

21st July, 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/MOTILALOFS

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 first quarter ended 30th June, 2016 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 21st July, 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

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

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2016

(Rs. In Lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Income from Operations				
a. Income from Operations	3,653	1,629	1,917	10,959
b. Other Operating Income	7	7	8	31
Total Income from Operations	3,660	1,636	1,925	10,990
2. Expenses				
a. Operating expense	29	26	21	85
b. Employee benefit expense	226	281	205	904
c. Depreciation and amortisation expense	174	241	186	802
d. Provision for Standard, Sub standard and Doubtful asset/write offs	125	(107)	14	389
e. Rates & Taxes	35	51	33	88
f. Other expenses	145	105	170	519
Total expenses	734	597	629	2,787
3. Profit from Operations before Other Income, finance cost & Exceptional Items (1-2)	2,926	1,039	1,296	8,203
4. Other Income	39	37	14	96
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	2,965	1,076	1,310	8,299
6. Finance Cost	1,016	774	883	2,954
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	1,949	302	427	5,345
8. Exceptional Items - (Expense)/Income (Refer Note 7)	83	-	-	-
9. Profit from Ordinary Activities before tax (7-8)	2,032	302	427	5,345
10. Tax expense	245	26	268	673
11. Net Profit from Ordinary Activity after tax (9-10)	1,787	276	159	4,672
12. Net Profit after tax	1,787	276	159	4,672
13. Paid-up equity share capital (Face Value of Re 1/- Per share)	1,429	1,422	1,414	1,422
14. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				57,927
15. Earnings Per Share (EPS) (before / after Extraordinary items) (of Re. 1/- each) (not annualised)				
a) Basic EPS (in Rs.)	1.25	0.19	0.11	3.30
b) Diluted EPS (in Rs.)	1.24	0.19	0.11	3.25

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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 Thursday, 21st July, 2016. The results for the quarter ended 30th June, 2016 have been reviewed by the Statutory auditors of the Company.
- 2) Pursuant to the exercise of Employee Stock Option Scheme, the company has allotted 7,32,850 equity shares to the employees during the quarter ended 30th June, 2016.
- 3) The Company is engaged in single segment "Fund based Activities" as defined in AS-17, hence segment reporting is not applicable to the Company.
- 4) The previous financial quarter/ year ended figures have been regrouped/rearranged wherever necessary to make them comparable.
- 5) The company's long term investments in Motilal Oswal's mutual fund products stands at Rs. 38,079 lakhs as of 30th June 2016. The unrealized gain on these investments is Rs. 9,051 lakhs as of 30th June 2016 (versus Rs. 5,196 lakhs as of March 2016). The long term investments are valued at cost and hence it is not reflected in the profit and loss account for the quarter and year ended 30th June 2016 & 31st March 2016 respectively.
- 6) CRISIL Limited has reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of Rs. 25,000 lakhs of the Company. 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 ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.
- 7) The total Exceptional Items during the quarter ended 30th June 2016 is Rs. 83 lakhs comprising of Share in Profit on sale of investments made in India Business Excellence Funds of Rs. 2,083 lakhs and Write-off on account of Doubtful Non-performing assets of Rs. 2,000 lakhs
- 8) The figures for three months ended March 31, 2016 represent the balancing amounts between the amounts as per the audited accounts for the Year ended March 31, 2016 and amounts as per the published unaudited results for nine months ended December 31, 2015, which were subjected to limited review by auditors.

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



Motilal Oswal
Chairman & Managing Director
(DIN 00024503)



Mumbai, 21st, July, 2016
shareholders@motilalosal.com



Standalone Limited Review Report

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. 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 aforesaid accounting standards 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 read with Circular No. CIR/CFD/CMD/15/2015



dated November 30, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

4. We draw attention to:

Note no. 7 of the Statement, with regard to write off of doubtful non-performing assets aggregating to Rs. 2,000 lakhs, which is as per the judgement of the management and have been relied upon by us.

