

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 Website: www.motilaloswalgroup.com
CIN: L67190MH2005PLC153397

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER, 2017

(Rs. In Lakhs, unless otherwise stated)

PARTICULARS	FOR THE QUARTER ENDED			FOR THE HALF YEAR ENDED		FOR THE YEAR ENDED
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1) Revenue						
Revenue from operations	70,445	56,135	50,257	1,26,580	88,972	1,83,922
Other income	655	938	2,349	1,593	3,435	8,268
Total Revenue (1)	71,100	57,073	52,606	1,28,173	92,407	1,92,190
2) Expenses						
Employee benefits expenses	12,102	11,962	10,276	24,064	17,402	35,334
Finance cost	13,126	12,755	11,199	25,881	19,517	44,226
Depreciation and amortisation expenses	871	768	811	1,639	1,542	3,284
Operating expenses	14,846	12,580	9,984	27,426	17,349	36,791
Administrative and other expenses	7,354	5,684	4,935	13,038	8,888	19,205
Total Expenses (2)	48,299	43,749	37,205	92,048	64,698	1,38,840
3) Profit before exceptional items and tax (3) = (1) - (2)	22,801	13,324	15,401	36,125	27,709	53,350
4) Exceptional items - (expense)	-	-	(788)	-	(2,788)	(2,788)
5) Profit before tax (5) = (3)+(4)	22,801	13,324	14,613	36,125	24,921	50,562
6) Tax expense/(credit)						
Current tax	6,434	3,197	4,756	9,631	7,201	13,611
Deferred tax liability/(asset)	479	232	(182)	711	539	3,097
Minimum alternate tax credit utilised/writeoff	994	(234)	(555)	760	(1,012)	(1,458)
Short/(Excess) provision for earlier years	-	215	(33)	215	(379)	(1,141)
Total tax expenses (6)	7,907	3,410	3,986	11,317	6,349	14,109
7) Profit after tax before minority interests (7) = (5)-(6)	14,894	9,914	10,627	24,808	18,572	36,453
8) Extraordinary Items	-	-	-	-	-	-
9) Profit after tax before minority interests and share of profit from associates (9) = (7) - (8)	14,894	9,914	10,627	24,808	18,572	36,453
10) Minority interest	(731)	(96)	(631)	(827)	(865)	(1,060)
11) Share of profit from associates (net of taxes)	214	341	158	555	364	604
12) Profit after tax and minority interest (12) = (9)+(10)+(11)	14,377	10,159	10,154	24,536	18,071	35,997
13) Paid-up equity share capital (FV Re. 1 per share)	1,447	1,447	1,435	1,447	1,435	1,445
14) Reserves excluding revaluation reserves as per Balance sheet						1,77,158
Earnings Per Share (EPS) (FV Re. 1 per share) (EPS for the quarters and six months not annualised)						
Basic (Amount in Rs.)	9.94	7.02	7.09	16.97	12.65	25.14
Diluted (Amount in Rs.)	9.81	6.95	7.02	16.73	12.50	24.79

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UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER, 2017

Rs. In Lakhs

PARTICULARS	AS AT	AS AT
	30-Sep-17	31-Mar-17
	(UNAUDITED)	(AUDITED)
I. EQUITY & LIABILITIES		
1. Share holders' funds :		
a. Share capital	1,447	1,445
b. Reserves and surplus	1,98,631	1,77,158
TOTAL (1)	2,00,078	1,78,603
2. Share application money pending for allotment	0	-
3. Minority interest	3,399	2,853
4. Non-current liabilities :		
a. Long-term borrowings	3,46,044	3,70,341
b. Deferred tax liabilities (Net)	4,408	3,697
c. Other long term liabilities	165	165
d. Long term provisions	4,992	3,249
TOTAL (4)	3,55,609	3,77,452
5. Current liabilities :		
a. Short-term borrowings	1,06,668	94,303
b. Trade payables	1,03,088	1,03,984
c. Other current liabilities	1,52,591	76,221
d. Short-term provisions	15,378	10,479
TOTAL (5)	3,77,725	2,84,987
TOTAL (1)+(2)+(3)+(4)+(5)	9,36,811	8,43,895
II. ASSETS :		
(1) Non-current assets		
a. Property, plant and equipment	25,223	24,980
b. Intangible assets	1,188	956
c. Non-current investments	1,42,092	1,35,638
d. Long term loans and advances	4,81,321	4,11,469
e. Other non-current assets	117	364
TOTAL (1)	6,49,941	5,73,407
(2) Current assets		
a. Current investments	41,768	44,484
b. Inventories	0	0
c. Trade receivables	1,21,673	1,26,004
d. Cash and bank balances	37,396	46,252
e. Short-term loans and advances	81,333	50,563
f. Other current assets	4,700	3,184
TOTAL (2)	2,86,870	2,70,488
TOTAL (1)+(2)	9,36,811	8,43,895

