

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

October 28, 2021

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

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

Sub: Unaudited Financial Results (Consolidated and Standalone) for the quarter & half year ended September 30, 2021

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 Thursday, October 28, 2021 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and half year ended September 30, 2021.

In this regard, please find enclosed herewith the Unaudited Financial Results (Consolidated and Standalone) for the quarter & half year ended September 30, 2021 along with Limited Review Report(s) issued by the Statutory Auditors and Press Release for the quarter & half year ended September 30, 2021.

In compliance with SEBI circular dated October 22, 2019 in respect of Commercial Papers (“Cps”) & in compliance with Regulation 52(4) of the Listing Regulations in respect of Non-Convertible Debt Securities (“NCDs”), few line items pertaining to Cps & NCDs are enclosed herewith.

Further, pursuant to Regulation 52(7) of Listing Regulations, the Company hereby confirms that the usage of proceeds of NCDs during the half year ended September 30, 2021 has been fully utilized as per the purpose mentioned in information memorandum.



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The Board Meeting commenced at 03.40 p.m. and concluded at 05.15 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

Singhi & Co.

Chartered Accountants

B2 – 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400013. India

Tel: +91 (0) 22 – 6662 5537/38 E-mail : mumbai@singhico.com

Website : www.singhico.com

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

To the Board of Directors of Motilal Oswal Financial Services 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 (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter and half year ended September 30, 2021 (‘the Statement’), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company’s management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’), prescribed under section 133 of the Companies Act, 2013 (‘the Act’), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
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 recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matters

5. We draw attention to Note 5, in the accompanying statement which describes the impact of uncertainties relating to the effects of COVID-19 pandemic on expected credit loss recognised in one of the subsidiary company towards the housing loans to customers outstanding as at September 30, 2021. Our conclusion is not modified in respect of this manner.

Other Matters

6. We did not review the interim financial information of ten subsidiaries included in the Statement, whose financial information reflects total revenues of Rs. 21,939 Lakh and Rs. 30,596 Lakh, total net profit after tax of Rs. 11,248 Lakh and Rs. 14,069 Lakh, total comprehensive income of Rs. 12,710 Lakh and Rs. 16,534 Lakh for the quarter and half year ended on September 30, 2021 respectively. 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.

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 Rs. 185 Lakh and Rs. 389 Lakh, net profit after tax of Rs. 8 Lakh and Rs. 26 Lakh and total comprehensive income of Rs. 8 Lakh and Rs. 26 Lakh for the quarter and half year ended September 30, 2021 respectively. The Statement also includes the Group's share of net profit / (loss) after tax of Rs. (70) Lakh and Rs. 42 Lakh for the quarter and half year ended September 30, 2021 respectively in respect of one associate, based on its interim financial information, which have not been reviewed by its auditor, 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 amounts and disclosures included in respect of these subsidiaries and associate are based solely on such management certified unreviewed interim financial information. 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 this matter with respect to our reliance on the financial information certified by the management.

8. Attention is drawn to the fact that the comparative financial results of the Group as stated in statement for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on July 29, 2021, October 30, 2020 and April 29, 2021 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 and year ended March 31, 2021.

Singhi & Co.
Chartered Accountants

9. As described in Note 11, the figures of the second quarter in each of the financial year are the balancing figures between figures in respect of the half year end and the year-to-date figures upto the end of the first quarter of the respective financial year.

Our conclusion is not modified in respect of these matters.

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

Place: New Delhi
Date: October 28, 2021

Nikhil Singhi
Partner
Membership No. 061567
UDIN: 21061567AAAAAQ2933

Annexure 1

List of subsidiaries included in Statement

Motilal Oswal Commodities Broker Private Limited
MOPE Investment Advisors Private Limited
Motilal Oswal Investment Advisors Limited
MO Alternate Investment Advisors Private Limited (Formerly known as Motilal Oswal Fincap Private Limited)
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)
Motilal Oswal Wealth Limited
Motilal Oswal Asset Management Company Limited
Motilal Oswal Trustee Company Limited
Motilal Oswal Securities International Private Limited
Motilal Oswal Capital Markets (Singapore) Pte. Limited.
Motilal Oswal Capital Markets (Hong Kong) Private Limited
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
India Business Excellence Management Company
Motilal Oswal Asset Management (Mauritius) Limited
Motilal Oswal Capital Limited
Motilal Oswal Finsec IFSC Limited
Glide Tech Investment Advisory Private Limited
TM Investment Technologies Private Limited

List of Associate included in Statement

India Realty Excellence Fund II LLP

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Statement of Consolidated Financial Results

