

3rd February, 2016

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai-400 001

**The National Stock Exchange of
India Limited**

Bandra Kurla Complex,
Bandra East,
Mumbai - 400 051

Dear Sir/Madam,

Ref: Stock Code: 532892/MOTILALOF5

Sub: Unaudited Financial Results as per Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Please find attached the Unaudited Standalone Financial Results of the Company and the Unaudited Consolidated Financial Results of the Company and its subsidiaries for the third quarter and nine months ended 31st December, 2015 along with the Segment wise Results as per Regulation 30 and 33 of the Listing Regulations duly approved by the Board of Directors at the Meeting held on 3rd February, 2016. Also, find the attached Limited Review Report on the aforesaid financial statements duly signed by M/s. Haribhakti & Co. LLP, Statutory Auditors of the Company.

Thanking You

Yours Faithfully
For Motilal Oswal Financial Services Limited



Murli Krishnan Iyer
Company Secretary and Compliance Officer
(PAN: AAHPI7831G)

Encl: as above

Limited Review Report (Standalone)

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 December 31, 2015 ("the Statement"). 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 the Statement 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 Statement is 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, prepared in accordance with applicable accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Amit Hundia

Partner

Membership No.: 120761



Place: Mumbai

Date: February 03, 2016.

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER 2015

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
1. Income from Operations						
a. Income from Operations	3,423	3,991	2,880	9,331	10,688	12,838
b. Other Operating Income	7	9	4	24	24	33
Total Income from Operations (Net)	3,430	4,000	2,884	9,355	10,712	12,871
2. Expenditure						
a. Operating expense	17	19	38	57	155	203
b. Employees' benefit expense	218	200	174	623	510	742
c. Depreciation and amortisation expenses	188	188	208	562	613	817
d. Provision for Standard, Sub standard and Doubtful asset/write offs	48	433	(12)	495	376	769
e. Rates & Taxes	(21)	24	280	36	264	312
f. Other expenditure	108	137	112	416	397	586
Total expenses	558	1,001	778	2,189	2,316	3,429
3. Profit from Operations before Other income, finance cost & Exceptional Items (1-2)	2,872	2,999	2,106	7,166	8,397	9,442
4. Other Income	11	34	12	59	34	49
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	2,883	3,033	2,118	7,225	8,431	9,491
6. Finance Cost	620	676	790	2,179	2,029	2,958
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	2,263	2,357	1,328	5,046	6,402	6,533
8. Exceptional items - (Expense)/income	-	-	-	-	-	-
9. Profit from Ordinary Activities before tax (7-8)	2,263	2,357	1,328	5,046	6,402	6,533
10. Tax expense	385	(7)	297	647	604	483
11. Net Profit from Ordinary Activity after tax (9-10)	1,878	2,364	1,031	4,399	5,798	6,050
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13. Net Profit after tax	1,878	2,364	1,031	4,399	5,798	6,050
14. Paid-up equity share capital (Face Value of Re 1/- Per share)	1,421	1,417	1,394	1,421	1,394	1,402
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						56,076
15(i). Earnings Per Share (EPS) (before Extraordinary Items) (of Re. 1/- each)						
a) Basic EPS	1.33	1.67	0.74	3.11	4.18	4.36
b) Diluted EPS	1.30	1.64	0.73	3.04	4.10	4.25
15(ii). Earnings Per Share (EPS) (after Extraordinary Items) (of Re. 1/- each)						
c) Basic EPS	1.33	1.67	0.74	3.11	4.18	4.36
d) Diluted EPS	1.30	1.64	0.73	3.04	4.10	4.25

Notes:

