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**Walker Chandniok & Co LLP**

11th floor, Tower II,  
One International Center,  
SB Marg, Prabhadevi (W)  
Mumbai – 400 013  
India

T +91 22 6626 2699  
F +91 22 6626 2601

**Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended)**

**To the Board of Directors of Motilal Oswal Financial Services Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Motilal Oswal Financial Services Limited** ('the Company') for the quarter ended 31 December 2020 and the year to date results for the period 1 April 2020 to 31 December 2020 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Motilal Oswal Financial Services Limited**  
**Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended)**

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5. We draw attention to Note 3 in the accompanying Statement relating to carrying value of Investments in Real Estate Funds amounting to Rs. 15,902 lakhs as at 31 December, 2020.

As described in the aforesaid note, the carrying value of such investments is subject to the uncertainties related to the impact of the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No:001076N/N500013

**Murad D. Daruwalla**  
Partner  
Membership No:043334

**UDIN:21043334AAAAAH9631**

Place: Mumbai  
Date: 28 January 2021

**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025

Tel: +91-22-71934200, Fax: +91-22-50362365 Email:shareholders@motilaloswal.com, Website : www.motilaloswalgroup.com

CIN: L67190MH2005PLC153397

**Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020**

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>						
(i) Interest income	4,705	4,411	4,207	12,660	12,827	17,291
(ii) Dividend income	108	29	6	137	5,279	13,986
(iii) Rent income	378	514	520	1,406	1,545	2,084
(iv) Fees and commission income						
-Brokerage income	30,898	31,535	20,235	87,537	56,537	79,538
-Other commission income	2,672	2,443	3,169	6,777	8,303	10,937
(v) Net gain on fair value changes	14,092	11,526	3,425	36,698	9,342	-
(vi) Other operating revenue	1,782	1,182	755	4,125	2,698	3,113
<b>(I) Total Revenue from operations</b>	<b>54,635</b>	<b>51,640</b>	<b>32,317</b>	<b>1,49,340</b>	<b>96,531</b>	<b>1,26,949</b>
<b>(II) Other income</b>	<b>497</b>	<b>642</b>	<b>1,106</b>	<b>2,021</b>	<b>2,878</b>	<b>3,690</b>
<b>(III) Total Income (I+II)</b>	<b>55,132</b>	<b>52,282</b>	<b>33,423</b>	<b>1,51,361</b>	<b>99,409</b>	<b>1,30,639</b>
<b>Expenses</b>						
(i) Finance cost	3,001	2,920	3,055	9,086	9,037	12,924
(ii) Fees and commission expense	12,965	13,330	8,646	36,134	23,782	33,310
(iii) Impairment on financial instruments	519	418	575	1,253	942	1,439
(iv) Net loss on fair value changes	-	-	-	-	-	15,849
(v) Employee benefit expenses	9,937	8,984	7,799	27,243	23,424	31,171
(vi) Depreciation and amortisation expense	893	850	705	2,550	2,169	2,984
(vii) Other expenses	4,245	3,908	3,413	11,363	9,648	13,552
<b>(IV) Total Expenses</b>	<b>31,560</b>	<b>30,410</b>	<b>24,193</b>	<b>87,629</b>	<b>69,002</b>	<b>1,11,229</b>
<b>(V) Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>23,572</b>	<b>21,872</b>	<b>9,230</b>	<b>63,732</b>	<b>30,407</b>	<b>19,410</b>
<b>(VI) Exceptional items (Refer note 4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,896</b>	<b>-</b>	<b>-</b>
<b>(VII) Profit/(Loss) before tax (V-VI)</b>	<b>23,572</b>	<b>21,872</b>	<b>9,230</b>	<b>54,836</b>	<b>30,407</b>	<b>19,410</b>
<b>Tax expense/(credit)</b>						
(1) Current tax	2,631	3,970	1,594	8,938	5,700	7,056
(2) Deferred tax/(credit)	1,866	(116)	(1,435)	(202)	(5,895)	(7,326)
(3) (Excess)/ short provision for earlier years	-	47	-	47	-	-
<b>(VIII) Total tax expenses / (credit)</b>	<b>4,497</b>	<b>3,901</b>	<b>159</b>	<b>8,783</b>	<b>(195)</b>	<b>(270)</b>
<b>(IX) Profit/(Loss) after tax (VII-VIII)</b>	<b>19,075</b>	<b>17,971</b>	<b>9,071</b>	<b>46,053</b>	<b>30,602</b>	<b>19,680</b>
<b>Other Comprehensive income</b>						
(i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the defined employee benefit plans	26	54	(29)	170	121	57
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	7,992	4,377	5,060	14,442	7,385	(4,489)
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	(921)	(514)	(572)	(1,695)	(875)	499
<b>(X) Other Comprehensive Income/(Loss)</b>	<b>7,097</b>	<b>3,917</b>	<b>4,459</b>	<b>12,917</b>	<b>6,631</b>	<b>(3,933)</b>
<b>(XI) Total Comprehensive Income/(Loss) (IX+X)</b>	<b>26,172</b>	<b>21,888</b>	<b>13,530</b>	<b>58,970</b>	<b>37,233</b>	<b>15,747</b>
<b>(XII) (a) Paid-up Equity Share Capital (Face value of Re. 1)</b>	<b>1,465</b>	<b>1,469</b>	<b>1,480</b>	<b>1,465</b>	<b>1,480</b>	<b>1,481</b>
<b>(b) Other Equity</b>						<b>2,74,933</b>
<b>Earnings/(loss) Per Share (EPS)</b>						
<b>(Face value Re. 1 per equity share) (not annualised)</b>						
Basic (amount in Rs.)	13.05	12.17	6.14	31.26	20.86	13.39
Diluted (amount in Rs.)	12.76	11.91	6.06	30.58	20.56	13.09