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the half year ended		For the year ended
	30 Sep 2021	30 June 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 March 2021
	(Unaudited)#	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	24,862	21,198	18,198	46,060	35,460	75,306
(ii) Dividend income	9,701	13	65	9,714	75	153
(iii) Rental income	9	1	1	10	2	18
(iv) Fee and commission income	62,721	56,894	48,321	1,19,615	87,465	1,94,948
(v) Net gain on fair value change	33,499	10,607	13,262	44,106	28,214	86,041
(vi) Other operating income	1,676	1,162	1,276	2,839	2,486	6,094
(I) Total revenue from operations	1,32,468	89,875	81,123	2,22,344	1,53,702	3,62,560
(II) Other Income	408	251	39	659	206	544
(III) Total Income (I)+(II)	1,32,876	90,126	81,162	2,23,003	1,53,908	3,63,104
Expenses						
(i) Finance cost	11,259	10,619	10,910	21,878	21,789	43,028
(ii) Fees and commission expense	22,870	19,676	15,912	42,546	28,235	63,583
(iii) Impairment on financial instruments	2,702	4,248	2,380	6,951	3,972	9,761
(iv) Employee benefits expenses	21,001	18,037	15,063	39,037	29,362	64,358
(v) Depreciation and amortisation expenses	1,314	1,126	1,140	2,439	2,197	4,727
(vi) Other expenses	7,825	7,847	5,707	15,673	10,360	23,163
(IV) Total expenses	66,971	61,553	51,112	1,28,524	95,915	2,08,620
(V) Profit before exceptional items and tax (III)-(IV)	65,905	28,573	30,050	94,479	57,993	1,54,484
(VI) Exceptional items	-	-	-	-	(8,896)	(8,810)
(VII) Profit before tax and after exceptional items (V)+(VI)	65,905	28,573	30,050	94,479	49,097	1,45,674
Tax expense/(credit)						
(1) Current tax	7,137	5,165	5,538	12,302	9,143	16,067
(2) Deferred tax expense/(credit)	3,795	1,403	866	5,198	(165)	10,750
(3) Short/(excess) provision for earlier years	26	(5)	80	21	80	(912)
(VIII) Total tax expenses	10,958	6,563	6,484	17,521	9,058	25,905
(IX) Profit after tax (VII)-(VIII)	54,947	22,010	23,566	76,958	40,039	1,19,769
(X) Share of profit/(loss) from associate and joint venture (net of taxes)	(70)	112	6,326	42	6,745	6,177
(XI) Profit after tax and share in profit/(loss) of associate & joint venture (IX)+(X)	54,877	22,122	29,892	77,000	46,784	1,25,946
(XII) Other comprehensive income						
(i) Items that will not be reclassified to profit or loss						
-Remeasurement of the defined employee benefit plans	148	(120)	43	29	265	311
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	7,187	(4,313)	5,420	2,874	8,660	32,706
(ii) Tax expenses relating to items that will not be reclassified to profit or loss	(863)	528	(630)	(335)	(1,063)	(3,825)
Total other comprehensive income (XII)	6,472	(3,905)	4,833	2,568	7,862	29,192
(XIII) Total comprehensive income (XI)+(XII)	61,349	18,217	34,725	79,568	54,646	1,55,138
(XIV) Net profit attributable to:						
Owners of parent	53,651	22,104	29,646	75,758	46,340	1,24,545
Non-controlling interests	1,226	18	246	1,242	444	1,401
(XV) Other comprehensive income/(loss) attributable to:						
Owners of parent	6,471	(3,905)	4,833	2,564	7,864	29,189
Non-controlling interests	1	0	-	4	(2)	3
(XVI) Total comprehensive income attributable to: (XIV)+(XV)						
Owners of parent	60,122	18,199	34,479	78,322	54,204	1,53,734
Non-controlling interests	1,227	18	246	1,246	442	1,404
(XVII) (a) Paid up equity share capital (Face value Re.1 per share)	1,470	1,467	1,469	1,470	1,469	1,466
(b) Other Equity						4,41,750
(XVIII) Earning per share (EPS)*						
Basic EPS (Amount in Rs.)	36.56	15.07	20.07	51.64	31.34	84.65
Diluted EPS (Amount in Rs.)	35.97	14.83	19.65	50.79	30.69	82.71

#See note 11

*EPS for the quarters / half-years is not annualized

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Consolidated Statement of Assets and Liabilities

PARTICULARS	(Rs. in Lakhs)	
	As at 30 Sep 2021	As at 31 March 2021
	(Unaudited)	(Audited)
I. ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	2,05,795	1,29,202
(b) Bank balance other than (a) above	2,61,281	2,20,472
(c) Receivables		
(I) Trade receivables	1,08,220	91,652
(II) Other receivables	46	48
(d) Loans	4,66,428	4,52,047
(e) Investments	4,14,839	3,92,235
(f) Other financial assets	58,108	68,130
Sub - total financial assets	15,14,717	13,53,786
2 Non-financial asset		
(a) Current tax assets (net)	1,264	3,704
(b) Deferred tax assets (net)	6,164	7,542
(c) Property, plant and equipment	32,228	31,593
(d) Other Intangible assets	3,303	3,440
(e) Other non-financial assets	14,117	11,621
Sub - total non - financial assets	57,076	57,900
Total Assets	15,71,793	14,11,686
II. LIABILITIES AND EQUITY		
Liabilities		
1 Financial liabilities		
(a) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0	0
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	4,56,597	3,02,567
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	0	0
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	0	0
(b) Debt securities	2,84,976	3,49,724
(c) Borrowings (Other than debt securities)	2,00,741	2,19,560
(d) Deposits	78	45
(e) Other financial liabilities	70,558	54,213
Sub - total financial liabilities	10,12,950	9,26,109
2 Non - financial liabilities		
(a) Current tax liabilities (net)	4,955	1,899
(b) Provisions	11,962	17,672
(c) Deferred tax liabilities (net)	16,118	12,920
(d) Other non - financial liabilities	5,360	4,310
Sub - total non - financial liabilities	38,395	36,801
3 Equity		
(a) Equity share capital	1,470	1,466
(b) Other equity	5,15,309	4,41,750
(c) Non-controlling interests	3,669	5,560
Sub - total equity	5,20,448	4,48,776
Total Liabilities and Equity	15,71,793	14,11,686

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Consolidated Statement of Cash Flow

(Rs in Lakhs)