Our report is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Amit A. Hundia

Partner

Membership No.: 120761



Place : Mumbai

Date : July 21, 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 ENDED 30TH JUNE, 2016

(Rs. in Lakhs)

Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
1. Income from Operations				
(a) Income from Operations	30,831	25,768	18,977	93,052
(b) Other Operating Income	4,260	4,614	1,854	12,542
Total Income from Operations	35,091	30,382	20,831	1,05,594
2. Expenditure				
(a) Operating expense	7,107	5,890	4,743	23,250
(b) Employees' benefit expense	6,867	7,144	5,825	25,095
(c) Depreciation and amortisation expenses	732	940	765	3,494
(d) Other expenditure	3,963	4,409	3,626	16,393
Total expenses	18,669	18,383	14,959	68,232
3. Profit from Operations before Other Income, finance cost & Exceptional Items (1-2)	16,422	11,999	5,872	37,362
4. Other Income	1,088	849	71	2,470
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	17,510	12,848	5,943	39,832
6. Finance Cost	8,318	6,541	2,264	17,377
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	9,192	6,307	3,679	22,455
8. Exceptional Items - (Expense)/Income (Refer Note 7)	1,116	-	-	-
9. Profit from Ordinary Activities before tax (7-8)	10,308	6,307	3,679	22,455
10. Tax expense	2,363	1,810	955	6,123
11. Net Profit from Ordinary Activities after tax but before Share of Profit from Associate and Minority Interests (9-10)	7,945	4,497	2,724	16,332
12. Share of Profit of Associate	206	291	165	832
13. Share of minority interests in (profits)/ loss	(234)	(71)	(51)	(255)
14. Net Profit after tax and Share of Profit from Associate and Minority Interests (11+12-13)	7,917	4,717	2,838	16,909
15. Paid-up equity share capital (Face Value of Re. 1/- Per Share)	1,429	1,422	1,414	1,422
16. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	1,42,229
17. Earnings Per Share (EPS) (before/after Extraordinary items) (of Re. 1/- each) (Not Annualised)				
c) Basic EPS	5.54	3.32	2.01	11.89
d) Diluted EPS	5.48	3.27	1.96	11.71

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 Thursday 21st July, 2016. The results for the quarter ended 30th June, 2016 have been reviewed by the Statutory auditors of the Company.
- Pursuant to the exercise of Employee Stock Option Scheme, the company has allotted 7,32,850 equity shares to the employees during the quarter ended 30th June, 2016.
- 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 (96.22%), 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).
- During the quarter, one of the subsidiary, Aspire Housing Finance Corporation Ltd has issued 89,142,699 Equity Shares Of Rs.11.41 each aggregating to Rs.10,171 lakhs by way of right issue.
- During the quarter, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of Rs. 25,000 lakhs of Motilal Oswal Financial Services Limited. CRISIL Limited also reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of Rs. 70,000 lakhs of Motilal Oswal Securities Limited, a subsidiary of the Company. 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 Motilal Oswal Financial Services Limited for Rs. 15,000 lakhs. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.
- The group long term investments in Motilal Oswal's mutual fund products stands at Rs. 78,860 lakhs as of 30th June, 2016 as against Rs. 60,404 lakhs as of 31st March, 2016. The unrealized gain on these investments is Rs. 18,194 lakhs as of 30th June, 2016 as against Rs. 11,698 lakhs as of 31st March, 2016. The long term investments are valued at cost and hence it is not reflected in the profit and loss account for the quarter 30th June 2016 and year ended 31st March, 2016 respectively.
- The total Exceptional Items during the quarter ended 30th June, 2016 is Rs. 1,116 Lakhs comprising of Share in Profit on sale of investments made in India Business Excellence Funds of Rs. 3,116 Lakhs and Write-off on account of Doubtful Non-performing assets of Rs. 2,000 Lakhs.
- The figures for three months ended March 31,2016 represent the balancing amounts between the amounts as per the audited accounts for the Year ended March 31,2016 and amounts as per the published unaudited results for nine months ended December 31,2015, which were subjected to limited review by auditors.



