



Motilal Oswal Financial Services Limited

Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,

Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.

Board: +91 22 3980 4200 Fax: +91 22 3312 4997

CIN: L67190MH2005PLC153397

4th November, 2017

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

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

Dear Sir/Madam,

SUB: Intimation of the outcome of the meeting of the Board of Directors of the Motilal Oswal Financial Services Limited ("Company") held on 4th November, 2017 and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

REF: Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company" or "Company") and their respective shareholders ("Scheme"); and

Transfer of the Lending Business of the Company, as a going concern, on a slump sale basis for a lump sum consideration by the Company to its wholly owned subsidiary pursuant to a business transfer agreement ("Slump Sale")

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform the exchanges that the Board of Directors of the Company ("the Board") at its meeting held on 4th November, 2017 have, *inter alia*, approved (i) the Draft Scheme of Amalgamation; and (ii) Slump Sale of its existing Lending Business to its wholly owned subsidiary, which is in the process of being incorporated.

The Scheme, *inter alia*, provides for amalgamation of the Transferor Company with the Company under section 230 - 232 of the Companies Act, 2013. The Transferor Company is a wholly owned subsidiary of the Transferee Company, accordingly, no shares shall be issued by the Transferee Company, as consideration for the amalgamation.

The Board's approval of the Scheme as aforesaid is subject to necessary approvals by the stock exchanges, SEBI, shareholders of the company(ies), Mumbai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.



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Simultaneous to the implementation of the Scheme, the Lending Business of the Company is proposed to be transferred as a going concern, on a slump sale basis for a lump sum consideration (without values being assigned to individual assets and liabilities) by the Company to its wholly owned subsidiary pursuant to a business transfer agreement.

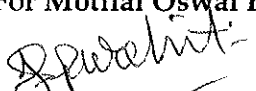
The Slump Sale is, *inter alia*, subject to approval of shareholders of the Company and such other statutory and regulatory approvals as may be required.

The Scheme as approved by the Board would be available on the website of the Company at www.motilaloswalgroup.com post submitting the same to the stock exchanges.

In terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, we are furnishing herewith the details of the Scheme and Slump Sale as Annexure I and Annexure II respectively.

Thanking you,

Yours faithfully,
For Motilal Oswal Financial Services Limited


Kailash Purohit
Company Secretary and Compliance Officer

Encl: As above



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Annexure I - Amalgamation/ Merger

a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.	<p>Figures as on 30th September, 2017</p> <ol style="list-style-type: none">1. Motilal Oswal Financial Services Limited ("MOFSL") Total assets - INR 1,090.09 crores Net worth - INR 704.45 crores Turnover - INR 118.26 crores2. Motilal Oswal Securities Limited ("MOSL") Total assets - INR 3,188.04 crores Net worth - INR 945.19 crores Turnover - INR 487.17 crores
b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	MOSL (Transferor Company) is 100% direct subsidiary of MOFSL (Transferee Company). Upon amalgamation of the Transferor Company with the Transferee Company, the entire investment of MOFSL into MOSL shall be cancelled and no shares shall be issued, pursuant to the Scheme. Therefore, question of the transaction being done at "arm's length" does not arise.
c) Area of business of the entity(ies)	MOFSL - It is a Non-Deposit Taking Systemically Important Non-Banking Financial Company registered with the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934 and engaged in lending and investment related activities. MOFSL along with its subsidiaries, offers a diversified range of financial products and services such as Loan against shares, Investment activities,



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Private wealth management, Broking and distribution, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.

MOSL - It is a member of BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and Metropolitan Stock Exchange of India Limited ("MSE") acts as a stock broker and executes stock trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. It is registered with SEBI in the capacity of Depository Participant, Research Analyst and Investment Advisor and with various other Authorities like AMFI, CERSAI, KRA Agencies (CVL, Dotex, NDML, CAMS and Karvy).

d) Rationale for amalgamation/ merger

- Consolidation of operational business holdings within MOFSL leading to greater operational flexibility and business synergy across the subsidiaries.
- Strong Balance sheet with Combined net worth at parent company level (MOFSL) to meet capital needs in subsidiaries for future growth / expansion needs.
- Facilitates free flow of funds and ease limits of investments / loans



