 31, 2022, up from 19.7 lakh customers through 93 branches and 5,389 franchises as of March 31, 2021.

Healthy capitalisation profile– Supported by the strong internal capital generation trajectory, MOFSL's capitalisation level remains healthy with a consolidated net worth of Rs. 5,674.4 crore as on March 31, 2022 (Rs. 4,461.4 crore as on March 31, 2021 and Rs. 3,086.3 crore as on March 31, 2020). Although the Group's overall borrowings continued to increase due to the growth in the capital market loan book and other working capital requirements in the broking operations, the strong accruals across businesses supported an improvement in the consolidated gearing to 1.08 times (ex-MOHFL: 0.62 times) as on March 31, 2022 from 1.27 times as on March 31, 2021 and 1.48 times as on March 31, 2020. As of June 30, 2022 the Group's consolidated gearing was 1.14 times (ex-MOHFL: 0.67 times). ICRA notes that MOFSL's investments in listed equities, equity mutual funds, schemes of portfolio management service, private equity funds, real estate funds, and alternative investment funds (AIFs) form a sizeable proportion of the consolidated net worth. Nonetheless, the adjusted free net worth and gearing also remain comfortable.

MOHFL's regulatory capitalisation also remains comfortable with a capital to risk-weighted assets ratio (CRAR) of 52.1% and a gearing of 2.5 times as on June 30, 2022 compared to 50.0% and 3.2 times, respectively, as of March 31, 2021. This provides it with adequate headroom for growth.

Track record of healthy profitability – MOFSL's capital market business has achieved a significant growth in recent years. Additionally, supported by the improvement in the annuity-based fee income, the Group's NOI increased by 42% on a year-on-year basis to Rs. 2,633.8 crore in FY2022, following the 19% growth reported in FY2021. With the improvement in the scale of operations, MOFSL's consolidated net profit has more than quadrupled over the past three years. It reported an all-time high net profit of Rs. 1,310.7 crore (Rs. 1,312.5 crore, including share of joint ventures and associates) in FY2022, up from Rs. 1,203.0 crore in FY2021 and Rs. 215.4 crore in FY2020. ICRA notes that the improvement in the net profit was also boosted by MTM gains of Rs. 496.0 crore (PY: Rs. 859.9 crore) from the fund-based business.

Overall, MOFSL reported a healthy profitability in FY2022 with a consolidated return on net worth of 25.7% and PAT/NOI of 49.8% (five-year average return on equity (RoE) and PAT/NOI of 20.0% and 35.9%, respectively). In Q1 FY2023, the Group reported a decline in the net profit to Rs. 31.3 crore compared to Rs. 299.8 crore in Q4 FY2022, on account of the MTM losses due to the correction in the equity markets during this period. However, the operating profits continued to be healthy at Rs. 181.7 crore (Rs. 261.9 crore in Q4 FY2022).

MOHFL also reported an improvement in its profitability in FY2022, primarily on account of the expansion in the net interest margin with the improvement in the cost of funds. MOHFL reported an increase in the PAT and RoE to Rs. 94.9 crore and 9.9%, respectively, in FY2022 from Rs. 40.2[3] crore and 4.5%, respectively, in FY2021.

Credit challenges

Exposed to volatility inherent in capital markets; however, presence of annuity-based businesses imparts some stability to Group's earnings profile – With the Group's focus on scaling up the annuity-based businesses such as asset and wealth management, and home finance, the annuity-based fee {typically booked as a percentage of the assets under management (AUM)} increased by a compound annual growth rate (CAGR) of 9% during the past three years to Rs. 1,322.1[4] crore in FY2022, up 34% YOY. The share of income from the Group's traditional lines of business (broking, capital market related lending, and investment banking) remains exposed to the volatility inherent in capital markets, as corroborated by the two instances of a decline in the revenue from these segments in the past nine years. ICRA notes that with the significant scale-up of the broking

[3] After factoring in one-time tax impact

4 Including dividend income from alternatives and allied income in recent years on the back of favourable market conditions, the share of income from the traditional business has increased to 50% of the NOI in FY2022 from 37% in FY2020 and the four-year average of 42%.