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9) Consolidated segment results for the quarter ended 30th June, 2016

(Rs. in Lakhs)

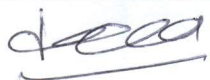
Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
1. Segment Revenue				
(a) Broking & Other related activities	15,597	14,520	12,931	56,959
(b) Fund Based activities	5,086	3,092	3,384	15,219
(c) Fund Based activities (Exceptional items)	2,083	-	-	-
(d) Asset Management & Advisory	6,857	7,208	4,402	23,999
(e) Asset Management & Advisory (Exceptional items)	1,758	-	-	-
(f) Investment Banking	840	847	501	2,483
(g) Home Finance	10,028	9,105	2,068	22,051
(h) Unallocated	395	245	85	774
Total	42,644	35,017	23,371	1,21,485
Less: Inter Segment Revenue	2,519	3,329	2,211	12,115
Income From Operations, Other Operating income & Other Income	40,125	31,688	21,160	1,09,370
2. Segment Results Profit / (Loss) before tax and interest from Each segment				
(a) Broking & Other related activities	3,556	2,227	2,361	10,045
(b) Fund Based activities	3,021	1,436	1,433	8,276
(c) Fund Based activities (Exceptional items)	83	-	-	-
(d) Asset Management & Advisory	1,511	1,258	789	4,769
(e) Asset Management & Advisory (Exceptional items)	1,033	-	-	-
(f) Investment Banking	310	204	(71)	253
(g) Home Finance	2,956	2,689	492	6,157
(h) Unallocated	(690)	206	(661)	(2,313)
Total	11,780	8,020	4,343	27,187
Less: Interest	1,149	1,256	405	3,428
Profit/(Loss) from Ordinary Activities before Tax	10,631	6,764	3,938	23,759
3. Capital Employed				
(Segment assets – Segment Liabilities)				
(a) Broking & Other related activities	67,058	46,197	38,798	46,197
(b) Fund Based activities	84,529	82,548	93,725	82,548
(c) Asset Management & Advisory	14,331	12,511	9,435	12,511
(d) Investment Banking	771	277	624	277
(e) Home Finance	45,390	34,748	17,988	34,748
(f) Unallocated	(59,556)	(32,630)	(26,479)	(32,630)
Total	1,52,523	1,43,651	1,34,090	1,43,651

Notes:

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, Investment banking and Housing Finance. In accordance with Accounting Standard - 17 on Segment reporting, Broking and other related activities, Fund Based activities, Asset Management & Advisory, Investment banking and Housing Finance are classified as reportable segments. The balance is shown as unallocated items.

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

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



Motilal Oswal
Chairman & Managing Director



Mumbai, 21st July, 2016
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 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'), and its associate for the quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. 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 6 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 aforesaid accounting standards 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 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to:
Note no. 7 of the Statement, with regard to write off of doubtful non-performing assets aggregating to Rs. 2,000 lakhs, which is as per the judgement of the management and have been relied upon by us.
Our report is not modified in respect of this matter.
6. We did not review the financial results of eight subsidiaries included in the Statement, whose financial results reflect total revenue of Rs. 18,793 Lakhs and total profit after tax of Rs. 2,709 Lakhs for the quarter ended June 30, 2016, as considered in the Statement. These financial results have been reviewed by the other auditors whose reports 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.
7. We did not review the financial results of four subsidiaries included in the Statement, whose financial results reflects total revenue of Rs. 1,848 Lakhs and total profit after tax of Rs. 1,045 Lakhs for the quarter ended June 30, 2016, as considered in the Statement. The Statement also includes Group's share of profit after tax of Rs. 206 Lakhs for the quarter ended June 30, 2016, as considered in the Statement, in respect of one associate, whose financial results have not been reviewed by us. These financial results are not reviewed by their auditors and have been furnished to us by the Management and our



reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 material to the Group including its associate.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No., 103523W / W100048



Amit A. Hundia

Partner

Membership No.: 120761



Place : Mumbai

Date : July 21, 2016

21st July, 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 21st July, 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 Q1FY17 Consolidated Revenues of Rs 3.7 billion, up 72% YoY; and PAT of Rs 792 million, up 179% YoY

Mumbai, Jul 21, 2016: Motilal Oswal Financial Services Ltd., a leading financial services company, announced its results for the quarter ended Jun 30, 2016 post approval by the Board of Directors at a meeting held in Mumbai on Jul 21, 2016.