PARTICULARS	For the year ended	For the year ended
	30 Sep 2021	30 Sep 2020
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before taxation	94,479	49,097
Adjustments for:		
Impairment on financial instruments	6,951	3,972
Depreciation and amortisation expense	2,439	2,197
Provision for gratuity	477	366
Foreign currency translation reserve	225	(152)
Employee stock option expenditure	923	1,166
Profit / (loss) from partnership gain and joint venture	58	7,531
Net loss/(gain) on fair value change	(44,106)	(28,214)
Interest income	(79)	(35)
Dividend income	(9,714)	(75)
Interest expense pertaining to lease liability	184	174
Operating profit	51,837	36,028
Adjustment for working capital changes:		
(Increase) / decrease in trade receivables	(17,746)	(2,185)
(Increase) / decrease in other receivables	2	24
(Increase) / decrease in other financial assets	10,022	(57,298)
(Increase) / decrease in other non financial assets	(2,497)	2,891
(Increase) / decrease in loans	(20,153)	(10,952)
Investment in Fixed deposit having maturity more than 3 months (net of maturity)	(40,810)	(64,191)
(Increase) / decrease in liquid investments	27,916	94,239
Increase / (decrease) in trade payables	1,54,030	49,006
Increase / (decrease) in deposit	34	4
Increase / (decrease) in other financial liabilities	16,345	14,161
Increase / (decrease) in other non financial liabilities	1,050	1,890
Increase / (decrease) in provision	(6,158)	(3,331)
Increase / (decrease) in borrowings	(18,819)	1,432
Increase / (decrease) in debt securities	(64,747)	(600)
Cash generated from operations	90,306	61,118
Direct taxes paid net (including utilisation of MAT credit)	(7,799)	(3,304)
Net cash generated from Operating activities (A)	82,507	57,814
B. Cash flow from investing activities		
Purchase of Property, plant and equipment	(2,937)	(2,455)
Purchase of Investments	(56,358)	(18,703)
Sale of Investments	52,818	10,957
Sale of Property, plant and equipment	-	2
Interest received	79	35
Dividend received	9,714	75
Net cash (used in)/generated from Investing activities (B)	3,316	(10,089)
C. Cash flow from financing activities		
Issue of Share capital including Securities premium	1,885	92
Buyback of shares	-	-14,861
Payment of Dividend and Dividend Distribution Tax	(8,245)	-
Cash payment of lease liability and interest	(184)	(174)
Investment by/ (purchase) from Minorities	(2,686)	508
Net cash (used in)/generated from Financing activities (C)	(9,230)	-14,435
Net increase/(decrease) in cash and cash equivalents during the period (A+B+C)	76,593	33,290

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Consolidated Statement of Cash Flow

(Rs in Lakhs)

PARTICULARS	For the year ended	For the year ended
	30 Sep 2021	30 Sep 2020
	(Unaudited)	(Unaudited)
Cash on hand	231	76
Schedule bank - In Current accounts	1,06,668	47,666
Cheques in hand	35	-
Fixed Deposit with original maturity within 3 months	22,268	36,610
Cash and cash equivalents as at beginning of the period	1,29,202	84,352
Cash & Cash equivalents comprise of as at end of the period		
Cash on hand	270	166
Schedule bank - In Current accounts	1,86,555	1,09,328
Cheques in hand	1	131
Fixed Deposit with original maturity within 3 months	18,969	8,017
Cash and cash equivalents as at end of the period	2,05,795	1,17,642
Components of cash and cash equivalents		
Cash on hand	270	166
In Current accounts	1,86,554	1,09,328
Cheques in hand	1	131
Fixed Deposit with original maturity within 3 months	18,969	8,017
Total	2,05,795	1,17,642

Notes :

(i) The above Statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2021

Consolidated notes:

- 1) The consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 28 October 2021, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 2) The consolidated results of the Company include 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 (100%), Motilal Oswal Wealth Limited (formerly known as Motilal Oswal Wealth Management Limited) (100%), MO Alternate Investment Private Limited (formerly known as Motilal Oswal Fincap Private Limited) (100%), Motilal Oswal Asset Management Company Limited (100%), 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 (78.44%), Motilal Oswal Home Finance Limited (97.81%), Motilal Oswal Capital Limited (100%), Motilal Oswal Finsec IFSC Limited (100%), Glide Tech Investment Advisory Private Limited (100%), TM Investment Technologies Pvt. Ltd (63.83%), and unaudited results of the subsidiaries - Motilal Oswal Asset Management (Mauritius) Private Limited (100%), India Business Excellence Management Company (87.16%), Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Capital Markets (Singapore) Pte. Limited (100%), and Associate, India Realty Excellence Fund II LLP (20.44%)
- 3) Consolidated segment results for the half year ended 30 September 2021 is as follows:

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	30 Sep 2021	30 June 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 March 2021
	(Unaudited)#	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Capital market	60,836	51,325	42,360	1,12,161	76,734	1,71,173
(b) Fund based activities	33,633	11,084	20,354	44,717	35,208	90,723
(c) Asset management and advisory	40,248	20,533	18,082	60,784	33,089	77,047
(d) Home finance	13,275	13,685	13,597	26,960	26,926	54,552
(e) Unallocated	45	16	2	59	7	44
Total	1,48,037	96,643	94,394	2,44,681	1,71,964	3,93,539
Less: Inter segment revenue	(15,278)	(6,341)	(5,895)	(21,620)	(10,341)	(23,507)
Total segment revenue (inclusive of revenue from associate and joint venture)	1,32,759	90,302	88,499	2,23,061	1,61,623	3,70,032
2. Segment results						
(a) Capital market	16,518	11,221	11,591	27,530	19,519	40,179
(b) Capital market exceptional item	-	-	-	-	(8,896)	(8,810)
(c) Fund based activities	32,701	10,388	19,336	43,089	33,333	87,311
(d) Asset and wealth management	15,546	7,754	6,314	23,094	10,505	27,936
(e) Home finance	2,793	1,135	1,687	3,924	4,099	9,086
(f) Unallocated	(1,769)	(1,751)	(1,540)	(3,100)	(1,748)	(3,099)
Total segment results (inclusive of share of profit from associate and joint venture)	65,789	28,747	37,388	94,537	56,812	1,52,603
3. Segment assets						
(a) Capital market	8,33,147	6,52,129	4,37,695	8,33,147	4,37,695	6,59,371
(b) Fund based activities	3,65,426	3,47,578	2,48,862	3,65,426	2,48,862	3,44,025
(c) Asset and wealth management	37,910	31,336	26,981	37,910	26,981	33,240
(d) Home finance	3,53,026	3,79,945	4,15,706	3,53,026	4,15,706	3,83,905
(e) Unallocated	10,242	15,620	15,223	10,242	15,223	11,801
Less : Inter segment assets	(27,958)	(23,975)	(23,151)	(27,958)	(23,151)	(20,655)
Total segment assets	15,71,793	14,02,633	11,21,316	15,71,793	11,21,316	14,11,687
4. Segment liabilities						
(a) Capital market	7,49,775	6,06,224	3,92,699	7,49,775	3,92,699	6,23,365
(b) Fund based activities	18,436	19,916	31,023	18,436	31,023	20,032
(c) Asset and wealth management	13,171	10,915	13,612	13,171	13,612	14,545
(d) Home finance	2,63,449	2,93,660	3,35,134	2,63,449	3,35,134	2,98,666
(e) Unallocated	23,189	20,390	11,615	23,189	11,615	17,653
Less : Inter segment liabilities	(16,675)	(14,092)	(16,451)	(16,675)	(16,451)	(11,350)
Total segment liabilities	10,51,344	9,37,013	7,67,632	10,51,344	7,67,632	9,62,911

#See note 11

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 four reportable segments, namely i) Capital market ii) Fund based activities, iii) Asset and wealth management and iv) Home finance. The balance is shown as unallocated items.