Consolidated Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on Saturday, 4 November 2017. The results for the quarter and half year ended 30 September 2017 have been reviewed by the statutory auditors of the Company.
- Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, Motilal Oswal Financial Services Limited, Motilal Oswal Asset Management Company Limited and Aspire Home Finance Corporation Limited has allotted equity shares 23,300, NIL, and 7,890,000 during the quarter and 243,307, 500,000 and 16,500,000 during the half year ended 30 September 2017 respectively to the employees.
- The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (100%), Motilal Oswal Investment Advisors Limited (formerly known as 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 (99.92%), 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 (85%), Motilal Oswal Real Estate Investment Advisors II Private Limited (76.50%), Aspire Home Finance Corporation Ltd (96.46%), India Business Excellence Management Co (85.00%), Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (99.92%), Motilal Oswal Capital Limited (99.92%) and an Associate India Realty Excellence Fund II LLP (20.44%).
- The Group's long term investments in Motilal Oswal's mutual fund products, Alternative investment fund and AU Small Finance Bank Limited stands at Rs. 68,969 Lakhs as of 30 September 2017 as against Rs. 66,202 Lakhs as of 31 March 2017. The unrealized gain on these investments is Rs. 58,185 Lakhs as of 30 September 2017 as against Rs. 33,393 Lakhs as of 31 March 2017. The long term investments are valued at cost and hence the unrealised gain is not reflected in the statement of profit and loss account for the half year ended 30 September 2017 and and year ended 31 March 2017 respectively.

5) During the quarter, CRISIL Limited re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of Rs. 25,000 Lakhs of Motilal Oswal Financial Services Limited and Rs. 85,000 Lakhs of Motilal Oswal Securities Limited. 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 for Rs. 15,000 lakhs of Motilal Oswal Financial Services Limited and Rs. 20,000 Lakhs of Motilal Oswal Securities Limited. India Ratings & Research Private limited affirmed the credit rating of "IND A1+" to the Commercial Paper Programme of Rs. 20,000 Lakhs of Motilal Oswal Financial Services Limited and Rs. 80,000 of Motilal Oswal Securities Limited. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

6) Effective 1 April 2017, the Group has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statements. The change is applied retrospectively, accordingly accumulated expense of Rs. 1,967 Lakhs has been debited to the statement of profit and loss for the half year ended 30 September 2017. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by Rs. 1,967 lakhs for the half year ended 30 September 2017.

7) The Company, Motilal Oswal Financial Services Limited (standalone) has derecognised the opening accumulated Minimum Alternative Tax (MAT) credit balance as at 31 March 2017 of Rs. 1,021 lakhs and has deferred the recognition of Rs. 492 lakhs for the half year ended 30 September 2017 which could be available for set off against future tax liability under the provisions of Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

8) During the current quarter, the subsidiary company Aspire Home Finance Corporation Limited has allotted 60,344,826, 51,724,141 and 60,344,826 Equity shares of Rs. 5.80 each to Motilal Oswal Financial Services Limited, Motilal Oswal Securities Limited and Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited), respectively.