Performance Highlights

Rs Million	Q1FY17	Q1FY16	Comparison (YoY)	Q4FY16	Comparison (QoQ)
Revenues	3,650	2,116	↑72%	3,169	↑15%
PBT	1,063	394	↑170%	676	↑57%
PAT	792	284	↑179%	472	↑68%
Diluted EPS - Rs (FV-Rs 1)	5.5	2.0		3.3	

Performance for the Quarter ended Jun 30, 2016

- Consolidated revenues were Rs 3.7 billion in Q1FY17, up 72% YoY
- Q1FY17 included exceptional items, which comprised of share in profit on sale of investments (carry share) made in the 1st PE growth fund, as well as the impact of write-off on account of doubtful NPA
- Consolidated PAT was Rs 792 million in Q1FY17, up 179% YoY
- Some impact of operating leverage from the strategic investments made in manpower, technology and reach during FY16 was visible in this quarter, as the PAT margin improved to 22% in Q1FY17 from 13% back in Q1FY16
- Balance sheet had net worth of Rs 15 billion and gross borrowings of Rs 36 billion (including Aspire), as of Jun 2016.
- ROE for Q1FY17 was 22% on reported PAT vs 12.4% in FY16. However, this does not include unrealized gains on investments in Motilal Oswal's mutual fund products (Rs 1.8 billion, as of Jun 2016)

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

"Our business segments have delivered healthy growth as our investments into critical resources to build these businesses over the last couple of years are now showing positive results. While we have increased our business volumes, asset mobilization and client addition, we also improved our market share in some of our businesses. Contribution of Capital Markets businesses (Broking and Investment Banking) to overall profits was at 35% in 1QFY17 versus 71% in FY15. Contribution of Asset & Wealth Management was up from 14% in FY15 to 26% in 1QFY17. Housing Finance and Fund based businesses contributed the balance 39% in 1QFY17. This trend is expected to continue. We have established



strong competitive positioning in each of these businesses and we believe that they have the potential to build tremendous scale and offer high operating leverage. We remain on course in creating a fair mix of capital market based, asset based and fund based businesses, which would help us deliver a sustainable 20%+ RoE. Strong liquidity on balance sheet allows us to fund investments in new initiatives including Housing Finance, Private Equity, etc. Several initiatives for boosting reforms will driver higher economic growth and augurs extremely well for our businesses which are well poised to tap the opportunities that would arise.”

Performance of Business Segments for the Quarter ended Jun 30, 2016

- **Capital markets businesses are delivering results following investments in people, technology and processes**
 - **Broking and related revenues** (which includes broking and wealth management) were Rs 1.4 billion in Q1FY17, up 23% YoY. Cash ADTO in the market was Rs 202 billion in Q1FY17, down 3% YoY. Retail cash volumes in the market were up 8% YoY this quarter. Institution cash volumes in the market were down 15% YoY. Proactive investments have driven a meaningful traction in our overall equity market share from 1.8% in Q1FY16 to 2.4% in Q1FY17. Both cash and F&O market share have picked up.
 - In **retail broking and distribution**, average retail clients added per month in Q1FY17 was 1.3X that during Q1FY16. Our retail market share improved this quarter. Online business comprised ~45% of total volumes in Q1FY17 vs ~32% in FY16. The distribution business has gained traction. We won the “Best Equity Broker-National” award for the 5th time; along with the Grand Jury award for “Best Institution for Financial Education and Inclusion” at the CNBC TV18 Financial Advisory Awards.
 - In **institutional broking**, we continued to empanel new clients and introduce new research products. We added several high-conviction ideas under our research. We ramped up corporate access outreach. Blocks comprise a healthy share of volumes currently; and have steadily increased since recent years.
 - **Investment banking** fees were Rs 82 million in Q1FY17, up 69% YoY. Our ECM business has gained momentum, and we completed the Rs 7.5 billion Parag Milk Foods IPO and the Rs 2.6 billion Indian Overseas Bank QIP
 - Capital markets businesses contributed ~41% of revenues this quarter, as compared to ~57% in Q1FY16
- **Our asset and wealth management businesses have seen strong business traction**
 - Total AUM/AUA across MF, PMS and PE businesses was Rs 151 billion, up 58% YoY. Wealth Management AUM was Rs 74b, up 54% YoY.
 - In **public market equity**, we crossed the milestone of Rs 120 billion in AUM across equity mutual funds and PMS. Despite a slowdown in net flows in the industry this quarter, our net inflows in 1QFY17 remained strong in absolute terms. These show the growing acceptance of our QGLP investing process amongst the distributor fraternity. Our rank in equity AUM improved to 12, up from 18 in FY14. Our market share in Equity MF AUM was 1.3% in 1QFY17 and in Equity MF Net Sales was 4.0%. These reflect considerable headroom for growth.



- In **private equity**, the 1st Growth Capital Fund - IBEF I has returned ~198% capital (in INR terms) from 4 full-exits and 4 partial exits in 3 companies till-date. The fund is in advanced stages for 3 exits in the next few months, which may allow it to return an additional ~20% capital. The fund is likely to deliver a gross multiple of over 3.5 times. The 1st Real Estate Fund - IREF I has returned ~86% capital from full/partial exits from 6 projects. The 2nd Growth Capital Fund - IBEF II has committed ~64% across 8 investments. The 2nd Real Estate Fund - IREF II has committed ~85% across 8 deals. The 3rd Real estate Fund - IREF III announced its 1st close, raising commitments of ~ Rs 6 billion.
- Asset Management fee (public market equities and private equity together) were Rs 652 million in Q1FY17, up 62% YoY. This contributed ~18% of consolidated revenues this quarter, as compared to ~19% in Q1FY16.
- In **Wealth management**, the traction in RMs from 54 to 75 YoY has led to a 54% YoY growth in AUM and a 28% YoY rise in clients. Training programs to enhance knowledge and service levels helped in delivering higher throughput from RMs and deepening of client wallet-share and product penetration. We enjoy a high yield of ~1% in this business, due to the higher share of equity and alternatives in our product mix
- **Housing finance, the recent-most business in our portfolio, is showing traction in disbursements and reach**
 - **Housing finance related income** was Rs 1 billion in Q1FY17, up 391% YoY.
 - HFC loan book stood at Rs 25 billion vs Rs 5.6 billion a year ago. It has funded ~25,000 families till-date.
 - Aspire disbursed Rs 4.8 billion in Q1FY17, up from Rs 2 billion in Q1FY16.
 - It currently operates in 4 states, and the branch count has increased from 28 to 62 YoY
 - It has credit lines from 23 banks and 1 NBFC, up from 8 a year ago.
 - Crisil and ICRA have awarded long term rating CRISIL A+/Stable and [ICRA]AA- (Stable) respectively
 - As of Q1FY17 (on an annualized basis), NIM was ~380 bp, RoA was 3.5%, RoE was 16.6% and D/E was 5.7X. Gross NPL was 0.2% as of Jun 2016
 - Capital infusion made by the Sponsor is Rs 4 billion till-date.
 - Housing Finance contributed ~27% of consolidated revenues this quarter, as compared to ~10% in Q1FY16.
- **Fund based activities** include strategic allocation of capital to long term RoE enhancing opportunities like sponsor commitments to mutual fund and private equity funds of MOFSL and the NBFC loan book.
 - **Fund based income** was Rs 459 million in Q1FY17, up 61% YoY. This includes share in profit on sale of sponsor investments made in the 1st PE growth fund.
 - Our investment in our own mutual fund products is Rs 6.1 billion (at cost) and Rs 1.9 billion (at cost) in our own private equity products. The unrealized gain on MF investments was Rs 1.8 billion as of Jun 2016.
 - NBFC loan book, which is now being run as a spread business using borrowed funds, was Rs 2.6 billion.
- **Other income** was Rs 24 million in Q1FY17.



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About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOF, 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 for the 5th time. 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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Mr. Motilal Oswal
 Chairman & Managing Director
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