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CIN: L67190MH2005PLC153397

Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2021

- 4) As per IndAS 109 the group has unrealised gain of Rs 25,557 lakhs and Rs. 33,922 lakhs for the quarter and half year ended 30 September 2021 which has been included in net gain on fair value changes. Further, the group has investment designated as ' Fair value through other comprehensive income' on which unrealised gain/(loss) has been classified under 'Other comprehensive income' amounting to Rs.7,187 lakhs and Rs. 2,874 lakhs for the quarter and half year ended 30 September 2021.
- 5) The second wave of Covid-19 pandemic had resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on on-going as well as future developments. Motilal Oswal Housing Finance Limited ("MOHFL") has recognised provisions as on 30 September 2021 towards its loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. MOHFL believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. MOHFL will continue to monitor for any material changes to future economic conditions.
- 6) Exceptional item comprises of bad debts of Rs. 8,810 Lakhs on account of outstanding dues from client towards settlement obligation. MCX vide its circular dated 21 April 2020 has considered the negative price for settlement of futures contract on expiry. Thus the customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering into the contract, the customers were required to pay only the margin as was required by the exchange including mark to market losses. Since MCX has effected the settlement of such contract upon expiry at negative price, the client's account was debited with above amount as settlement obligation on account of negative price settlement in respect of its outstanding contract. Since the client have defaulted to honour the settlement obligation required by MCX, Company has paid the said amount to MCX on behalf of its clients. For recovering the said amount from client, Company has filed an arbitration claim for recovery of outstanding dues, against the clients before Arbitral Tribunal of MCX, and the Company has received arbitration awards amounting to Rs. 8,676 Lakhs in its favour. However the clients have filed an appellate arbitrations before Appellate Arbitral Tribunal of MCX, challenging the awards passed in favour of the Company. Appeal filed by Dhanera Diamonds has been dismissed vide order 25 October 2021. The matter is likely to go before Hon'ble High Court of Bombay, because the client has an option to file an application u/s 34 of Arbitration Act to challenge the Award. Further, the Company has filed petition u/s 9 of Arbitration Act before the courts and the courts have directed the clients not to dispose of their assets till passing of appellate Arbitration award and four weeks thereafter. Considering the continuous uncertainty involved in this case, the Company continues to classify it as bad debts and has not taken any financial impact in the current period.
- 7) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 2,60,350 and 3,70,850 equity shares to the employees during the quarter ended 30 September 2021 and period ended 30 September 2021 respectively.
- 8) The Company has also allotted 780 market linked listed debentures of face value of Rs. 10 lakhs each aggregating to Rs. 7,800 Lakhs on private placement basis on 22 September 2021.
- 9) The Board of Directors of the Company at its Meeting held on 24 December 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges. Subsequently, the Company had filed an application with National Company Law Tribunal (NCLT), Mumbai Bench and accordingly, NCLT has issued direction to hold the Meeting of the Equity Shareholders of the Company on 9 December 2021. The appointed date subject to NCLT approval is 01 April 2020.
- 10) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 11) The figures for the quarter ended 30 September 2021 represents the balance between unaudited financial in respect of the quarter ended 30 June 2021 and unaudited year-to-date figures upto 30 September 2021 which were subjected to limited review.
- 12) Previous quarter and year ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/ year end presentation.

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

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Place : Mumbai
Date : 28 October 2021

Singhi & Co.

Chartered Accountants

B2 – 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park,
Lower Parel, Mumbai – 400013. India

Tel: +91 (0) 22 – 6662 5537/38 E-mail : mumbai@singhico.com

Website : www.singhico.com

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

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Motilal Oswal Financial Services Limited** (‘the Company’) for the quarter and half year ended September 30, 2021 (‘the Statement’), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company’s management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’), prescribed under Section 133 of the Companies Act, 2013 (‘the Act’), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

5. Attention is drawn to the fact that the comparative financial results of the Company as stated in statement for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on July 29, 2021, October 30, 2020 and April 28, 2021 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 and year ended March 31, 2021.

6. As described in Note 12, the figures of the second quarter in each of the financial year are the balancing figures between figures in respect of the half year end and the year-to-date figures upto the end of the first quarter of the respective financial year.

Our conclusion is not modified in respect of these matters.

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

Nikhil Singhi
Partner
Membership No. 061567
UDIN: 21061567AAAAAP6497

Place: New Delhi
Date: October 28, 2021

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Statement of Standalone Financial Results