Also, it is noted that the Group has deployed sizeable capital as investments in mutual funds, portfolio management services (PMS), private equity (PE)/ real estate (RE) funds, AIFs, and strategic equity investments which exposes its profitability and net worth to the volatility in capital markets. Going forward, a material scaleup of the annuity-based business would be critical for the overall stability of the Group's earnings profile.

Relatively limited experience in lending business; however, performance of new originations so far provides some comfort – The Group's housing finance business, which commenced under Motilal Oswal Home Finance Limited (MOHFL) in May 2014, witnessed a deterioration in the asset quality in FY2018 and FY2019. The Group undertook several remedial measures, including the strengthening of the processes and systems, managerial support, increased supervision and capital infusion, to support the venture. Supported by these endeavors and the divestment of NPAs to an ARC, the Group was able to curtail the reported GNPA at 1.80% of advances as of March 2020 compared to 9.20% as of March 2019. However, with Covid-19 induced stress, the segment reported fresh slippages again during the past two years.

Given the focus on collections and the sale of stressed exposures to the ARC (Rs. 122 crore in FY2022 and Rs. 114 crore in FY2021), the Group managed to contain the reported asset quality indicators with GNPA of 1.6% (PY: 2.2%) and NNPA of 0.9% (PY: 1.5%) as of March 31, 2022. However, the standard restructured book was material at 8.8% of the overall book as of March 31, 2022. Further, in Q1 FY2023, the asset quality moderated further with GNPA of 2.2% and NNPA of 1.3% as of June 30, 2022. ICRA notes that the new loans originated post the strengthening of the systems and processes since April 2018 have fared relatively well in terms of the asset quality with adjusted 2-year lagged GNPA of 1.4%; though the book remains modest and is yet to be seasoned. Further, in the past few years, while the Group has forayed into newer geographies to improve its presence, the home loan book continues to be characterised by geographical concentration with the top 3 states accounting for 82% of the loan book, despite improving from 88% as of March 31, 2020.

Over the years, the Group has developed a well-diversified resource profile in the home finance segment by raising funds at competitive rates. In FY2022, it raised ~Rs. 1,433 crore of funds at a weighted average cost of 7.0% (Rs. 280 crore of funds raised at 7.5% in Q1 FY2023). Considering the interest rate hikes in recent quarters, the Group's ability to raise funds at competitive rates and scale up the home loan book profitably while maintaining healthy asset quality and improving the geographical diversification will be important.

In addition to housing finance, the Group has scaled up the capital markets-based loan book[5], which stood at ~Rs. 1,529 crore as of March 31, 2022 (~Rs. 1,058 crore as of March 2021). ICRA takes note of the market and credit risks associated with the capital market loan book, although the company's monitoring systems and hitherto healthy performance in this business provide comfort. The performance of the capital market and allied businesses, coupled with the healthy capitalisation profile, provides adequate buffer to absorb losses and incremental credit costs over the near term, if any.

Intense competition in capital markets – With increasing competition in equity broking and the advent of discount brokerage houses, the Group's market share of NSE active clients declined to 2.4% as of June 30, 2022 from 3.9% as on March 31, 2019. With the competitive intensity in this cyclical industry expected to remain high, pressure on profitability cannot be ruled out, especially during downturns. Nonetheless, the lower level of equity market penetration in the country offers significant untapped potential for growth.

Liquidity position: Strong

MOFSL has a comfortable liquidity position at the consolidated level with free un-encumbered cash and bank balances of ~Rs. 700 crore, liquid investments of ~Rs. 1,200 crore and drawable but un-utilised lines of ~Rs. 1,300 crore as on June 30, 2022.

[5] *Includes margin funding/loan against shares*

These, along with collections from home loans and the short-term nature of capital market loans are adequate for covering the repayment obligations of ~Rs. 3,960 crore till March 31, 2023. The Group also has adequate liquidity for placing additional margin at the exchanges, if required. Furthermore, ICRA notes that the Group's investment book of ~Rs. 3,756 crore as on March 31, 2022, with investments in mutual funds, private equity, real estate funds and AIFs, non-convertible debentures and equity instruments, aids financial flexibility.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings on a substantial and sustained improvement in the Group's profitability along with a diversification in the earnings profile, while maintaining healthy asset quality indicators and robust capitalisation.