- 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 Wednesday, 03rd February, 2016. There are no qualification in the auditor's report for these periods. The information presented above is extracted from the unaudited financial statements as stated.
- Pursuant to the exercise of Employee Stock Option Scheme, the company has allotted 4,53,000 and 19,48,400 equity shares to the employees during the quarter and nine month ended 31st December, 2015
- The Company is engaged in single segment "Fund based Activities" as defined in AS-17, hence segment reporting is not applicable to the Company.
- The previous financial quarter/nine month/ year ended figures have been regrouped/rearranged wherever necessary to make them comparable.
- The company's long term investments in Motilal Oswal's mutual fund products stands at Rs. 21,385 lakhs as of 31st December, 2015 and Rs. 23,317 Lakhs as of 31st March,2015. The unrealized gain on these investments is Rs. 6,304 lakhs as of 31st December 2015 (versus Rs. 6,076 lakhs as of March 2015). The long term investments are valued at cost and hence it is not reflected in the profit and loss account for the year and quarter ended 31st December 2015.
- The Company had issued and allotted 137,250 equity shares on 21st December, 2015 under Employee Stock Option Schemes. However, the corporate action for such shares was initiated in January, 2016 and said shares got credited on 6th January, 2016.
- The Board of Directors at its meeting held on 03rd February 2016, has declared an interim dividend of Rs. 2 per equity share (on face value of Rs.1/- per equity share) for the Financial year 2015-16.

Mumbai, 03rd, February, 2016
 shareholders@motilaloswal.com



For and on behalf of the Board of
 Motilal Oswal Financial Services Ltd.

[Signature]
 Motilal Oswal
 Chairman & Managing Director
 (DIN 00024503)



Limited Review Report (Consolidated)

Review Report to

The Board of Directors

Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 associates for the quarter ended December 31, 2015 ("the Statement"). 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 the Statement 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 Statement is 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 believe that the review procedures performed by us and performed by the other auditors in terms of their report referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our reporting on the Statement.
4. Based on our review conducted as above, and on consideration of the reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 5 of the Companies (Account) Rules, 2014 and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results of twelve subsidiaries included in the Statement, whose financial results reflects total revenue of Rs. 13,739.74 lacs and total profit after tax (net) of Rs.1,890.96 lacs for the quarter ended December 31, 2015 , as considered in the Statement. These financial results have been reviewed by the other auditors whose reports



HARIBHAKTI & CO. LLP

Chartered Accountants

have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

6. The Statement also includes Group's share of profit after tax of Rs. 185.75 lacs for the quarter ended December 31, 2015, as considered in the Statement, in respect of an associate, whose financial results have not been reviewed by us. This financial results is not reviewed by its auditor and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the associate, is based solely on such un-reviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group including its associate.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Amit Hundia

Partner

Membership No.: 120761



Place: Mumbai

Date: February 03, 2016.

MOTILAL OSWAL FINANCIAL SERVICES LIMITED
Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
Tel: +91-22-39804200, Fax: +91-22-33124997 Email: shareholders@motilaloswal.com
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER 2015.

Particulars	(Rs. in Lakhs)					
	Quarter Ended (Unaudited)			Nine Month Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
I. Income from Operations						
(a) Income from Operations	25,133	23,126	17,148	67,235	49,211	71,143
(b) Other Operating Income	3,336	2,782	1,412	7,967	3,757	5,753
Total Income from Operations (Net)	28,469	25,908	18,560	75,202	52,968	76,896
2. Expenditure						
(a) Operating expense	6,022	6,560	4,171	17,325	13,415	19,454
(b) Employees' benefit expense	6,391	5,736	5,102	17,952	12,700	19,016
(c) Depreciation and amortisation expenses	955	835	748	2,555	2,129	3,067
(d) Other expenditure	4,181	4,203	3,150	12,009	9,380	13,081
Total expenses	17,549	17,334	13,171	49,841	37,624	54,618
3. Profit from Operations before Other Income, finance cost & Exceptional	10,920	8,574	5,389	25,361	15,344	22,278
4. Other Income	836	708	30	1,621	240	376
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	11,756	9,282	5,419	26,982	15,584	22,654
6. Finance Cost	4,895	3,676	759	10,835	1,441	3,094
7. Profit from ordinary activities after finance cost but before Exceptional Items	6,861	5,606	4,660	16,147	14,143	19,560
8. Exceptional Items - (Expense)/Income	-	-	-	-	-	-
9. Profit from Ordinary Activities before tax (7-8)	6,861	5,606	4,660	16,147	14,143	19,560
10. Tax expense	1,957	1,401	1,022	4,313	3,919	5,233
11. Net Profit from Ordinary Activities after tax but before Share of Profit	4,904	4,205	3,638	11,834	10,224	14,327
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13. Net Profit after tax	4,904	4,205	3,638	11,834	10,224	14,327
14. Share of Profit of Associate	186	189	-	541	-	221
15. Share of minority interests in (profits)/ loss	(78)	(55)	(48)	(185)	(162)	(190)
16. Net Profit after tax and Share of Profit from Associate and Minority	5,012	4,339	3,590	12,190	10,062	14,358
17. Paid-up equity share capital	1,421	1,414	1,394	1,421	1,394	1,402
(Face Value of Re. 1/- Per Share)						
18. Reserves excluding Revaluation Reserves	-	-	-	-	-	1,28,084
19. i. Earnings Per Share (EPS) (before Extraordinary Items) (of Re. 1/- each)						
a) Basic EPS	3.54	3.06	2.62	8.62	7.38	10.34
b) Diluted EPS	3.45	3.01	2.57	8.43	7.23	10.10
19. ii. Earnings Per Share (EPS) (after Extraordinary Items) (of Re. 1/- each)						
c) Basic EPS	3.54	3.06	2.62	8.62	7.38	10.34
d) Diluted EPS	3.45	3.01	2.57	8.43	7.23	10.10