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the half year ended		For the year ended
	30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	(Unaudited) [#]	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	8,200	6,626	4,411	14,826	7,956	18,538
(ii) Dividend income	6,139	-	29	6,139	29	2,299
(iii) Rent income	478	469	514	947	1,028	1,890
(iv) Fees and commission income						
-Brokerage income	40,727	37,261	31,535	77,988	56,639	1,24,161
-Other commission income	4,163	3,308	2,443	7,470	4,105	10,157
(v) Net gain on fair value changes	19,005	6,491	11,526	25,496	22,606	53,748
(vi) Other operating revenue	1,362	886	1,182	2,248	2,343	5,354
(I) Total revenue from operations	80,074	55,041	51,640	1,35,114	94,706	2,16,147
(II) Other income	658	621	642	1,279	1,524	2,284
(III) Total income (I+II)	80,732	55,662	52,282	1,36,393	96,230	2,18,431
Expenses						
(i) Finance cost	3,486	3,492	2,920	6,979	6,085	12,770
(ii) Fees and commission expense	18,271	16,733	13,330	35,003	23,169	52,380
(iii) Impairment on financial instruments	670	504	418	1,173	734	1,640
(iv) Employee benefit expenses	12,189	11,025	8,984	23,214	17,306	38,588
(v) Depreciation and amortisation expense	1,019	838	850	1,857	1,657	3,651
(vi) Other expenses	5,795	5,997	3,908	11,792	7,118	16,857
(IV) Total expenses (IV)	41,430	38,589	30,410	80,018	56,069	1,25,886
(V) Profit before exceptional items and tax (III-IV)	39,302	17,073	21,872	56,375	40,161	92,545
(VI) Exceptional items (Refer note 3)	-	-	-	-	8,896	8,810
(VII) Profit before tax (V-VI)	39,302	17,073	21,872	56,375	31,265	83,735
Tax expense/(credit)						
(1) Current tax	4,720	3,310	3,970	8,031	6,307	8,975
(2) Deferred tax/(credit)	1,175	502	(116)	1,677	(2,068)	3,474
(3) (Excess)/ short provision for earlier years	-	-	47	-	47	46
(VIII) Total tax expenses / (credit)	5,895	3,812	3,901	9,708	4,286	12,495
(IX) Profit after tax (VII-VIII)	33,407	13,261	17,971	46,667	26,979	71,240
Other comprehensive income						
(i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the defined employee benefit plans	97	(155)	54	(57)	144	163
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	5,562	(5,448)	4,377	114	6,450	27,411
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	(661)	662	(514)	1	(774)	(3,177)
(X) Other comprehensive income/(loss)	4,998	(4,941)	3,917	58	5,820	24,397
(XI) Total comprehensive income/(loss) (IX+X)	38,405	8,320	21,888	46,725	32,799	95,637
(XII) (a) Paid-up equity share capital (Face value of Re. 1)	1,470	1,467	1,469	1,470	1,469	1,466
(b) Other equity						3,51,673
Earnings per share (EPS)*						
(Face value Re. 1 per equity share)						
Basic (amount in Rs.)	22.77	9.04	12.17	31.81	18.25	48.42
Diluted (amount in Rs.)	22.39	8.90	11.91	31.29	17.87	47.60

See Note 12

* EPS for the quarters / half-years is not annualized

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Standalone Statement of Assets and Liabilities

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2020 (Audited)
I ASSETS		
1. Financial assets		
Cash and cash equivalents	1,79,689	57,017
Bank balance other than above	2,58,276	2,14,745
Receivables		
(i) Trade receivables	78,235	61,197
(ii) Other receivables	957	160
Loans	87,425	77,258
Investments	3,94,073	3,86,310
Other financial assets	54,765	66,192
Sub - total financial assets	10,53,420	8,62,879
2. Non - financial assets		
Current tax assets (net)	-	2,355
Investment Property	7,728	7,755
Property, plant and equipment	23,100	22,474
Other intangible assets	2,152	2,357
Other non - financial assets	2,837	2,494
Sub - total non - financial assets	35,817	37,435
Total assets	10,89,237	9,00,314
II LIABILITIES AND EQUITY		
Liabilities		
1. Financial liabilities		
Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprise and small enterprise	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	4,33,695	2,79,780
Debt securities	1,49,137	1,60,572
Borrowings(Other than debt securities)	39,160	47,337
Deposits	78	45
Other financial liabilities	49,616	37,739
Sub - total financial liabilities	6,71,686	5,25,473
2. Non - financial liabilities		
Current tax liabilities	1,226	-
Provisions	7,764	10,914
Deferred tax liabilities (net)	9,488	7,812
Other non - financial liabilities	3,906	2,976
Sub - total non - financial liabilities	22,384	21,702
3. Equity		
Equity share capital	1,470	1,466
Other equity	3,93,697	3,51,673
Sub - total equity	3,95,167	3,53,139
Total liabilities and equity	10,89,237	9,00,314

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Standalone Statement of Cash Flow

(Rs. in lakhs, unless otherwise stated)

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before taxation	56,375	31,265
Adjustment for:		
Net loss/(gain) on fair value change	(16,672)	(14,665)
Employee stock option scheme cost	924	1,086
Interest expense	127	128
Depreciation, amortisation and impairment	1,857	1,657
Dividend income	(6,139)	(29)
Profit on sale of investment	(8,824)	(7,942)
Gain on partnership firm	(37)	(12)
Impairment on financial instruments	1,173	733
Operating profit	28,784	12,221
Adjustment for working capital changes		
Adjustment for working capital changes		
Increase/(decrease) in provision	(3,208)	(1,935)
Increase/(decrease) in borrowings	(8,177)	1,917
Increase/(decrease) in other financial liabilities	12,327	6,162
Increase/(decrease) in trade payables	1,53,915	49,861
(Increase)/decrease in loans	(10,167)	(15,181)
Increase/(decrease) in debt securities	(11,435)	(35,083)
Increase/(decrease) in other non financial liabilities	930	2,065
(Increase)/decrease in other financial assets	11,427	(57,142)
(Increase)/decrease in other non financial asset	(342)	2,051
(Increase)/decrease in trade receivables	(19,009)	(559)
(Increase)/decrease in fixed deposit	(43,531)	(61,662)
(Increase)/decrease in liquid investment	28,263	1,12,568
Cash generated/(used) from operations	1,39,777	15,283
Direct taxes paid (net)	(4,451)	(3,337)
Net cash generated/(used) from operating activities (A)	1,35,326	11,946
B. Cash flow from investing activities		
Proceeds from sale of investment	13,251	32,045
Purchase of equity shares in subsidiary company	(21,486)	(574)
Purchase of Investments	(2,144)	(12,047)
Purchase of Property, plant and equipment	(2,049)	(1,659)
Sale of Property, plant and equipment	-	2
Purchase of intangibles and intangible asset under development	(200)	-
Dividend Income	6,139	29
Net cash generated/(used) from investing activities (B)	(6,489)	17,796
C. Cash flow from financing activities		
Cash Payment of lease liability and interest	(578)	(510)
Proceeds from issue of equity shares	4	-
Premium on issue of equity shares	1,712	-
Proceeds from deposits received	34	4
Dividend paid (including Dividend distribution tax)	(7,337)	-
Buyback of shares(including buyback expense and tax)	-	(14,853)
Increase/(decrease) in unpaid dividend	-	-
Net cash generated/(used) from financing activities (C)	(6,165)	(15,359)
Net increase/(decrease) in cash and cash equivalents during the period (A +B +C)	1,22,672	14,383

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Standalone Statement of Cash Flow

(Rs. in lakhs, unless otherwise stated)

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020
Cash and cash equivalents as at beginning of the period		
Cash in hand	32	26
Cheque on hand	-	-
Scheduled bank - In current account	34,750	31,064
Fixed deposit with banks (Maturity within 3 months)	22,235	36,578
Total	57,017	67,668
Cash and cash equivalents as at end of the period :		
Cash in hand	37	44
Cheque on hand	-	-
Scheduled bank - In current account	1,60,716	74,022
Fixed deposit with banks (Maturity within 3 months)	18,936	7,985
Total	1,79,689	82,051
Reconciliation of cash and cash equivalents as above with cash and bank balances		
Cash and cash equivalents as at end of the year as per above	1,60,753	74,066
Add:- Fixed deposit with banks (Maturity within 3 months)	18,936	7,985
Total Cash and bank balances equivalents as at end of the period	1,79,689	82,051

Notes :

(i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

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Statement of Standalone Financial Results for the quarter and half year ended 30 September 2021**Standalone Notes:-**

- 1) The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 28 October 2021. The results for the quarter and half year ended 30 September 2021 have been reviewed by the Statutory Auditors of the Company.
- 2) This statement has been prepared in accordance with recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 ('IndAS') prescribed under Section 133 of the Companies Act, 2013.
- 3) Exceptional item comprises of bad debts of Rs.8,810 Lakhs on account of outstanding dues from client towards settlement obligation. MCX vide its circular dated 21 April 2020, has Considered the negative price for settlement of futures contract on expiry. Thus the customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering into the contract, the customers were required to pay only the margin as was required by the exchange including mark to market losses. Since MCX has effected the settlement of such contract upon expiry at negative price, the client's account was debited with above amount as settlement obligation on account of negative price settlement in respect of its outstanding contract. Since the client have defaulted to honour the settlement obligation required by MCX, Company has paid the said amount to MCX on behalf of its clients. For recovering the said amount from client, Company has filed an arbitration claim for recovery of outstanding dues, against the clients before Arbitral Tribunal of MCX, and the Company has received arbitration awards amounting to Rs.8,676 Lakhs in its favour. However the clients have filed an appellate arbitrations before Appellate Arbitral Tribunal of MCX, challenging the awards passed in favour of the Company. Appeal filed by Dhanera Diamonds has been dismissed vide order October 25, 2021. The matter is likely to go before Hon'ble High Court of Bombay, because the client has an option to file an application u/s 34 of Arbitration Act to challenge the Award. Further, the Company has filed petition u/s 9 of Arbitration Act before the courts and the courts have directed the clients not to dispose of their assets till passing of appellate Arbitration award and four weeks thereafter. Considering the continuous uncertainty involved in the case the Company continues to classify it as bad debts and has not taken any financial impact in the current period.
- 4) Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for the half year ended September 30, 2021 in respect of Non-convertible Debentures and Commercial Papers of the Company is enclosed as Annexure A.
- 5) Pursuant to Regulation 54 of Listing Regulations, we would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2021 are fully secured by first pari passu charge created over all present and future trade receivables and Margin Trading Facility receivables of the Company. Accordingly, the Company is maintaining the asset cover of 1x or such higher asset cover required as per the terms of offer document/information memorandum.
- 6) During the quarter, CRISIL Limited has reaffirmed its ratings at CRISIL A1+ on the Commercial Paper of the Company and ICRA Limited has reaffirmed [ICRA]AA (Stable) on Non-Convertible Debentures and assigned [ICRA]AA (Stable) on Unallocated Bank Lines of the Company.
Further, on October 7, 2021, India Ratings & Research Private Limited, has affirmed credit rating of IND A1+ on Commercial Paper and assigned IND AA/Stable on Non-Convertible Debentures and IND PP-MLD AAemr/Stable on Principal Protected Market Linked Debentures of the Company.
- 7) The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges. Subsequently, the Company had filed an application with National Company Law Tribunal (NCLT), Mumbai Bench and accordingly, NCLT has issued direction to hold the Meeting of the Equity Shareholders of the Company on December 9, 2021. The appointed date subject to approval of NCLT is 1 April 2020.
- 8) 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.
- 9) As per IndAS 109 the Company has unrealised gain of Rs. 11,675 lakhs and Rs .16,672 lakhs for the quarter ended 30 September 2021 and half year ended 30 September 2021 respectively which has been classified under head 'Net gain on fair value changes'. Further, the Company 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. 5,562 lakhs and Rs. 114 lakhs for the quarter ended 30 September 2021 and half year ended 30 September 21.
- 10) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 2,60,350 and 3,70,850 equity shares to the employees during the quarter ended 30 September 2021 and period ended 30 September 2021 respectively.
- 11) The Company has also allotted 780 market linked listed debentures of face value of Rs. 10 lakhs each aggregating to Rs.7,800 Lakhs, on private placement basis on September 22, 2021.
- 12) The figures for the quarter ended 30 September 2021 represents the balance between unaudited financial in respect of the quarter ended 30 June 2021 and unaudited year-to-date figures upto 30 September 2021 which were subjected to limited review.
- 13) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 14) Previous quarter and half year ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/half year/year end presentation.

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

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

Mumbai,
28 October 2021

Annexure A

Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021 /613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for the half year ended September 30, 2021 in respect of Non-convertible Debentures and Commercial Papers of the Company is as mentioned below:

Key Financial Information

Particulars	Half year ended 30 September 2021
Debt Equity Ratio ¹	0.48
Debt Service Coverage Ratio ²	0.24
Interest Services Coverage Ratio ³	7.44
Net Worth ⁴ (Rs.in Lakhs)	3,95,167
Net Profit after tax (Rs.in Lakhs)	46,667
Earnings per share (Basic)	31.81
Earnings per share (Diluted)	31.29
Outstanding redeemable preference shares	Not Applicable
Capital Redemption Reserve (Rs.in Lakhs)	90
Debenture Redemption Reserve	Nil
Current Ratio	1.07
Long Term Debt to Working Capital Ratio ⁵	0.71
Bad Debts to Accounts Receivables Ratio ⁶	0.70%
Current Liability Ratio	0.94
Total Debts to Total Assets	0.17
Debtors Turnover Ratio ⁷	1.23
Inventory Turnover Ratio	Not Applicable
Operating Margin (%) ⁸	41.72%
Net Profit Margin (%) ⁹	34.54%

¹ Debt Equity Ratio = Debt (Borrowings + Accrued interest) / Equity (Equity share capital + Other Equity)

² Debt Service Coverage Ratio = Profit/Loss before exceptional items, interest and tax (excludes unrealized gain/(loss) and interest costs on leases as per IND AS 116 on Leases) / (Interest expenses(excludes interest costs on leases as per IND AS 116 on Leases)+Principal Repayments)

³ Interest Service Coverage Ratio = Profit/Loss before exceptional items, interest and tax (excludes unrealized gain/(loss) and interest costs on leases as per IND AS 116 on Leases)/ Interest expenses(excludes interest costs on leases as per IND AS 116 on Leases)

⁴ Net Worth = Equity + Other Equity

⁵ Long Term Debt to Working Capital Ratio = Long Term Borrowing/Working Capital

⁶ Bad debt includes provision made on doubtful debts. Accounts receivable includes trade receivables and MTF

⁷ Debtors Turnover Ratio = Fee and Commission Income / Average Trade Receivables

⁸ Operating Margin = Profit before tax / Total Revenue from operations

⁹ Net Profit Margin= Profit after tax / Total Revenue from operations

INVESTOR UPDATE

Motilal Oswal Financial Services reports highest ever PAT of Rs 5.36 bn, +81% YoY in Q2FY22 and Rs 7.58 bn, +63% YoY in H1FY22.

Mumbai, October 28, 2021: Motilal Oswal Financial Services Ltd. announced its results for the quarter and half year ended September 30, 2021 post approval by the Board of Directors at a meeting held in Mumbai on October 28, 2021.

Performance for the quarter and half year ended September 30, 2021:

- In Q2FY22, consolidated revenues grew by 46% YoY at Rs 10.94 bn, Consolidated PAT grew by 81% YoY to Rs 5.36 bn including gains on investments (Rs 2.67 bn). Operating profit (excluding gains on investments) for the quarter was highest ever at Rs 2.7 bn, +118% YoY.
- In H1FY22, Consolidated revenues grew by 42% YoY at Rs 19.53 bn, consolidated PAT grew by 63% YoY at Rs 7.58 bn. Operating profit for the half year was highest ever at Rs 4 bn, +76% YoY.
- Core business fired all cylinders – Capital market business PAT + 52% YoY and Asset & Wealth +226% led by +44% AMC, +88% Wealth Management and 12x growth in Private Equity business driven by strong profit on exit of investment. Further, we have witnessed turnaround in Housing finance business.

Key highlights for the H1FY22

- Most of our businesses have delivered strong and sustainable performance in Q2FY22 and H1FY22.
- Our Asset under Advisory (AUA) stood at Rs 2.9 tn mark led by all-time high AUM across AMC, Wealth and Distribution businesses.
- Our organizational talent has reached over 8,600 serving over 3.4 mn clients.
- Our Net worth has crossed Rs 50 bn mark.
- **Capital Markets** – Highest ever broking revenue and profit in Q2 & H1FY22, growth in client addition led by traction in digital acquisition channel, 96% growth in ADTO, 70 bps QoQ rise in cash market share, strong growth in active clients, Investment banking participated in 3 IPOs and 1 OFS.
- **Asset Management**– Highest ever AUM, gross & net sales gaining traction, strong response to AIFs offerings, increase in SIP addition, continued traction in our international passive offerings. IREF V has achieved its 2nd close at Rs 8.1 bn. Launch of largest ever PE growth IBEF-IV fund with target size of Rs 40 bn.
- **Home Finance** – India Ratings assigned IND AA rating, outlook upgraded by CRISIL to AA-/ Positive and rating upgraded by ICRA to ICRA AA-/stable, Strong pick-up in disbursements, traction in login/sanction pipeline, expansion in sales force and sharp reduction in cost of funds driving margin expansion.
- Consolidated net worth is at all-time high at Rs 51.7 bn, net debt is Rs 40.5 bn. Excluding Home finance, net debt is Rs 17.1 bn. Total D/E declined to 0.9x. Ex-MOHF D/E stood at 0.5x. Net of investments, we have a net cash balance sheet. RoE for H1FY22 stands at 37%.
- Besides financial performance, recent time has been very eventful in terms of our successes in brand building, advertising and several other fronts. MOFSL rank 1st “**Best Local Brokerage**” in Asia Money broker’s poll 2020. MOFSL once again recognized as a “**Great Place to Work**” - India certified organization, Motilal Oswal Wins “**Best PMS in 10 years performance**” across all categories at India’s Smart Money Manager Awards - 2021. Motilal Oswal Private Equity has been awarded as “**Growth Capital Investor of the Decade**” at the Venture Intelligence APEX PE-VC Awards. 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 *“All of our businesses has delivered strong & sustainable performance in H1FY22. Last financial year was a landmark year for us with highest ever revenues and profits. This year also we are witnessing similar trend and we delivered highest ever quarterly & half yearly operating profit. Our retail broking business which is our cash cow business has achieved new highs on various parameters and benefitting from market expansion and industry consolidation with its knowledge driven phygital offerings. Our Institutional Broking business has been ranked #1 as local brokerage house in Asiamoney poll 2020. Our strategy to invest business profits in our own equity investment products has registered highest ever profits and as result our Net worth has touched new high. Moreover, our strategy to diversify our business model towards linear sources of earnings continues to deliver results. Our Asset Management business is likely to gain from process driven investing and its niche offerings. Our Housing finance business is geared up for profitable growth. Each of our 7 businesses offers headroom for growth. “*