Negative factors – The ratings could witness a downward pressure if there is a significant deterioration in the asset quality in the lending business, thereby impacting the Group's profitability and capitalisation. Further, changes in the regulatory environment, which may adversely impact the company's business operations and financial performance, would be a key rating sensitivity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Entities in the Broking Industry Consolidation and Rating Approach Rating Methodology for Non-Banking Finance Companies Approach for Rating Debt Instruments Backed by Third-party Explicit Support Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of MOFSL and taken a consolidated view of the credit profiles of MOFSL, and its subsidiaries, including MOWL, MOFHL, and MOFL as the companies have operational and business synergies in addition to a shared name and management oversight.

About the company

MOHFL, a housing finance company (HFC) promoted by the Motilal Oswal Group, is a subsidiary of MOFSL, which directly and indirectly held an equity stake of ~98% in the company as on March 31, 2022. It commenced lending operations in May 2014 and had a portfolio of ~Rs. 3,485 crore as on March 31, 2022.

The company primarily caters to the lower-and-middle-income borrower segment for the purchase of affordable residential units with a maximum ticket size of Rs. 40 lakh. It has a network of 106 branches in Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Delhi, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Telangana and Uttar Pradesh. The company has a presence largely in Tier II and Tier III locations or the extended suburbs of metro cities. Its portfolio comprises an even mix of financing to both salaried and self-employed customers. MOHFL reported a net profit of Rs. 94.9 crore on a total income of Rs. 526.2 crore in FY2022 compared to a net profit of Rs. 40.2 crore on a total income of Rs. 545.5 crore in FY2021. As of March 31, 2022, the net worth stood at Rs. 1,007.0 crore.

Key financial indicators(audited)

MOHFL	FY2020	FY2021	FY2022
Total income	576.4	545.5	526.2*
Profit before tax	60.9	90.5	118.3
Profit after tax	39.1	40.2	94.9
Net worth	867.4	909.5	1,007.0
Loan book	3,627.5	3,474.3	3,434.6
Total assets	3,887.4	3,897.6	3,763.0
Return on assets	0.9%	1.0%	2.5%
Return on net worth	4.6%	4.5%	9.9%
Gross gearing (times)	3.46	3.24	2.69
Gross NPA	1.8%	2.2%	1.6%
Net NPA	1.4%	1.5%	0.9%
Solvency (Net stage 3/Net worth)	5.7%	5.7%	3.1%
CRAR	47.5%	50.0%	51.6%

Source: *Company, ICRA Research; All ratios as per ICRA's calculations, Amount in Rs. Crore, * including gains from direct assignment transactions*

Motilal Oswal Financial Services Limited

Incorporated in 2005, MOFSL serves as the holding company of the Motilal Oswal Group, which is among India's leading providers of capital market related services. The company, through its subsidiaries, is engaged in the businesses of broking and distribution services, asset, wealth and portfolio management services, private equity and housing finance.

The Group reported a consolidated net profit of Rs. 1,310.7 crore on net operating income (NOI) of Rs. 2,633.8 crore in FY2022 compared to a net profit of Rs. 1,203.0 crore on NOI of Rs. 1,851.1 crore in FY2021. At the consolidated level, the Group's net worth stood at Rs. 5,674.4 crore as on March 31, 2022.

Key financial indicators(audited)

MOFSL (consolidated)	FY2020	FY2021	FY2022
Brokerage income	447.3	695.9	869.7
Fee income (other than broking)	789.5	764.6	1,025.9
Net interest income	273.4	323.7	557.3
Other non-interest income	47.0	66.9	180.9
Net operating income (NOI)	1,557.2	1,851.1	2,633.8
Total operating expenses	962.6	1,070.6	1,419.3
Profit before tax	285.2	1,458.4	1,615.8
Profit after tax (PAT)	215.4	1,203.0	1,310.7
Profit after tax including associate & joint venture	189.6	1,264.7	1,312.5
Net worth	3,086.3	4,461.4	5,674.4
Borrowings	4,636.3	5,693.6	6,154.0
Gearing (times)	1.48	1.27	1.08
Cost-to-income ratio	61.8%	57.8%	53.9%
Return on net worth	6.9%	31.6%	25.7%
PAT/NOI	13.8%	65.0%	49.8%