Notes:

- 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 Wednesday, 3rd February, 2016. The results for the nine months ended 31st December, 2015 have been reviewed by the Statutory auditors of the Company.
- Pursuant to the exercise of Employee Stock Option Scheme, the company has allotted 4,53,000 and 19,48,400 equity shares to the employees during the quarter and nine month ended 31st December, 2015.
- "The consolidated results of the Company include the results of the subsidiaries - Motilal Oswal Securities Limited (100%), Motilal Oswal Investment Advisors Private Limited (100%), MOPE Investment Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (100%), Motilal Oswal Capital Markets Private Limited (100%), Motilal Oswal Wealth Management Limited (100%), Motilal Oswal Insurance Brokers 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 Capital Markets (Singapore) Pte. Ltd (100%), Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Real Estate Investment Advisors Private Limited (76.50%), Motilal Oswal Real Estate Investment Advisors II Private Limited (68.85%), Aspire Home Finance Corporation Limited (97.27%), India Business Excellence Management Co (85.00%), Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (100%) and an Associate India Realty Excellence Fund II - (i.e. IREF II)".
- The subsidiary of the Company, Aspire Housing Finance Corporation Ltd. has issued Non-Convertible Debentures aggregating to Rs. 73,000 lakhs during the nine month period and Rs. 16,500 lakhs during the quarter by way of a private placement. These debentures are listed on BSE Limited.
- During the quarter, 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. 25,000 lakhs. CRISIL 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. 70,000 lakhs. ICRA has re-affirmed the rating of ICRA AA rating with stable outlook (pronounced ICRA double A rating with Stable Outlook) to the Long Term Debt Programme of the company for Rs. 15,000 lakhs.
- The Company had issued and allotted 137,250 equity shares on 21st December, 2015 under Employee Stock Option Schemes. However, the corporate action for such shares was initiated in January, 2016 and said shares got credited on 6th January, 2016.
- The Board of Directors at its meeting held on 03rd February 2016, has declared an interim dividend of Rs. 2 per equity share (on face value of Re. 1/- per equity share) for the Financial year 2015-16.
- The group's long term investments in Motilal Oswal's mutual fund products stand at Rs. 58,434 lakhs as of 31st December, 2015 (versus Rs. 55,145 lakhs as of 31st March, 2015). The unrealized gain on these investments is Rs. 16,592 lakhs as of 31st December, 2015 (versus Rs. 16,151 lakhs as of 31st March 2015). The long term investments are valued at cost and hence it is not reflected in the profit and loss account for the quarter and nine months ended 31st December 2015 and year ended on 31st March 2015.