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	<p>by MOFSL for expansion of business activities.</p> <ul style="list-style-type: none">• MOFSL board to have greater oversight over business operations of subsidiaries.• Consolidation of Immovable property, Motilal Oswal Towers into one entity.• Merger of the Fund based investment activities into one entity• Direct access to shareholders of MOFSL to a larger business activities of Flagship Broking and related business activities of the group in the parent company.• Consolidation of one layer structure to avoid multi-layering.
e) In case of cash consideration - amount or otherwise share exchange ratio	The proposed Scheme involves amalgamation of wholly owned subsidiary with the parent entity and hence there will be no consideration on merger.
f) Brief details of change in shareholding pattern (if any) of listed entity	There will be no change in the shareholding pattern of the listed entity i.e. the Company pursuant to the amalgamation/ merger.

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Annexure II – Slump Sale of Lending Business of the Company

		<i>As on 31st March, 2017</i>	
	Particulars	Amount in crores	% contribution
a)	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	43.69	24.78
	Turnover (or Revenue or Income) of the Lending Business		
	Net worth of the Lending Business	43.82	6.55
b)	Date on which the agreement for sale has been entered into	The Company shall enter into a business transfer agreement with its wholly owned subsidiary (to be incorporated). The Company will intimate the stock exchanges once the business transfer agreement is executed.	
c)	The expected date of completion of sale/ disposal	The business transfer agreement shall be subject to certain conditions precedent. The Company will intimate the stock exchanges once the slump sale/ disposal is completed.	
d)	Consideration received from such sale/ disposal	The lump sum cash consideration for transfer of the Lending Business arrived on basis of valuation report issued by an independent chartered accountant is INR 50 crores, on terms as may be agreed between the parties.	
e)	Brief details of buyers and whether any of the buyers belong to the promoter/	It is proposed to transfer the Lending Business to a newly incorporated	



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| promoter group/ group companies. If yes, details thereof | company, which shall be a wholly owned subsidiary of the Company. |
| f) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length" | It is proposed to transfer the entire lending business to a newly incorporated company, which shall be wholly owned subsidiary of the Company. The consideration for the slump sale has been arrived at on basis of valuation report issued by an independent chartered accountant and has been arrived at on an arm's length |
| g) Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale | Please refer below points (h) to (m) below |
| h) Name of the entity(ies) forming part of the slump sale, details in brief such as size, turnover etc. | Figures as on 30 th September, 2017
<ol style="list-style-type: none">1. Motilal Oswal Financial Services Limited ("MOFSL")
Total assets - INR 1,090.09 crores
Net worth - INR 704.45 crores
Turnover - INR 118.26 crores2. The Acquirer shall be a newly incorporated company, which shall be wholly owned subsidiary of the Company. |
| i) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length" | Please refer reply to point (f) above. |
| j) Area of business of the entity(ies) | <ol style="list-style-type: none">1. MOFSL - It is a Non-Deposit Taking Systemically Important Non-Banking |



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	<p>Financial Company registered with the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934 and engaged in lending and investment related activities. MOFSL along with its subsidiaries, offers a diversified range of financial products and services such as Loan against shares, Investment activities, Private wealth management, Broking and distribution, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.</p>
	<p>2. Purchaser - The Purchaser shall be incorporated in the same line of loans against shares business to that of MOFSL.</p>
k) Rationale for Slump Sale	<p>It is proposed to merge Motilal Oswal Securities Limited, a company engaged in the business of stock broking with the MOFSL. As per the extant regulatory framework, the stock broker cannot engage in any business other than that of securities or commodity broking except as a broker or agent not involving any personal financial liability. Thus, to comply with the regulatory requirements, it is proposed to transfer the Lending Business of the MOFSL to its wholly owned subsidiary (to be incorporated).</p>
l) In case of cash consideration - amount or otherwise share exchange ratio	<p>Please refer reply to point (d) above.</p>
m) Brief details of change in shareholding pattern (if any) of listed entity	<p>There will be no change in the shareholding pattern of the MOFSL pursuant to the slump sale.</p>