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CIN: L67190MH2005PLC153397

**Notes to Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020**

**Standalone Notes:-**

1) The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 28 January 2021. The results for the quarter and nine months ended 31 December 2020 have been reviewed by the Statutory Auditors of the Company.

2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('IndAS') prescribed under Section 133 of the Companies Act, 2013.

3) The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Real Estate Funds. The company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to Rs.15,902 lakhs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Real Estate Funds as at 31 December 2020, may be affected by the severity and duration of the pandemic and other variables.

4) Exceptional item comprises of provision made by the Company of Rs.8,896 Lakhs on account of negative price settlement effected by MCX vide its circular dated 21 April 2020, in respect of Client positions entered by the company as a Commodity Broker. The customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering the contract for taking exposure on the contract value, the customers were required to pay only the margin as required by the exchange including mark to market losses. In relation to such contracts, the Company has net receivables from the clients aggregating Rs. 8,896 lakhs. The Company has filed writ petition before the Bombay High court (BHC) against the MCX circular and the said writ petition is pending. Moreover the Company has filed arbitration petition for interim relief before the BHC against one of the major client where the court has directed the client not to dispose off its assets; Further the company has filed an arbitration claim for recovery of outstanding debits against the client. In another matter vide award dated December 31, 2020 Arbitral Tribunal of MCX, directed one client to pay MOFSL Rs. 603 lakhs towards outstanding debit balance. However, the client has expressed its intention to file an appeal against the said award. The company is hopeful of recovery as the client is reputed entity and has resources to pay, however pending the arbitration proceedings company had conservatively provided for the full outstanding amount in respect of its client positions in quarter ended 30 June 2020.

5) Pursuant to SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019, on "Framework for listing of Commercial Paper", information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Regulations):

a) During the quarter, CRISIL has reaffirmed the rating of "CRISIL A1+" to the Commercial Paper Programme of the Company for Rs. 1,50,000 lakhs, India Ratings & Research has affirmed the rating of "IND A1+" to the Commercial Paper Programme of the Company for Rs. 1,50,000 lakhs. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

b) Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr No.	Commercial Paper Date of Issue	Redemption Amount	Previous due date (01 April 2020 to 31 December 2020)	Whether paid or not	Next due date
		(Rs. in lakhs)	Principal & Interest		Principal & Interest
1	28-Jan-20	30,000	28-Apr-20	Yes	NA
2	31-Jan-20	17,500	30-Apr-20	Yes	NA
3	28-Feb-20	20,000	28-May-20	Yes	NA
4	06-Mar-20	25,000	04-Jun-20	Yes	NA
5	29-Apr-20	5,000	26-Jun-20	Yes	NA
6	29-Apr-20	10,000	26-Jun-20	Yes	NA
7	28-May-20	2,500	21-Aug-20	Yes	NA
8	22-May-20	40,000	21-Aug-20	Yes	NA
9	10-Jun-20	20,000	28-Aug-20	Yes	NA
10	19-Jun-20	15,000	17-Sep-20	Yes	NA
11	31-Jul-20	10,000	28-Oct-20	Yes	NA
12	31-Jul-20	10,000	28-Oct-20	Yes	NA
13	21-Aug-20	25,000	19-Nov-20	Yes	NA
14	28-Aug-20	7,500	26-Nov-20	Yes	NA
15	01-Sep-20	30,000	25-Sep-20	Yes	NA
16	01-Sep-20	12,500	25-Sep-20	Yes	NA
17	08-Sep-20	10,000	NA	-	19-Mar-21
18	08-Sep-20	10,000	NA	-	19-Mar-21
19	06-Oct-20	6,500	18-Dec-20	Yes	NA
20	06-Oct-20	1,000	18-Dec-20	Yes	NA
21	06-Oct-20	5,000	18-Dec-20	Yes	NA
22	06-Oct-20	12,500	18-Dec-20	Yes	NA
23	08-Oct-20	32,500	18-Dec-20	Yes	NA
24	19-Nov-20	25,000	NA	-	17-Feb-21
25	18-Dec-20	10,000	NA	-	18-Mar-21
26	18-Dec-20	12,500	NA	-	18-Mar-21
27	18-Dec-20	9,000	NA	-	18-Mar-21
28	18-Dec-20	1,000	NA	-	18-Mar-21
29	18-Dec-20	5,000	NA	-	18-Mar-21
30	18-Dec-20	1,000	NA	-	18-Mar-21
31	31-Dec-20	20,000	NA	-	15-Mar-21

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**Notes to Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2020**

c) Financial Key Ratios :

Particulars	Quarter ended			Period ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
Debt Equity Ratio	0.48	0.37	0.43	0.48	0.43	0.52
Debt Service Coverage Ratio	0.10	0.16	0.07	0.32	0.31	0.40
Interest Service Coverage Ratio	4.94	6.90	3.10	5.58	4.90	5.04

d) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the period ended 31 December 2020 is Rs.3,23,353 lakhs.

6) The Board of Directors at its meeting held on 28 January 2021 has declared an interim dividend of Rs.5 per equity share (on face value of Re.1/- per equity share) for the Financial year 2020-21.

7) The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has filed the Scheme along with necessary documents with Stock Exchange(s).

8) The Company had allotted 1,950 Non-Convertible Redeemable Debentures ("NCDs") of face value of Rs. 10,00,000 each at par thereby aggregating to issue size of Rs. 19,500 lakhs on private placement basis on November 6, 2020. The said NCDs are listed on BSE Limited.

9) As per Ind AS 108 'Operating Segments', Segment has been disclosed in consolidated financial results, Hence no separate disclosure has been given in standalone financial results of the Company.

10) As per IndAS 109 the Company has unrealised gain of Rs 13,220 lakhs and Rs 27,885 lakhs for the quarter ended 31 December 2020 and nine months ended 31 December 2020 respectively which has been classified under head 'Net gain on fair value changes'. Further, the Company has investment in financial instruments designated as 'Fair value through other comprehensive income' amounting to Rs. 7,992 lakhs and Rs 14,442 lakhs for the quarter ended 31 December 2020 and nine months ended 31 December 2020.

11) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,79,750 equity shares to the employees during the quarter and nine months ended 31 December 2020 respectively.

12) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.

13) Previous quarter and period ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/period end presentation.

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

MOTILAL Digitally signed  
by MOTILAL  
GOPILAL  
OSWAL  
Date: 2021.01.28  
17:08:29 +05'30'

**Motilal Oswal**

Managing Director and Chief executive officer  
(DIN 00024503)

Mumbai,  
28 January 2021