[Handwritten Signature]



9) Standalone financial results are summarised below and also available on the Company's website: www.motilaloswal.com

Particulars	Quarter Ended (Unaudited)			Nine Month Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Gross Revenue	3,441	4,034	2,896	9,414	10,746	12,920
Profit Before Tax	2,263	2,357	1,328	5,046	6,402	6,533
Profit After Tax	1,878	2,364	1,031	4,399	5,798	6,050

10) Consolidated unaudited segment results for the quarter and nine month ended 31st December 2015

Particulars	Quarter Ended (Unaudited)			Nine Month Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
1. Segment Revenue						
(a) Broking & Other related activities	14,649	14,827	12,873	42,494	37,761	54,047
(b) Fund Based activities	10,415	9,243	4,967	25,010	12,259	15,629
(c) Asset Management & Advisory	6,275	6,110	3,330	16,790	8,050	14,283
(d) Investment Banking	377	757	172	1,635	1,062	2,006
(e) Unallocated	242	194	14	529	50	89
Total	31,958	31,131	21,356	86,458	59,182	86,054
Less: Inter Segment Revenue	2,362	4,214	2,766	8,786	5,975	8,561
Income From Operations, Other Operating income & Other Income	29,596	26,917	18,590	77,672	53,207	77,493
2. Segment Results Profit / (Loss) before tax and interest from Each segment						
(a) Broking & Other related activities	2,765	3,136	2,689	7,873	7,934	13,406
(b) Fund Based activities	4,225	3,938	3,118	10,254	6,984	7,057
(c) Asset Management & Advisory	1,508	1,207	348	3,511	673	1,990
(d) Investment Banking	(182)	303	(320)	50	(343)	78
(e) Unallocated	(107)	(2,057)	(927)	(2,519)	(551)	(1,813)
Total	8,209	6,527	4,908	19,169	14,697	20,718
Less: (i) Interest	1,058	618	246	2,172	552	936
(ii) Other Un-allocable Expenditure net off						
(iii) Un-allocable income						
Profit/(Loss) from Ordinary Activities before Tax	7,151	5,909	4,662	16,997	14,145	19,782
3. Capital Employed						
(Segment assets - Segment Liabilities)						
(a) Broking & Other related activities	71,456	67,889	35,772	71,456	35,772	33,828
(b) Fund Based activities	1,24,009	1,07,618	97,655	1,24,009	97,655	1,04,422
(c) Asset Management & Advisory	11,066	11,754	8,462	11,066	8,462	8,790
(d) Investment Banking	547	601	480	547	480	441
(e) Unallocated	(62,285)	(48,724)	(13,261)	(62,285)	(13,261)	(17,996)
Total	1,44,793	1,39,138	1,29,108	1,44,793	1,29,108	1,29,485

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

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

Mumbai, 3rd February, 2016
shareholders@motilaloswal.com



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

[Signature]

Motilal Oswal
Chairman & Managing Director
(DIN 00024503)



3rd February, 2016

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai-400 001

The National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra East
Mumbai - 400 051

Dear Sir,

Ref: Stock Code: 532892/MOTILALOFS

Sub: Press Release

Please find attached the duly signed Press Release of the Company issued after the Board Meeting of the Company held on 3rd February, 2016.

Thanking You

Yours Faithfully
For Motilal Oswal Financial Services Limited



Murli Krishnan Iyer
Company Secretary and Compliance Officer
(PAN: AAHPI7831G)

Encl: as above

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q3FY16 Consolidated Revenues of ₹3.0 billion, up 59%YoY; PAT of ₹501 million, up 40%YoY

Mumbai, Feb 3, 2016: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended Dec 31, 2015 post approval by the Board of Directors at a meeting held in Mumbai on Feb 3, 2016.