9) Consolidated segment results for the quarter and half year ended 30 September 2017 is as follows:

PARTICULARS	FOR THE QUARTER ENDED						FOR THE HALF YEAR ENDED		FOR THE YEAR ENDED
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)			
1. Segment revenue									
(a) Broking & other related activities	24,328	21,701	19,221	46,029	36,470	69,020			
(b) Fund based activities	4,531	5,322	2,684	9,853	7,834	15,090			
(c) Asset management & advisory	28,467	16,497	18,181	44,964	27,162	58,124			
(d) Investment banking	2,225	2,380	2,022	4,605	2,862	8,646			
(e) Home finance	17,973	15,965	14,702	33,938	24,730	56,868			
(f) Unallocated	480	168	376	648	771	996			
Total	78,004	62,033	57,186	1,40,037	99,829	2,08,744			
Less: Inter segment revenue	(6,569)	(4,422)	(4,333)	(10,991)	(6,852)	(15,591)			
Total segment revenue (Inclusive of revenue from associate)	71,435	57,611	52,853	1,29,046	92,977	1,93,153			
2. Segment results									
(a) Broking & other related activities	5,966	3,650	5,230	9,616	8,753	15,506			
(b) Fund based activities	2,791	3,559	1,128	6,350	4,246	7,691			
(c) Fund based activities (exceptional items)	-	-	(788)	-	(2,788)	(2,788)			
(d) Asset management & advisory	11,242	4,324	6,657	15,566	11,219	19,205			
(f) Investment banking	1,792	1,660	807	3,452	1,117	5,474			
(g) Home finance	3,425	2,147	2,443	5,572	5,400	12,440			
(h) Unallocated	(48)	24	633	(24)	109	(1,111)			
Total	25,168	15,364	16,110	40,532	28,056	56,417			
Less: (Interest)	(2,030)	(1,502)	(1,247)	(3,532)	(2,562)	(4,893)			
Total segment results (Inclusive of share of profit from associate)	23,138	13,862	14,863	37,000	25,494	51,524			
3. Segment assets									
(a) Broking & other related activities	2,62,797	2,14,954	1,91,315	2,62,797	1,91,315	2,09,537			
(b) Fund based activities	2,20,273	2,25,237	2,06,576	2,20,273	2,06,576	2,19,823			
(c) Asset management & advisory	18,964	22,065	18,018	18,964	18,018	21,380			
(d) Investment banking	7,463	6,805	2,515	7,463	2,515	6,397			
(e) Home finance	5,11,880	4,91,712	4,23,246	5,11,880	4,23,246	4,66,216			
(f) Unallocated	5,967	8,055	6,177	5,967	6,177	7,053			
Less: (Eliminations)	(90,533)	(91,039)	(83,170)	(90,533)	(83,170)	(86,511)			
Total segment asset	9,36,811	8,77,789	7,64,677	9,36,811	7,64,677	8,43,895			
4. Segment Liabilities									
(a) Broking & other related activities	1,45,166	1,18,088	94,673	1,45,166	94,673	1,25,088			
(b) Fund based activities	53,268	59,752	53,492	53,268	53,492	59,314			
(c) Asset management & advisory	7,286	10,326	11,900	7,286	11,900	12,296			
(d) Investment banking	655	1,096	806	655	806	1,905			
(e) Home finance	4,36,735	4,19,023	3,66,282	4,36,735	3,66,282	4,04,853			
(f) Unallocated	1,07,217	93,886	92,224	1,07,217	92,224	82,461			
Less: (Eliminations)	(13,594)	(15,017)	(18,131)	(13,594)	(18,131)	(20,625)			
Total segment liabilities	7,36,733	6,87,154	6,01,246	7,36,733	6,01,246	6,65,292			

The above Segment information is presented on the basis of the reviewed consolidated financial statements. The group'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 figures for the quarter ended 30 September 2017 are the balancing figures between unaudited figures in respect of the financials for the period ended 30 September 2017 and unaudited figures upto the first quarter ended 30 June 2017 which was subjected to limited review.

11) Previous quarters/half year/year ended figures have been regrouped/reclassified wherever necessary to confirm to the current period/quarter presentation.

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

Motilal Oswal
Chairman & Managing Director
(DIN No - 00024503)

Mumbai, 4 November 2017