Performance of Business Segments for the quarter and half year ended September 30, 2021

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

- Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 6.1 bn, +44% YoY in Q2FY22 and Rs 11.2 bn, +46% YoY in H1FY22. Capital market businesses have contributed ~48% of consolidated revenues.
- Profit grew by 52% YoY / 55% QoQ at Rs 1.2 bn in Q2FY22 and 46% YoY to Rs 2 bn in H1FY22 led by healthy volume growth of 96% YoY.
- In **Retail Broking & Distribution**, we have witnessed strong traction in new client addition driven by Franchisee and retail channel, total ~440,000 clients acquired in H1FY22, +114% YoY. NSE active clients have also registered 62% YoY growth at 7.2 lacs as of Sept 2021.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM grew by 43% YoY at Rs 159 bn as of Q2FY22. With only 13% of the ~2.4 million client base tapped, we expect a continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.
- In **Institutional Broking**, team wins big in Asiamoney poll 2020. Ranked #1 Best local brokerage House, Best research team, Best sales and sales trading and Best Corporate access. Strong improvement in domestic client rankings with top 3 rank retained in most clients. This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors.
- **Investment Banking** business has participated in 3 IPOs and 1 OFS. Further, there is a strong pipeline of signed IPO mandates which will start entering the markets from H2FY22 onwards, as a result revenue traction can be witnessed in coming quarters.

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

- **Asset Management** business AUM across MF, PMS & AIF stood at Rs 496 bn, +32% YoY. Strong growth of 44% YoY in PAT at Rs 417 mn in Q2FY22 and 46% YoY at Rs 773 mn in H1FY22.
- Equity MF AUM touched Rs 300 bn i.e. 1.5% of the Industry MF Equity AUM of Rs 20 tn. We have seen improvement in performance of several products. Our Gross sales and Net sales started improving and redemption market share declined on a sequential basis.
- Favourable response to alternate offerings under AIF strategy and international passive offerings.
- We have added around 220,000 SIPs in H1FY22, +62% YoY. New SIP count market share stood at 1.7% in H1FY22.
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~38%.
- **Private Equity** has committed investment AUM of Rs 69 bn across 3 growth capital PE funds and 5 real estate funds. In Q2FY22, revenues stood at Rs 1.5 bn and PAT stood at Rs 864 mn including profit on exit of

investments of Rs 827 mn in Q2FY22. The 1st growth fund (IBEF 1) has delivered an XIRR of 26%+. Average IRR on exited investments in Real estate funds is 21%+. IREF V achieved its 2nd close at Rs 8.1 bn. PE biggest fund launched with IBEF IV with a target size of Rs 40 bn.

- **Wealth Management** business AUM grew by 57% YoY at Rs 315 bn in Q2FY22. Wealth business revenue grew by 36% YoY to Rs 476 mn in Q2FY22 led by strong net sales at Rs 19.9 bn in Q2FY22. Yield improved by 7 bps QoQ to ~63 bps. RM count of this business stood at 122. Our trail revenues predominantly cover our fixed costs. Strong operating leverage is visible led by improvement in RM productivity. We continue to invest in this business by adding RMs.
 - Overall **Asset and Wealth Management** revenues were Rs 3.46 bn, +94% YoY in Q2FY22 and Rs 5.49 bn, +69% YoY in H1FY22. Asset & Wealth contributes 23% of consolidated revenues. Profits were Rs 1.44 bn, +226% YoY in Q2FY22 and Rs 1.97 bn, +169% YoY in H1FY22 and contributed 25% of consolidated profits.
- **Housing finance business**
 - Motilal Oswal Home Finance (MOHFL) reported profit of Rs 201 mn in Q2FY22, +253% YoY and Rs 285 mn in H1FY22, +70% YoY.
 - NII grew by 16% YoY and NIM expanded to 6.9% in H1FY22.
 - Yield on Advances stood at 13.9% in H1FY22 while Cost of Funds was down by 110 bps YoY to 8.4%, resulting in expansion in Spread by 70 bps YoY to 5.5%.
 - We have raised Rs 3.8 bn in H1FY22 at an average cost of 7.07%.
 - Disbursements in H1FY22 stood at Rs 2.5 bn, +198% YoY. Business is geared up for stronger growth in disbursements. Sales force expansion is currently underway.
 - In Q2FY22 business has come back strongly led by revival in demand and customers confidence. Our collection efficiency in September has reached to ~100% and with better resolutions we are able to bring down GNPA/NNPA to 2.2%/1.4% respectively.
 - IND AA rating assignment by India Ratings, outlook upgrade by CRISIL to CRISIL AA-/Positive and rating upgrade by ICRA to ICRA AA-/stable, all restores confidence on company and acknowledge its initiatives taken to revive the business.
 - Total capital infusion to Rs 8.5 bn. Net Gearing stands at 2.5x and Tier 1 CAR remains robust at 48%.
 - **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
 - Fund based investments have registered gains in a quarter of Rs 2.7 bn in Q2FY22, +54% YoY and Rs 3.6 bn in H1FY22, +18% YoY
 - Total quoted equity investment including unrealised gains was Rs 25.3 bn as of H1FY22. Cumulative XIRR of these investments is ~19% (since inception).
 - Total equity investment including alternate funds was at Rs 36.1 bn as of Sep-21. XIRR of 33% on PE/RE investments.



About Motilal Oswal Financial Services Limited

MOFSL 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. MOFSL won the 'Brand of the Year' award at the IBLA CNBC TV 18. MOFSL employs ~8600 employees serving to 3.4 mn clients via distribution reach in 700+ cities. MOFSL has AUA of Rs 2.9 trillion.

For further details contact:

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For Motilal Oswal Financial Services Limited

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