Source: *Company, ICRA Research; All ratios as per ICRA's calculations, Amount in Rs. crore*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020	
					Aug 05, 2022	Aug 06, 2021	Sep 04, 2020	Aug 07, 2020	Jun 19, 2019	Apr 26, 2019
1	Non-convertible Debenture Programme	Long Term	300.00	-	[ICRA]AA(CE)(Stable); withdrawn	[ICRA]AA(CE) (Stable)	[ICRA]AA(CE) (Stable)	[ICRA]AA(CE) (Stable)	[ICRA]AA(SO) (Stable)	[ICRA]AA(SO) (Stable)
2	Non-convertible Debenture Programme	Long Term	25.00	25.00	[ICRA]AA(Stable)	[ICRA]AA- (Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)
3	Non-convertible Debenture Programme	Long Term	99.70	-	[ICRA]AA(Stable); withdrawn	[ICRA]AA- (Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)
4	Market Linked Debenture Programme	Long Term	14.32	-	PP-MLD[ICRA]AA(Stable); withdrawn	PPMLD[ICRA] AA-(Stable)	PPMLD [ICRA]A+ (Stable)	PPMLD [ICRA]A+ (Stable)	PPMLD [ICRA]A+ (Stable)	PPMLD [ICRA]A+ (Stable)
6	Commercial Paper Programme	Short Term	500.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
7	Bank Lines	Long Term	-	-	-	-	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)

**As of March 31, 2022*

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible Debenture programme	Very Simple
Market Linked Debenture Programme	Moderately Complex
Commercial Paper Programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE658R07125	Non-convertible Debentures	Jul 27, 2016	9.85%	May 15, 2023	99.7	[ICRA]AA(Stable); withdrawn
INE658R08123	Non-convertible Debentures	Aug 09, 2016	11.00%	Aug 07, 2026	25	[ICRA]AA(Stable)
INE658R07299	Market Linked Debentures	May 16, 2019	9.95%	Nov 16, 2021	7.3	PP-MLD[ICRA]AA(Stable); withdrawn
INE658R07299	Market Linked Debentures	May 23, 2019	9.95%	Nov 16, 2021	2.81	PP-MLD[ICRA]AA(Stable); withdrawn
INE658R07299	Market Linked Debentures	May 31, 2019	9.95%	Nov 16, 2021	4.22	PP-MLD[ICRA]AA(Stable); withdrawn
NA	Commercial Paper (yet to be placed)	NA	NA	NA	500	[ICRA]A1+
INE658R08156	Non-convertible Debentures	Jan 29, 2019	8.00%	Jan 27, 2024	300	[ICRA]AA(CE)(Stable); withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis:

Company Name	MOFSL Ownership (%)	Consolidation Approach
Motilal Oswal Commodities Broker Private Limited	100.00	Full Consolidation
Motilal Oswal Investment Advisors Limited	100.00	
MO Alternate Investment Advisors Private Limited	100.00	
Motilal Oswal Finvest Limited	100.00	
Motilal Oswal Wealth Management Limited	100.00	
Motilal Oswal Asset Management Company Limited	100.00	
Motilal Oswal Trustee Company Limited	100.00	
Motilal Oswal Securities International Private Limited	100.00	
Motilal Oswal Capital Markets (Singapore) Pte. Limited.	100.00	
Motilal Oswal Capital Markets (Hong Kong) Private Limited	100.00	
Motilal Oswal Home Finance Limited	97.71	
Motilal Oswal Finsec IFSC Limited	100.00	
Glide Tech Investment Advisory Private Limited	100.00	
TM Investment Technologies Pvt. Ltd	63.83	
India Business Excellence Management Company	100.00	
Motilal Oswal Asset Management (Mauritius) Limited	100.00	
Motilal Oswal Capital Limited	100.00	
India Reality Excellence Fund II LLP	20.44	

Source: *Annual Report FY2022;* ***Note:*** *ICRA has taken a consolidated view of the parent (MOFSL), its subsidiaries and associates while assigning the rating*

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Deep Inder Singh
+91 124 4545 830
deep.singh@icraindia.com

Sainath Chandrasekaran
+91 22 6114 3439
sainath.chandrasekaran@icraindia.com

Komal M Mody
+91 22 6114 3424
komal.mody@icraindia.com

Subhrajyoti Mohapatra
+91 22 6114 3463
subhrajyoti.mohapatra@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6169 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches