

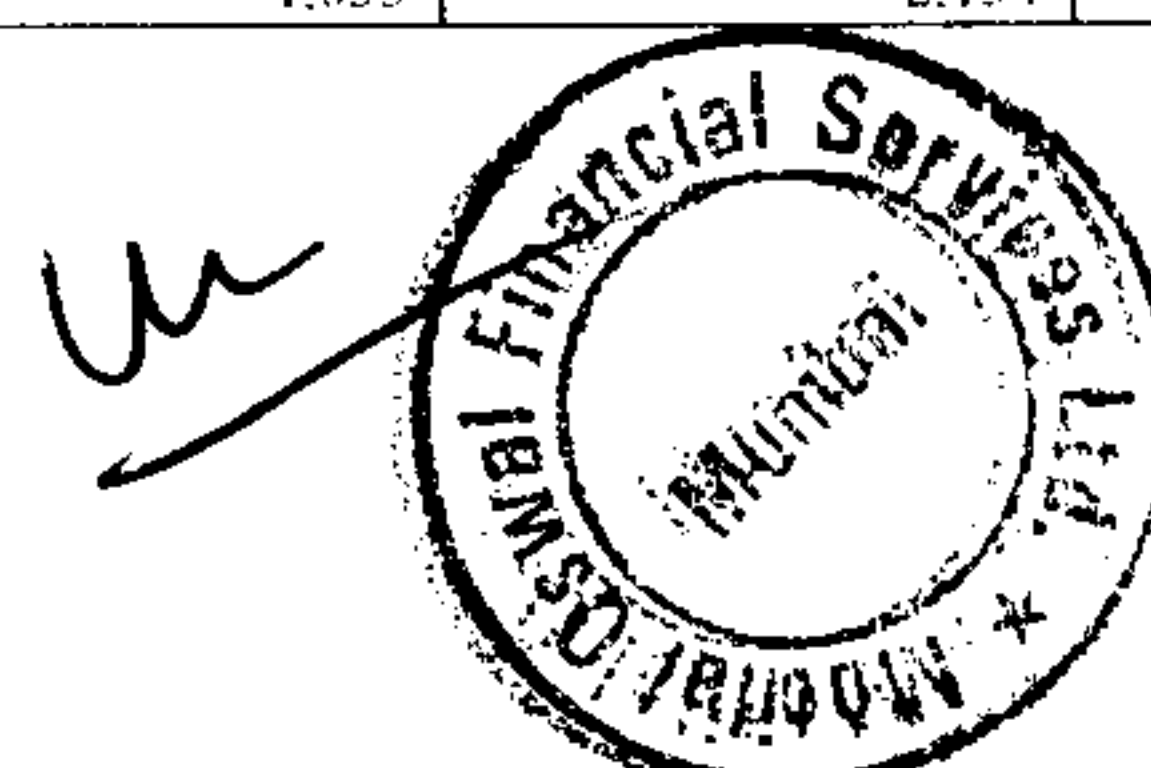
**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**  
Registered Office: Palm Spring Centre, Palm Court Complex, 2nd Floor, Link Road, Malad (W), Mumbai - 400 064  
Tel: +91-22-30801000, Fax: +91-22-28449092 Email:shareholders@motilaloswal.com  
**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER 2013**

Particulars	(Rs. in Lacs)					
	Quarter Ended			Half Year Ended		Year Ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
<b>1. Income from Operations</b>						
(a) Income from Operations	10,836	10,100	10,136	20,936	20,203	42,471
(b) Other Operating Income	677	700	920	1,377	1,773	3,992
<b>Total Income</b>	<b>11,513</b>	<b>10,800</b>	<b>11,056</b>	<b>22,313</b>	<b>21,976</b>	<b>46,463</b>
<b>2. Expenditure</b>						
a. Operating expense	2,403	2,413	2,545	4,816	5,324	11,061
b. Employees' benefit expense	3,292	2,975	2,631	6,267	5,175	10,796
c. Depreciation and amortisation expenses	604	590	649	1,193	1,274	2,585
d. Other expenditure	2,318	2,132	2,177	4,450	4,219	7,991
<b>Total expenses</b>	<b>8,617</b>	<b>8,110</b>	<b>8,002</b>	<b>16,726</b>	<b>15,991</b>	<b>32,433</b>
<b>3. Profit from Operations before Other Income, finance cost &amp; Exceptional Items (1-2)</b>	<b>2,896</b>	<b>2,690</b>	<b>3,054</b>	<b>5,587</b>	<b>5,985</b>	<b>14,030</b>
4. Other Income	85	277	298	362	405	825
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	2,981	2,967	3,352	5,949	6,390	14,854
6. Finance Cost	81	87	31	167	87	480
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	2,900	2,880	3,321	5,782	6,303	14,374
8. Exceptional Items - (Expense)/Income	(1,948)	-	-	(1,948)	-	1,808
9. Prior period items - (Expense)/Income	14	17	-	31	-	-
<b>10. Profit from Ordinary Activities before tax (7-8+9)</b>	<b>966</b>	<b>2,897</b>	<b>3,321</b>	<b>3,865</b>	<b>6,303</b>	<b>16,182</b>
11. Tax expense	325	1,020	1,011	1,346	1,971	5,184
12. Net Profit from Ordinary Activities after tax but before minority interests (9-10)	641	1,877	2,310	2,519	4,333	10,998
13. Share of minority interests in (profits)/ loss	(79)	(28)	(20)	(107)	(20)	(90)
<b>14. Net Profit after tax and Minority Interests (12-13)</b>	<b>562</b>	<b>1,849</b>	<b>2,290</b>	<b>2,412</b>	<b>4,313</b>	<b>10,909</b>
15. Paid-up equity share capital (Face Value of Re. 1/- Per Share)	1,389	1,452	1,452	1,389	1,452	1,452
16. Reserves excluding Revaluation Reserves	-	-	-	-	-	1,20,334
<b>17. i. Earnings Per Share (EPS) (before Extraordinary items) (of Re. 1/- each)</b>						
a) Basic EPS	0.45	1.29	1.58	1.76	2.97	7.57
b) Diluted EPS	0.45	1.29	1.58	1.76	2.97	7.57
<b>17. ii. Earnings Per Share (EPS) (after Extraordinary items) (of Re. 1/- each)</b>						
c) Basic EPS	0.45	1.29	1.58	1.76	2.97	7.57
d) Diluted EPS	0.45	1.29	1.58	1.76	2.97	7.57
<b>Particulars of Shareholding</b>						
18. Public shareholding						
- Number of shares	3,64,61,059	4,28,05,084	4,33,68,614	3,64,61,059	4,33,68,614	4,31,43,928
- Percentage of shareholding	26.25%	29.47%	29.86%	26.25%	29.86%	29.71%
19. Promoters' and promoter group Shareholding						
a) Pledged/Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
b) Non-encumbered						
- Number of shares	10,24,30,692	10,24,30,692	10,18,67,162	10,24,30,692	10,18,67,162	10,20,91,848
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	73.75%	70.53%	70.14%	73.75%	70.14%	70.29%
20. Investors' Complaints						
Pending at the beginning of the period	NIL	NIL	NIL	NIL	1	1
Received during the period	11	NIL	3	11	5	11
Disposed off during the period	11	NIL	3	11	6	12
Remaining unresolved at the end of the period	NIL	NIL	NIL	NIL	NIL	NIL

**Notes**

- 1) The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its Meeting held on Saturday, 26th October, 2013. The results for the quarter & half year ended 30th September, 2013 have been reviewed by the Statutory Auditors of the Company.
- 2) The Company obtained approval from the shareholders, by way of Postal Ballot process on 21st June, 2013 and from SEBI on 2nd July, 2013 to buyback the shares of the Company at a price not exceeding Rs. 90/- per share of upto a maximum of 75,00,000, fully paidup equity shares of Re. 1/- each. Pursuant to this the Company has bought back 63,88,944 shares upto 30th September, 2013. The amount utilised for buyback is Rs. 5,046.76 Lacs. Out of the said equity shares bought back, 44,919 equity shares have been extinguished post 30th September 2013.
- 3) Motilal Oswal Group has exposure to National Spot Exchange Limited (NSEL) of Rs 5,707 Lacs with respect to the proprietary positions and Rs 136 Lacs with respect to the funded positions. NSEL has not been able to adhere to its payment obligations over the past few months. Motilal Oswal group has pursued legal action against NSEL and others by filing writ petition in Bombay High court and Criminal complaint in Economic Offences Wing (EOW). Pending final outcome which is uncertain, the Company has provided for an amount of Rs 1,948 Lacs in respect of its proprietary and funded positions for the quarter and half year ending 30th September 2013 which is disclosed under the head "Exceptional items".
- 4) CRISIL has re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programme of the company for Rs. 1.5 billion. CIRISL has also re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programme of the subsidiary, Motilal Oswal Securities Ltd for Rs 1 billion. ICRA has re-affirmed the rating of "PP-MLD|ICRA|AA-" (pronounced 'CRISIL double A minus rating with Stable Outlook') to the Long Term Debt Programme of the company for Rs. 25 Crores.
- 5) The consolidated results of the Company include the results of the subsidiaries - Motilal Oswal Securities Limited (99.95%), Motilal Oswal Investment Advisors Private Limited (100%), MOPE Investment Advisors Private Limited (formally known as Motilal Oswal Private Equity Advisors Private Limited) (85%), Motilal Oswal Commodities Broker Private Limited (97.55%), Motilal Oswal Capital Markets Private Limited (99.95%), Motilal Oswal Wealth Management Private Limited (99.95%), Motilal Oswal Insurance Brokers Private Limited (99%), Motilal Oswal Asset Management Company Limited (99.95%), Motilal Oswal Trustee Company Limited (99.95%), Motilal Oswal Securities International Private Limited (99.95%), Motilal Oswal Capital Markets (Singapore) Pte Ltd (99.95%) & Motilal Oswal Capital Markets (Hongkong) Private Limited (99.95%).
- 6) The Board of Directors at its meeting held on October 26, 2013, has declared an interim dividend of Re. 1/- per equity share (on face value of Re 1/- each equity share) for the financial year 2013-14.
- 7) The previous financial quarter / year figures have been regrouped/rearranged wherever necessary to make them comparable.
- 8) Standalone financial results are summarised below and also available on the Company's website: www.motilaloswal.com.

Particulars	Quarter Ended			Half Year Ended		Year Ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
Gross Revenue	3,128	1,760	2,112	4,887	3,508	9,490
Profit Before Tax	1,739	775	1,201	2,514	1,841	4,540
Profit After Tax	1,600	534	1,055	2,134	1,480	3,875



9) CONSOLIDATED UNAUDITED SEGMENT RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER 2013

Particulars	Quarter Ended					Year Ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
<b>1. Segment Revenue</b>						
(a) Broking & Other related activities	7,630	8,035	8,692	15,678	17,019	34,489
(b) Financing & Other activities	1,678	1,760	1,385	3,423	2,780	7,315
(c) Asset Management & Advisory	2,398	1,582	1,378	3,963	2,944	6,665
(d) Investment Banking	448	87	230	535	500	780
(e) Unallocated	548	444	501	1,008	804	1,936
<b>Total</b>	<b>12,701</b>	<b>11,907</b>	<b>12,187</b>	<b>24,608</b>	<b>24,047</b>	<b>51,185</b>
Less: Inter Segment Revenue	1,089	814	833	1,903	1,666	3,897
<b>Income From Operations, Other Operating income &amp; Other Income</b>	<b>11,612</b>	<b>11,093</b>	<b>11,354</b>	<b>22,705</b>	<b>22,381</b>	<b>47,288</b>
<b>2. Segment Results Profit / (Loss) before tax and interest from Each segment</b>						
(a) Broking & Other related activities	1,298	1,943	2,380	3,242	4,734	8,876
(b) Broking & Other related activities (exceptional item)	(1,946)	-	-	(1,946)	-	3,446
(c) Financing & Other activities	289	775	476	1,049	1,114	4,003
(d) Financing & Other activities (exceptional item)	(1)	-	-	(1)	-	(1,638)
(e) Asset Management & Advisory	707	20	240	710	402	1,196
(f) Investment Banking	147	(233)	(81)	(87)	(340)	(660)
(g) Unallocated	580	446	508	1,057	807	1,936
<b>Total</b>	<b>1,075</b>	<b>2,951</b>	<b>3,523</b>	<b>4,026</b>	<b>6,717</b>	<b>17,158</b>
Less: (i) Interest	108	54	201	162	412	976
<b>Profit/(Loss) from Ordinary Activities before Tax</b>	<b>967</b>	<b>2,897</b>	<b>3,322</b>	<b>3,864</b>	<b>6,305</b>	<b>16,182</b>
<b>3. Capital Employed</b>						
<b>(Segment assets - Segment Liabilities)</b>						
(a) Broking & Other related activities	42,292	44,892	40,942	42,292	40,942	48,212
(b) Financing & Other activities	54,659	59,487	58,252	54,659	58,252	58,852
(c) Asset Management & Advisory	1,247	662	80	1,247	80	791
(d) Investment Banking	844	426	614	844	614	746
(e) Unallocated	20,469	18,202	18,903	20,469	18,903	13,185
<b>Total</b>	<b>1,19,511</b>	<b>1,23,669</b>	<b>1,18,791</b>	<b>1,19,511</b>	<b>1,18,790</b>	<b>1,21,786</b>

Notes:

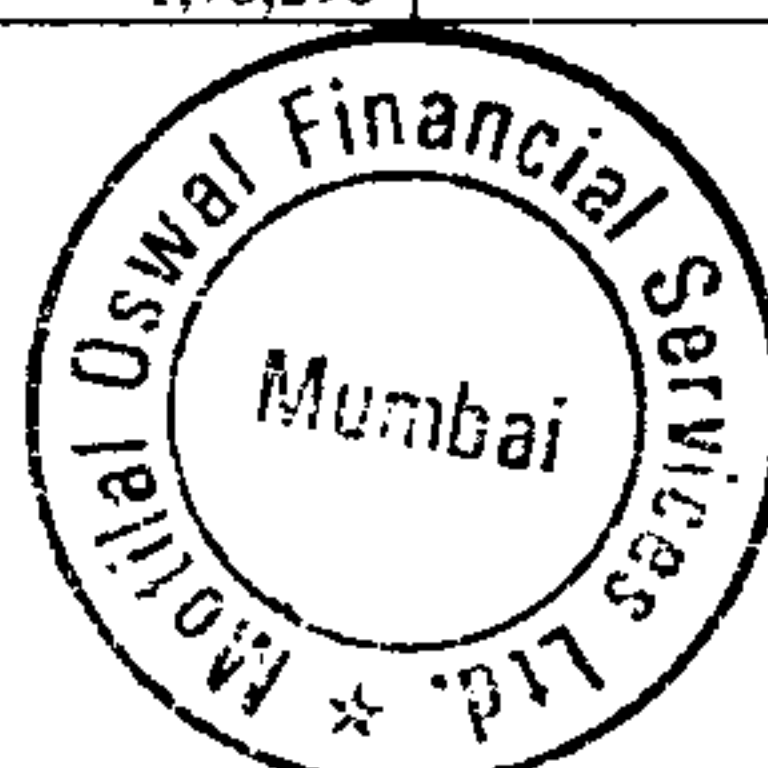
10. The above Segment information is presented on the basis of the unaudited consolidated financial statements. The company's operations predominantly relate to Broking and other related activities, Financing and other activities, Asset Management & Advisory and Investment banking. In accordance with Accounting Standard -17 on Segment reporting, Broking and other related activities, Financing and other activities, Asset Management & Advisory and Investment banking are classified as reportable segments. The balance is shown as unallocated items.

11. The previous financial quarter / year figures have been regrouped/rearranged wherever necessary to make them comparable.

12) STATEMENT OF ASSETS & LIABILITIES ( CONSOLIDATED )

(Rs in Lacs)

Particulars	As on	
	Unaudited 30.09.2013	Audited 31.03.2013
<b>A. EQUITY AND LIABILITIES</b>		
1. Shareholder's Fund		
a) Share Capital	1,389	1,452
b) Reserves & Surplus	1,18,122	1,20,334
Sub-total - Shareholders' funds	1,19,511	1,21,786
2. Minority Interest	411	304
3. Non-current liabilities		
a) Deferred tax liabilities (net)	952	1,791
b) Other long term liabilities	85	-
c) Long-term provisions	391	487
Sub-total - Non-current liabilities	1,428	2,277
4. Current liabilities		
a) Short term borrowings	69	-
b) Trade payables	49,080	45,917
c) Other current liabilities	4,056	2,586
d) Short-term provisions	3,741	4,418
Sub-total - Current liabilities	56,946	52,921
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,78,296</b>	<b>1,77,289</b>
<b>B. ASSETS</b>		
1. Non-current assets		
a) Fixed assets	30,244	31,106
b) Non-current investments	13,064	12,255
c) Long-term loans and advances	1,849	1,568
d) Other non-current assets	13	8
Sub-total - Non-current assets	45,170	44,937
2. Current assets		
a) Current investments	2,840	2,551
b) Inventories	12,608	14,557
c) Trade receivables	45,284	43,589
d) Cash and bank balances	17,550	21,438
e) Short-term loans and advances	54,692	49,991
f) Other current assets	152	227
Sub-total - Current assets	1,33,126	1,32,352
<b>TOTAL - ASSETS</b>	<b>1,78,296</b>	<b>1,77,289</b>



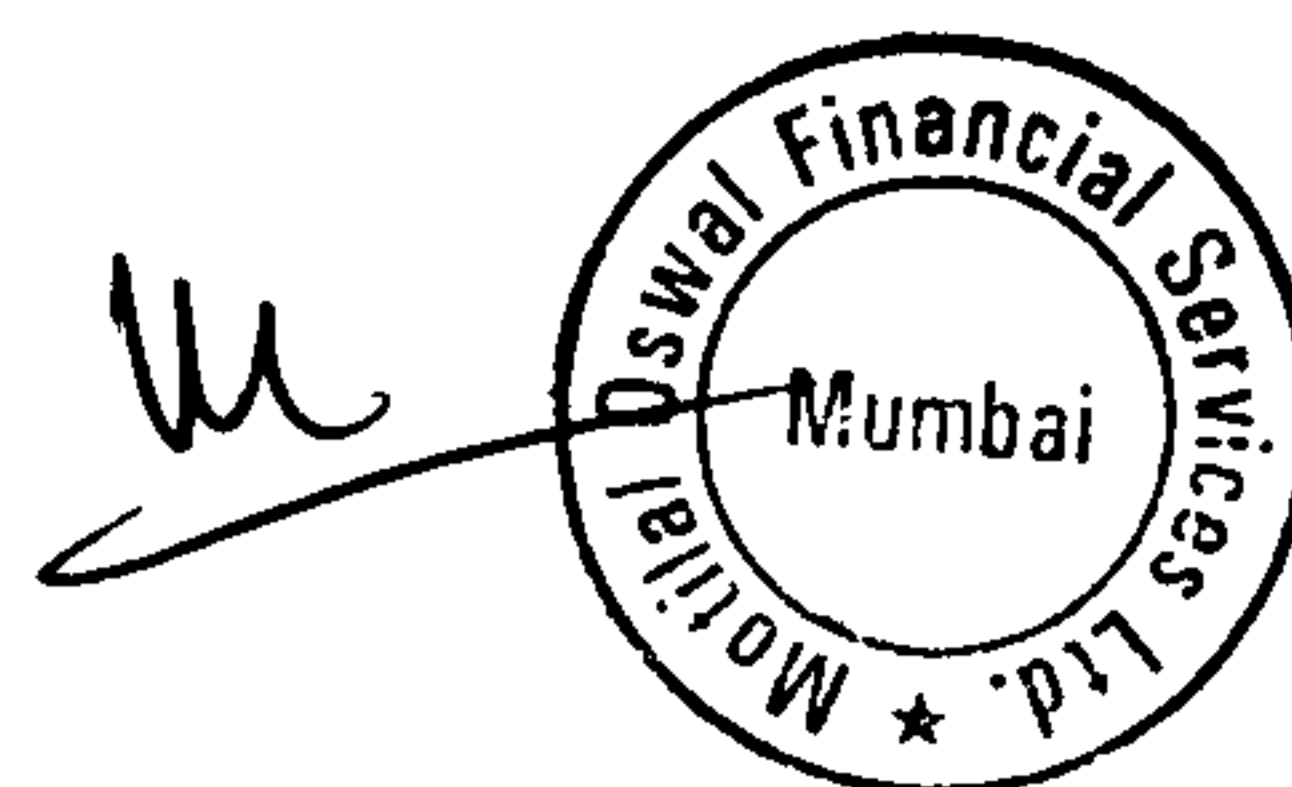
On behalf of the Board of Directors  
Motilal Oswal Financial Services Limited

*(Signature)*

Motilal Oswal  
Chairman & Managing Director



MOTILAL OSWAL FINANCIAL SERVICES LIMITED						
Registered Office: Palm Spring Centre, 2nd Floor, Palm Court Complex, Link Road, Malad (W), Mumbai - 400 064						
Tel: +91-22-30801000, Fax: +91-22-28449092						
email:shareholders@motilaloswal.com						
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2013						
(Rs. In Lacs)						
Particulars	Quarter Ended			Half Year Ended		Year Ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1. Income from Operations						
a. Income from Operations	1,688	1625	1,310	3,313	2,634	6,125
b. Other Operating Income	(10)	134	72	123	142	1,155
<b>Total Income</b>	<b>1,677</b>	<b>1,759</b>	<b>1,382</b>	<b>3,436</b>	<b>2,776</b>	<b>7,280</b>
2. Expenditure						
a. Operating expense	112	-	-	112	-	-
b. Employees' benefit expense	162	150	159	312	321	631
c. Depreciation	207	207	214	414	416	836
d. Provision for Standard, Sub standard and Doubtfull asset	212	131	112	343	215	2
e. Other expenditure	169	152	206	321	298	498
<b>Total expenses</b>	<b>862</b>	<b>640</b>	<b>691</b>	<b>1,502</b>	<b>1,251</b>	<b>1,967</b>
3. Profit from Operations before Other Income, finance cost & Exceptional items (1-2)	815	1,119	691	1,934	1,525	5,313
4. Other Income	1,451	1	730	1,451	732	2,210
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	2,266	1,120	1,421	3,385	2,256	7,523
6. Finance Cost	482	345	221	826	417	1,345
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	1,784	775	1,201	2,559	1,839	6,178
8. Exceptional Items - (Expense)/Income	(45)	-	-	(45)	-	(1,638)
9. Profit from Ordinary Activities before tax (7-8)	1,739	775	1,201	2,514	1,839	4,540
10. Tax expense	139	241	146	380	361	665
11. Net Profit from Ordinary Activity after tax (9-10)	1,600	534	1,055	2,134	1,478	3,875
12. Net Profit after tax	1,600	534	1,055	2,134	1,478	3,875
13. Paid-up equity share capital (Face Value of Re 1/- Per share)	1,389	1,452	1,452	1,389	1,452	1,452
14. Reserves excluding Revaluation Reserves						55,361
15(i). Earnings Per Share (EPS) (before Extraordinary items) ( of Re. 1/- each)						
a) Basic EPS	1.14	0.36	0.73	1.49	1.02	2.67
b) Diluted EPS	1.14	0.36	0.73	1.49	1.02	2.67
15(ii). Earnings Per Share (EPS) (after Extraordinary items) (of Re. 1/- each)						
c) Basic EPS	1.14	0.36	0.73	1.49	1.02	2.67
d) Diluted EPS	1.14	0.36	0.73	1.49	1.02	2.67
Particulars of Shareholdings						
16 Public shareholding						
- Number of shares	3,64,61,059	4,28,05,084	4,33,68,614	3,64,61,059	4,33,68,614	4,31,43,928
- Percentage of shareholding	26.25%	29.47%	29.86%	26.25%	29.86%	29.71%
17 Promoters' and promoter group Shareholding						
a) Pledged/Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoters' and promoter	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
b) Non-encumbered						
- Number of shares	10,24,30,692	10,24,30,692	10,18,67,162	10,24,30,692	10,18,67,162	10,20,91,848
- Percentage of shares (as a % of the total shareholding of promoters' and promoter	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	73.75%	70.53%	70.14%	73.75%	70.14%	70.29%
18. Investors' Complaints						
Pending at the beginning of the period	NIL	NIL	NIL	NIL	1	1
Received during the period	11	NIL	3	11	5	11
Disposed off during the period	11	NIL	3	11	6	12
Remaining unresolved at the end of the period	NIL	NIL	NIL	NIL	NIL	NIL
Notes:-	<p>1) The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its Meeting held on Saturday 26th October, 2013. The results for the quarter and half year ended 30th September, 2013 have been reviewed by the Statutory Auditors of the Company.</p> <p>2) The Company obtained approval from the shareholders, by way of Postal Ballot process on 21st June, 2013 and from SEBI on 2nd July, 2013 to buyback the shares of the Company at a price not exceeding Rs. 90/- per share of upto a maximum of 75,00,000, fully paidup equity shares of Re. 1/- each. Pursuant to this the Company has bought back 63,88,944 shares upto 30th September, 2013. The amount utilised for buyback is Rs. 5,046.76 Lacs. Out of the said equity shares bought back 44,919 equity shares have been extinguished post 30th September 2013.</p> <p>3) The Company has exposure to National Spot Exchange Limited (NSEL) of Rs 136 Lacs with respect to the funded positions. NSEL has not been able to adhere to its payment obligations over the past few months. The Group has perused legal action against NSEL and others by filing writ petition in Bombay High court and Criminal complaint in Economic Offences Wing (EOW). Pending final outcome which is uncertain, the Company has provided for an amount of Rs 45.21 Lacs in respect of its funded positions for the quarter and half year ending 30th September 2013 which is disclosed under the head "Exceptional items".</p> <p>4) CRISIL has re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programme of the company for Rs. 1.5 billion. ICRA has re-affirmed the rating of "PP-MLD[ICRA]AA-" (pronounced 'CRISIL double A minus rating with Stable Outlook') to the Long Term Debt Programme of the company for Rs. 25 Crores.</p> <p>5) The Board of directors at its meeting held on October 26, 2013 has declared an interim dividend of Re. 1/- per equity share (On face value of Re. 1/- each equity share) for the financial year 2013-14.</p> <p>6) The Company is engaged in single segment of financing and other activities as defined in AS-17, hence segment reporting is not applicable to the Company.</p> <p>7) The previous financial quarter / period ended figures have been regrouped/rearranged wherever necessary to make them comparable.</p>					



**8) STATEMENT OF ASSETS & LIABILITIES ( STANDALONE )**

Particulars	As on	
	Unaudited	Audited
	30-09-2013	31-03-2013
<b>A. Liability</b>		
1. Shareholders' Fund		
a) Share Capital	1,389	1,452
b) Reserves & Surplus	52,823	55,361
Sub-total - Shareholders' funds	54,212	56,813
2. Non-current liabilities		
a) Long-term borrowings	2,500	2,500
b) Deferred tax liabilities (net)	325	365
c) Long-term provisions	15	19
d) Other long term liabilities	48	-
Sub-total - Non-current liabilities	2,888	2,884
3. Current liabilities		
a) Short-term borrowings	17,275	12,530
b) Other current liabilities	696	505
c) Short-term provisions	1,445	2,573
Sub-total - Current liabilities	19,417	15,609
<b>Total - Equity And Liabilities</b>	<b>76,517</b>	<b>75,306</b>
<b>B. Assets</b>		
1. Non-current assets		
a) Fixed assets	14,875	15,226
b) Non-current investments	12,473	11,969
c) Long-term loans and advances	612	289
Sub-total - Non-current assets	27,959	27,484
2. Current assets		
a) Cash and bank balances	117	1,122
b) Short-term loans and advances	48,108	42,159
c) Other current assets	333	4,541
Sub-total - Current assets	48,558	47,822
<b>Total - Assets</b>	<b>76,517</b>	<b>75,306</b>



On behalf of the Board of Directors  
Motilal Oswal Financial Services Limited

*[Signature]*

Motilal Oswal

Chairman & Managing Director

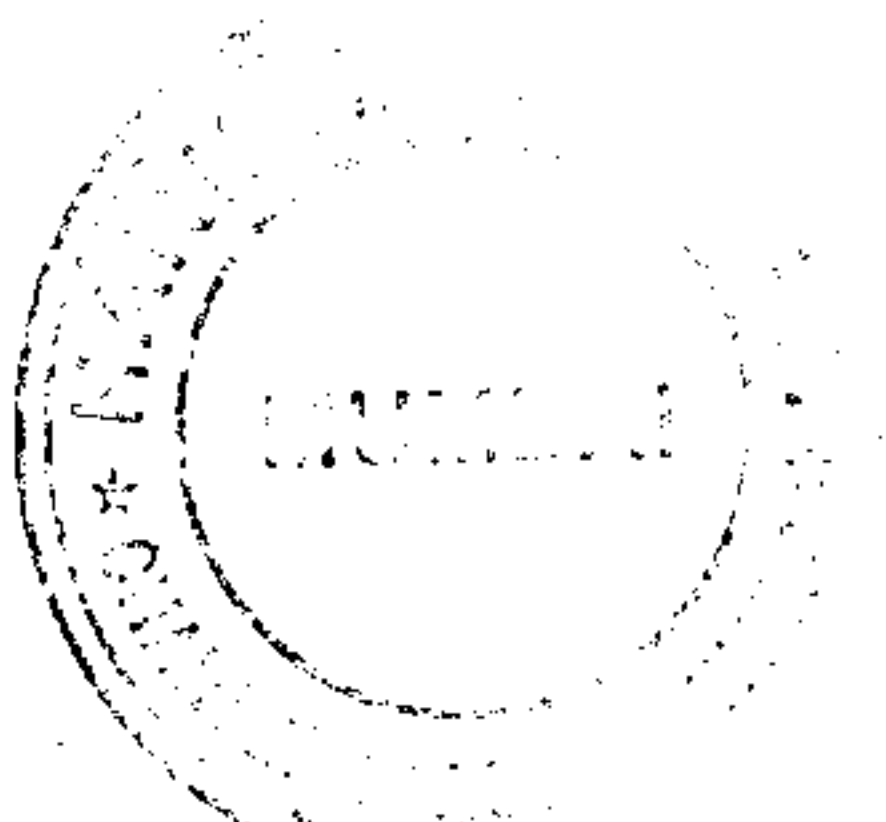
Mumbai, 26th October 2013

shareholders@motilaloswal.com

## Consolidated Limited Review Report

**Review Report to  
The Board of Directors  
Motilal Oswal Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Motilal Oswal Financial Services Limited ('the Company') and its subsidiaries (collectively referred to as "the group") for the quarter ended 30<sup>th</sup> September, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw attention to the following:  
Note no. 3 of the notes to unaudited consolidated financial results with respect to exposure of the Group towards proprietary and funded positions with National Spot Exchange Limited (NSE) amounting to Rs. 3,895 lacs (net of provision of Rs 1,948 lacs). The Group has filed a writ petition in the Bombay High Court and a complaint with Economic Offences Wing in the said matter.  
Our report is not qualified with respect to the above.
4. In respect of unaudited quarterly consolidated financial results, we did not review the statement of unaudited financial results of nine subsidiaries, whose unaudited quarterly financial results reflect total revenue of Rs 1,834 Lacs for the quarter ended 30<sup>th</sup> September 2013 and total assets of Rs 39,839 Lacs as at 31<sup>st</sup> September 2013. The financial information for these subsidiaries have been reviewed by the other auditors whose reports have been furnished to us, and our opinion on the quarterly financial results is based solely on the reports of the other auditors.



# HARIBHAKTI & CO.



Chartered Accountants

5. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards [Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies] has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W

  
  
Rakesh Rathi  
Partner

Membership No.: 045228

Mumbai

26th October, 2013



# HARIBHAKTI & CO.

Chartered Accountants

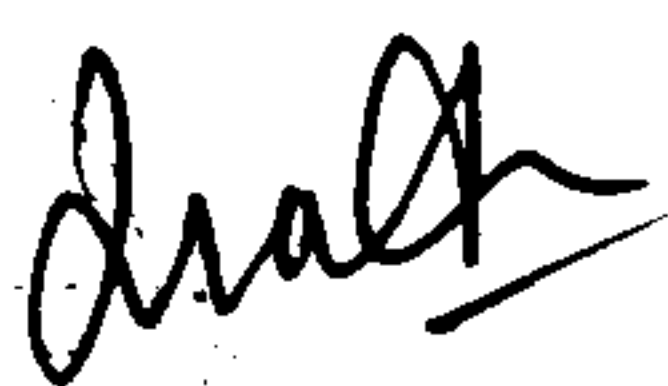
## Limited Review Report

**Review Report to  
The Board of Directors  
Motilal Oswal Financial Services Limited**

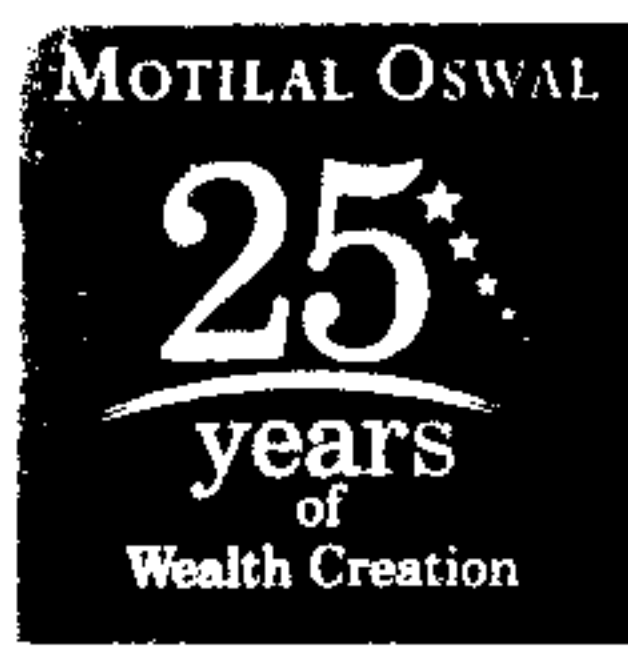
1. We have reviewed the accompanying statement of unaudited financial results of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended 30<sup>th</sup> June, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards [Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies] has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Haribhakti & Co.**  
Chartered Accountants  
Firm Registration No.103523W





**Rakesh Rathi**  
Partner  
Membership No.: 045228  
Mumbai  
26<sup>th</sup> October, 2013



## **INVESTOR UPDATE**

### **Motilal Oswal Financial Services reports Q2 FY14 Consolidated Revenues of ₹1.2 billion; Adjusted PAT of ₹188 million; Interim dividend of ₹1 per share declared**

**Mumbai, Oct 26, 2013:** Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended Sep 30, 2013 post approval by the Board of Directors at a meeting held in Mumbai on Oct 26, 2013.

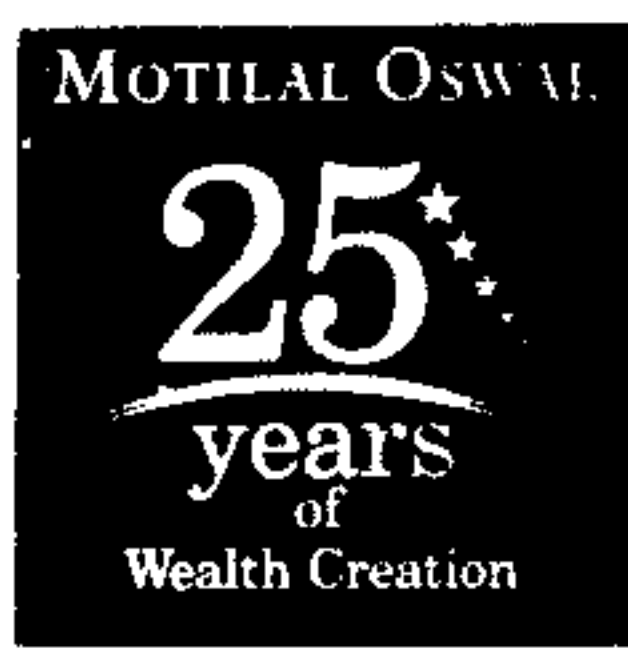
#### **Performance Highlights**

₹Million	Q2 FY14	Comparison (Q1 FY14)
Total Revenues	1,160	↑5%
EBIDTA	358	↑1%
Adjusted PAT	188	↑2%
Reported PAT	56	↓70%
EPS- ₹(FV of ₹1)	0.5	

#### **Performance for the Quarter ended Sep 30, 2013**

- Revenues in Q2 FY14 were ₹1.2 billion (up 5% QoQ and up 2% YoY)
- Adjusted PAT was ₹188 million (up 2% QoQ and down 18% YoY)
- Reported PAT in Q2 FY14 was ₹56 million (down 70% QoQ and down 75% YoY). Motilal Oswal Group has exposure to National Spot Exchange Limited (NSEL) of ₹570.7 million with respect to the proprietary positions and ₹13.6 million with respect to funded positions. NSEL has not been able to adhere to its payment obligations over the past few months. Motilal Oswal Group has perused legal action against NSEL and others by filing writ petition in Bombay High Court and criminal complaint in Economic Offences Wing (EOW). Pending final outcome which is uncertain, the Company has provided for an amount of ₹131.6 million (post tax) in respect of its proprietary and funded positions for the quarter and half year ending Sept 2013 which is disclosed under the head "Exceptional Items"
- EBITDA and Adjusted PAT margins for Q2 FY14 were 31% (32% in Q1 FY14) and 16% (17% in Q1 FY14) respectively
- The balance sheet had net worth of ₹12.0 billion and net cash of ₹1.7 billion, as of Sep 30, 2013
- Pursuant to the commencement of the buy-back programme of the company's shares at a price not exceeding ₹90 per share of upto a maximum of 7.5 million shares, the company has bought back 6.4 million shares as of Sep 2013
- Interim dividend of ₹1 per share was declared





**Speaking on the performance of the company, Mr. Motilal Oswal, CMD said.**

*"Markets were very volatile this quarter, on the back of domestic news and global events, especially in USA. Improvement in WPI inflation, as seen in the earlier part of the quarter, has not sustained. Markets might get some cheer in coming months with the new cabinet committee possibly turning the wheels of some stalled projects. Market volumes in the hi-yield cash segment, including delivery, increased QoQ. We succeeded in holding our market share in this space, reaffirming our well entrenched position in this profitable segment. Net inflows from FIIs slowed down this quarter, with July and August seeing net outflows. DIIs continued to see net outflows. Primary market activities have largely dried up. M&A and PE deal values also slowed down. Despite these challenges, we continue to invest in people, technology and processes which we believe will lay the foundation for growth as market activity picks up."*

**Segment results for Q2 FY14:**

- **Broking and related revenues** were ₹732 million in Q2 FY14, up 8% on a QoQ basis and flat on a YoY basis. Daily volumes in the equity markets reached a high of ₹2.2 trillion in Q2 FY14, led by a 15% QoQ growth in both futures and options. Options now comprise over 78% of market volumes, while futures comprise over 15%. Cash volumes were up by 9% QoQ, led by increased volumes in August and September. It now comprises 6.2% of market volumes, marginally down from 6.5% in the previous quarter. Within cash, the delivery segment showed an 11% uptick and held its share of market volumes at ~2%. Given the continued disproportionate rise of derivatives volumes in the market, our overall equity market share dipped from 1.7% to 1.4% on a QoQ basis. However, we continue to maintain our market share in the cash segment, and have in fact, gained market share in the high-yield delivery segment specifically. Due to this, our blended yield has in fact picked up to 3.7 bps in Q2 FY14, up from 3.4 bps in Q1FY14
- **Fund based income** was ₹179 million, down 33% from Q1 FY14 and down 16% from Q2 FY13. The loan book was ₹4.4 billion, as of Sep 2013
- **Asset Management fee** were ₹206 million for Q2 FY14, up 63% QoQ and up 52% YoY. The uptick was largely owing to incremental fees related to our new private equity fund – IBEF-II, which saw its final close during this quarter
- **Investment banking fees** at ₹35 million, up 50% YoY. Transaction closures remain impacted as multiple macro concerns continue to affect the investment mood in the economy
- **Other income** was ₹8 million in Q2 FY14

**Business Highlights for Q2 FY14**

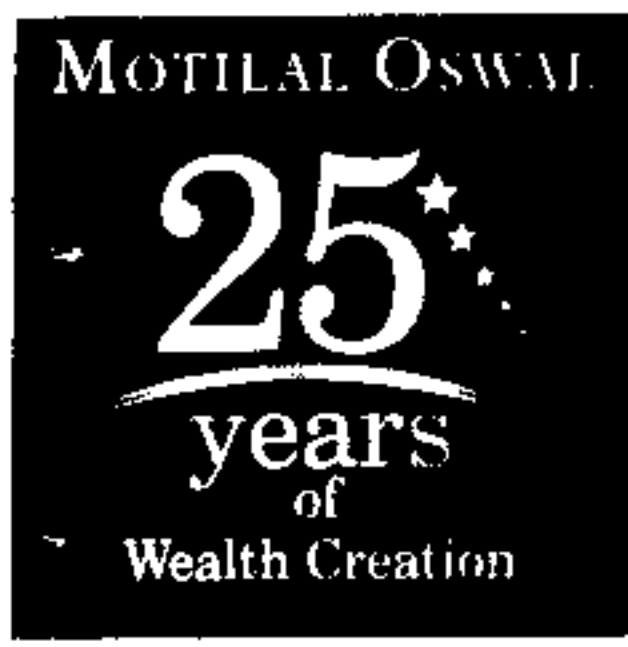
- Total client base increased to 786,688 which includes 690,011 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,495 business locations across 511 cities



- Total Assets under Management for the Group were ~₹33.0 billion. Within this, our mutual funds AUM was ₹4.1 billion, PE AUA was ~₹17.0 billion, while PMS AUM was ₹11.9 billion
- Private Wealth Management managed assets of ~₹20.5 billion, as of Sep 2013
- Depository assets were ₹110.0 billion, as of Sep 2013
- Motilal Oswal Private Equity made the final close of its 2nd growth capital fund – IBEF II with total commitments of approximately ₹9.5 billion raised from both domestic and offshore investors
- MOSL bagged Best Performing Equity Broker (National) Award at CNBC TV18 Financial Advisor Awards for 3rd year in a row
- Institutional Equities conducted the 9th Annual Global Investor Conference in Mumbai
- We are investing into building a new housing finance company – Aspire Home Finance Corporation Limited. This will be led by Anil Sachidanand, who was previously with DHFL as CEO and brings with him 22 years of rich experience in the mortgage space. We are currently in the process of obtaining the necessary approvals for commencement of this business. It will be our endeavor to build a high quality institution with a strong value proposition which we believe can help us capture a sizable portion of this opportunity and add significant value for all stakeholders

#### **About Motilal Oswal Financial Services Limited**

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFSL, BSE: 532892, BLOOMBERG: MOFS IN) is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail. Its services and product offerings include wealth management, retail broking and distribution, institutional broking, asset management, investment banking, private equity, commodity broking and principal strategies. The company distributes these products through 1,495 business locations spread across 511 cities and the online channel to over 786,688 registered customers. MOFSL has strong research capabilities, which enables them to identify market trends and stocks with high growth potential, facilitating clients to take well-informed and timely decisions. MOFSL has been ranked by various polls such as the Best Local Brokerage 2005, Most Independent Research - Local Brokerage 2006 and Best Overall Country Research - Local Brokerage 2007 in Asia Money Brokerage Polls for India. MOSL won 4 awards in the ET-Now Starmine Analyst Awards 2010-11, placing it amongst the Top-3 award winning brokers, was ranked No. 2 by AsiaMoney Brokers Poll 2010 in the Best Local Brokerage Category and won the 'Best Market Analyst' Award for 2 sectors at the India's Best Market Analyst Awards 2011. MOFSL won the 'Best Capital Markets and Related NBFC' award at the CNBC TV18 Best Banks and Financial Institutions Awards 2011. MOSL also won the 'Best Equity Broking House' award for FY11 at the Dun & Bradstreet Equity Broking Awards 2011. MOSL won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards 2013, for the 3<sup>rd</sup> year in a row.



Motilal Oswal Financial Services Ltd.  
Regd. Office : Palm Spring Centre, 2nd Floor,  
Palm Court Complex, New Link Road,  
Malad (W), Mumbai - 400 064.  
Tel.: +91 22 3080 1000 / 01  
Fax : +91 22 2844 9002

MOSL won 'Best Equity Broker' award at Bloomberg UTV Financial Leadership Awards 2012, 'Retailer of the Year (Banking & Financial Services) award at Retail Excellence Awards 2012, and was ranked 2nd in the "Best Overall Brokerage" category by Asia Money in 2011. Motilal Oswal Private Equity won 'Best Growth Capital Investor-2012' award at the Awards for Private Equity Excellence 2013. MOSL was adjudged amongst the Top 20 innovators in BFSI for 'Leveraging on technology in enhancing customer experience' at the Banking Frontiers Finnovity Awards 2012, and won the 'Quality Excellence for Best Customer Service Result' award at National Quality Excellence Awards 2013

For further details contact:

Mr. Hari Krishnan	Mr. Sameer Kamath	Mr. Anirudh Rajan / Alpesh Nakrani
Motilal Oswal Financial Services	Motilal Oswal Financial Services	Paradigm Shift Public Relations
Ph - +91-22-39825500	Ph - +91-22-39825500	Mob- +91-9892343828/ +91-9869121167
Mob- +91-9820520392	Mob- +91-9820130810	Tel- +91-22 22813797 / 98

**Mr. Motilal Oswal**  
Chairman & Managing Director  
Motilal Oswal Financial Services Limited