Performance Highlights

₹Million	Q3FY16	Comparison (Q2FY16)	Comparison (Q3FY15)
Revenues	2,960	↑10%	↑59%
PBT	715	↑21%	↑53%
PAT	501	↑15%	↑40%
Diluted EPS - ₹(FV of ₹1)	3.5		

Performance for the Quarter ended Dec 31, 2015

- Consolidated revenues were ₹3.0 billion in Q3FY16 (up 10% QoQ and up 59% YoY)
- Consolidated PAT was ₹501 million (up 15% QoQ and up 40% YoY)
- PBT and PAT margins were 24% (22% in Q2FY16 and 25% in Q3FY15) and 17% (16% in Q2FY16 and 19% in Q3FY15) respectively
- Consolidated revenues (ex Aspire Housing Finance) were ₹2.3 billion in Q3FY16 (up 4% QoQ and up 29% YoY)
- Consolidated PAT (ex Aspire Housing Finance) was ₹408 million (up 20% QoQ and up 18% YoY)
- Balance sheet had net worth of ₹14.5 billion and gross borrowings of ₹22.1 billion, as of Dec 2015. Borrowings in MOFSL (ex Aspire Housing Finance) stands at ₹8.9 billion, as of Dec 2015
- ROE for Q3FY6 was 14.1% on reported PAT. However, this does not include unrealized gains on investments in Motilal Oswal's mutual fund products (₹1.7 billion, as of Dec 2015)
- Declared interim dividend of ₹2 per equity share (Face value of ₹1 per equity share)

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

"Several macro, environment & political challenges persisted during the quarter, which impacted market sentiment and performance. However, our investments into competencies and skills during the recent quarters are leading to tangible business outcomes. Our equity market share has increased in both the cash and F&O segments, despite market



Motilal Oswal Financial Services Ltd.
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Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.
Board: +91 22 3980 4200 Fax: +91 22 3312 4997
CIN: L67190MH2005PLC153397

challenges. Our digital business is gaining traction, which is reflective of our efforts into building these capabilities. On the back of our investment performance, our asset management business continues to improve its ranking in equity AUM and is finding growing acceptance from an increasing number of distributors. The private equity business is adding scale with a new fund launch. Aspire Home Finance is seeing good traction in disbursements, along with operational excellence. It has already won accolades at few industry award forums. Building critical mass and a meaningful presence in the annuity-based asset management business and the stable housing finance business have been two of our biggest achievements over the past year. Both these businesses are sharply focused in terms of segmentation and customer value proposition, and offer the potential to scale up meaningfully if executed well. With our investments into specific capabilities now leading to business results, we remain optimistic in our ability to capture the growth opportunities as they unfold further."

Performance of Business Segments for the Quarter ended Dec 31, 2015

- **Traditional capital markets businesses (retail and institutional broking, wealth management and investment banking) are delivering business results following investments into people, technology and processes**
 - **Broking and related revenues** (which includes broking and wealth management) were ₹1.3 billion in Q3FY16, up 1% QoQ and up 13% YoY. In Q3FY16, overall cash market ADTO at ₹188 billion were down 10% QoQ and 4% YoY. Retail cash volumes were down 5% QoQ and 4% YoY. Institution cash volumes were down 14% QoQ and 7% YoY. FII's net sold equities in 6 months of 9MFY16, while DIIs have net bought equities. Proactive investments and focus on this business has driven a meaningful traction in our equity market share to 2.3% in Q3FY16, from 1.8% in Q2FY16 and 1.3% in Q3FY15. This increase encompasses both cash and F&O segments, on both QoQ and YoY basis. The blended yield has remained stable on a QoQ basis. In retail broking, with digital transformation at its inflection, we invested into several technology initiatives. We launched India's First 15-Minutes Trading & Demat Account using Paperless-eKYC "Aadhar-Integrated" process, which will enable clients to start trading instantly. We revamped our Mobile Trading App with new features like superfast trading, multi-asset watchlist and one-time login. We launched our all-new broking portal with Single sign-on to trade, Quick order-execution window and Instant portfolio restructuring. Our digital business is gaining traction. We continued to invest in quality advisors, across dedicated advisory desks. We improved our retail market share and sustained our retail client-activation ratio in 3QFY16, despite market challenges. The monthly runrate in retail client addition in 9MFY16 was ~2X of the FY14 average and ~1.2X of the FY15 average. In institutional broking, our focus on research, sales and trading are paying dividends. We were ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services and Best Roadshows/Company Visits and amongst the Top-3 in Best Local Brokerage, Best Execution and Sales Trading Visits at the AsiaMoney Awards 2015. We won 3 research awards at Zee India Best Market Analyst Awards, the highest tally so far. Large-sized blocks are picking up within sales trading. We completed the 20th Motilal Oswal Wealth Creation Study on "Mid-to-Mega: The Power of Industry Leadership in Wealth Creation", in line with the Group's long-standing motto of "Knowledge First".



Motilal Oswal Financial Services Ltd.
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.
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CIN: L67190MH2005PLC153397

- **Wealth management** assets were up 68% YoY to ₹61.1 billion. It had a 68-member sales and advisory team as of Dec 2015, up from 64 in Sep 2015 and 43 in Dec 2014. We continued to ramp up our advisory and sales capabilities, and diversifying our HNI client base in terms of AUM concentration with Top-100 clients. Few large clients were added during Q3FY16. This business contributed significantly to the fund raise of IREF III, our latest real estate PE fund. Our yield is better than peers due to the higher proportion of equity assets within the AUM mix.
- **Investment banking fees** were ₹36 million in Q3FY16, up 130% YoY. Our participation in IPOs is gathering steam. Following up on the Pennar and Powermech IPOs in previous quarters, our current IPO pipeline includes Parag Milk Foods, SP Apparels and Nihilent Technologies. DRHPs for the latter two issues were filed last quarter. We are in advanced stages of closure in few deals in M&A and Structured Finance.
- Despite headwinds, the traditional capital markets businesses grew 14% YoY and contributed ~46% of the consolidated revenues this quarter, as compared to ~64% a year ago.
- **Our asset management businesses, both public markets and private equity, are seeing continued traction**
 - **Asset Management fee** were ₹604 million in Q3FY16, up 5% QoQ and up 110% YoY. Total AUM/AUA across mutual funds, PMS and PE businesses was ₹124.8 billion, up 86% YoY. Mutual fund AUM was ₹48.4 billion, up 178% YoY, PMS AUM was ₹52.7 billion, up 86% YoY and PE AUA was ₹23.6 billion, up 11% YoY.
 - In the public market equity business, our rank in equity AUM improved to 13, as of Dec 2015. Weak market sentiments impacted AUM growth, despite clocking amongst the highest net sales (equity MF + PMS) across industry players. Our net inflows were up 82% YoY, from ₹6.0 billion in Q3FY15 to ₹11.0 billion in Q3FY16. This was driven by new distributor relationships and scaling up of the existing distributor relationships. Our PMS as an alternate product is gaining flavour with an increasing number of distributors. We are working on rationalizing pricing to improve margins. Our maiden marketing campaign "*Sirf Ek Sawaal: Why not Motilal Oswal*" was launched across media, signifying our meaningful brand investments to reach out to a large, untapped base of investors.
 - In the private equity business, IBEF I has returned ~114% capital from 3 full-exits and 4 partial-exits so far. It is in advanced stages for 2 exits in the next few months, which may allow the fund to return an additional ~60-70% capital. This would imply that it would have returned ~175%-185% (INR terms) of the capital amount to the investors. The fund expects to divest the balance companies in FY17. We hope to earn a meaningful carry as well as profit on Sponsor commitment in FY17. IREF II has committed ~88% of AUM across established developers. IREF III was launched in this quarter with an AUM target of ₹10 billion. It has evinced good investor interest and is in advanced stages of completing its first close. We hosted the inaugural "Motilal Oswal Real Estate Conclave", on the back of the launch of IREF III.
 - Asset management business (public market equities and private equity together) contributed ~20% of consolidated revenues this quarter, as compared to ~15% a year ago.
- **Housing finance, the recent-most business in our portfolio, is showing traction in disbursements and reach**
 - **Housing Finance related income** was ₹627 million in Q3FY16, up 37% QoQ. Profit for the quarter was ₹94 million vs. ₹95 million in Q2FY16, as total operating costs rose 53% QoQ owing to a 20% QoQ increase in manpower



count and a 14% QoQ increase in the distribution network

- HFC loan book stood at ₹14.1 billion across ~14,000 families as of Dec 2015, as compared to ₹3.6 billion across ~3,500 families as of Mar 2015. ₹4.4 billion were disbursed in Q3FY16, at par with the level achieved in Q2FY16. Cumulative disbursements have crossed ₹14.4 billion, after 6 full quarters of commencing operations. Distribution reach expanded to 42 branches, from 14 in Mar 2015. Maharashtra and Gujarat form ~89% of the loan book.
- Number of banks who have extended sanctioned lines of credit increased from 7 in Mar 2015 to 19 in Dec 2015.
- For 9MFY16, NIM is ~413 bps, RoA is 3.4% and RoE is 13.7%. As of Dec 2015, GNPL is 0.17%, and D/E is 4.8X.
- Capital infusion of ₹0.5 billion was made by the Sponsor in Q3FY16, in addition to the equity commitment of ₹2 billion made till the last quarter.
- Aspire has been notified under SARFAESI Act, which facilitates in smooth recovery of dues.
- It is now a Primary Lending Institution (PLI) under Pradhan Mantri Awaas Yojana (part of Govt. of India's mission of "Housing for All by 2022" for urban poor).
- Focus on operational excellence helped Aspire get ratings of 'CRISIL A+/Stable' & 'ICRA A+ (Positive)'.
- It was awarded "India's Most Admired and Valuable Housing Finance Company" at India Leadership Conclave 2015, "Financial Services Institution of the Year" by ASSOCHAM at ICT 4 Development Awards 2015 and "Agency Innovation of the Year (BFSI Sector)" at the Brand Excellence Awards 2015.
- Housing Finance contributed ~21% of consolidated revenues this quarter, as compared to ~3% a year ago.
- **Fund based activities** include strategic allocation of capital to long term RoE enhancing opportunities like Aspire Home Finance, sponsor commitments to mutual fund and private equity funds of MOFSL, apart from the NBFC loan book.
 - **Fund based income** was ₹345 million in Q3FY16, up 36% QoQ and up 10% YoY.
 - NBFC loan book was ₹3.9 billion. The NBFC lending business is now being run as a spread business.
 - The total borrowings in MOFSL (ex Aspire) were ₹8.9 billion as of Dec 2015. This resulted in interest cost (ex Aspire) of approx ₹170 million in Q3FY16, as compared to ₹70 million in Q3FY15.
 - Our investment in our own mutual fund products is ₹5.8 billion (at cost) and ₹1.7 billion (at cost) in our own private equity products. The unrealized gain on MF investments was ₹1.7 billion, as of Dec 2015. The same is not reflected in the profit and loss account for the year.
- **Other income** was ₹13 million in Q3FY16.




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About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOSF, 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 offerings include traditional capital markets businesses (retail and institutional broking, wealth management and investment banking), asset management (public market equities and private equity), housing finance and fund based business. 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. Motilal Oswal Securities won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards 2014 for the 4th year in a row. It was ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services and Best Roadshows/Company Visits and amongst the Top-3 in Best Local Brokerage, Best Execution and Sales Trading Visits at the AsiaMoney Awards 2015. It has also won three research awards at Zee India Best Market Analyst Awards, 'Best Research as Research Showcase Partner' award at Research Bytes IC Awards 2014, and 'Best Broking House - Institutional Segment and Cash Segment' at the Dun & Bradstreet Equity Broking Awards 2015. Motilal Oswal Private Equity Private Equity won the 'Best Growth Capital Investor-2012' award at the Awards for PE Excellence 2013. Motilal Oswal Private Wealth Management won at the UTI-MF CNBC Financial Advisor Award in HNI Wealth Management category for 2015. Aspire Housing Finance was awarded 'India's Most Admired and Valuable Housing Finance Company' at India Leadership Conclave 2015, 'Financial Services Institution of the Year' by ASSOCHAM at ICT 4 Development Awards 2015, and 'Agency Innovation of the Year (BFSI Sector)' at the Brand Excellence Awards 2015.

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Motilal Oswal Financial Services Limited