
Walker Chandio & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and year to date results of the Company pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 ('the Statement') of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period April 2019 to September 2019 being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
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'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, and CIR/IMD/DF1/69/2016 dated 10 August 2016) (hereinafter referred to as 'the SEBI Circulars'), and other accounting principles generally accepted in India. 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.



Motilal Oswal Financial Services Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and year to date results of the Company pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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, the SEBI Circulars, 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 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Khushroo B. Panthaky

Partner

Membership No. 42423

UDIN No:19042423AAAAFM2274

Place: Mumbai

Date: 24 October 2019

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 period ended 30 September 2019

(Rs. in lakhs, unless otherwise stated)

Particulars	Quarter ended			Period ended		Year ended
	30 September 2019 (Unaudited)	30 June 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	31 March 2019 (Audited)
Revenue from operations						
(i) Interest income	4,428	4,192	4,546	8,620	9,302	17,254
(ii) Dividend income	5,273	-	28	5,273	28	8,093
(iii) Rent income	515	510	654	1,025	1,302	2,482
(iv) Fees and commission income						
- Brokerage income	18,798	17,392	18,695	36,190	36,223	71,035
- Other commission income	2,956	2,163	3,286	5,118	5,805	10,835
(v) Net gain on fair value changes	2,889	3,028		5,917		8,216
(vi) Other operating revenue	936	1,007	940	1,943	1,961	3,812
(I) Total Revenue from operations	35,795	28,292	28,150	64,086	54,621	121,727
(II) Other income	886	885	560	1,772	1,528	3,142
(III) Total Income (I+II)	36,681	29,177	28,710	65,858	56,149	124,869
Expenses						
(i) Finance cost	3,194	2,788	2,711	5,982	5,434	10,428
(ii) Fees and commission expense	7,618	7,391	8,244	15,009	16,069	31,832
(iii) Impairment on financial instruments	194	173	171	367	315	681
(iv) Net loss on fairvalue changes			2,855		1,507	
(v) Employee benefit expenses	8,137	7,489	6,678	15,626	13,244	27,906
(vi) Depreciation and amortisation expense	740	725	452	1,464	924	1,801
(vii) Other expenses	3,358	2,878	3,395	6,236	6,239	12,871
(IV) Total Expenses (IV)	23,241	21,444	24,506	44,684	43,732	85,519
(V) Profit before tax	13,440	7,733	4,204	21,174	12,417	39,350
Tax expense / (credit)						
(1) Current tax	1,216	2,891	2,422	4,107	4,863	8,914
(2) Deferred tax	(2,992)	(1,468)	(555)	(4,461)	(1,070)	(1,927)
(VI) Total tax expenses / (credit)	(1,776)	1,423	1,867	(354)	3,793	6,987
(VII) Profit from continuing operations (V-VI)	15,216	6,310	2,337	21,527	8,624	32,363
(VIII) Profit / (loss) from discontinuing operations	-	-	(78)	-	(249)	(186)
(IX) Tax on discontinuing operations	-	-	(13)	-	(72)	54
(X) Profit / (loss) from discontinued operations (VIII-IX)	-	-	(65)	-	(177)	(132)
(XI) Profit for the period/year (VII+X)	15,216	6,310	2,272	21,527	8,447	32,231
Other Comprehensive income						
A(i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the defined employee benefit plans	349	(200)	(40)	149	2	35
(b) Changes in fair value gain / (loss) of FVOCI equity instruments	(1,367)	3,692	(2,673)	2,325	(1,436)	(737)
(ii) Income tax related to items that will not be reclassified to profit and loss account	86	(389)	323	(304)	167	74
(XII) Other Comprehensive Income	(932)	3,103	(2,390)	2,171	(1,267)	(628)
(XIII) Total Comprehensive Income for the period (XI+XII)	14,284	9,413	(118)	23,698	7,180	31,603
(XIV) (a) Paid-up Equity Share Capital (Face value of Re. 1)	1,473	1,460	1,451	1,473	1,451	1,457
(b) Other Equity						257,899
Earnings / (loss) Per Share (EPS) from continuing operations (Face value Re. 1 per equity share) (not annualised)						
Basic (amount in Rs.)	10.40	4.33	1.61	14.72	5.94	22.25
Diluted (amount in Rs.)	10.25	4.22	1.59	14.51	5.87	21.65
Earnings / (loss) Per Share (EPS) from discontinued operations (Face value Re. 1 per equity share) (not annualised)						
Basic (amount in Rs.)	-	-	(0.04)	-	(0.12)	(0.09)
Diluted (amount in Rs.)	-	-	(0.04)	-	(0.12)	(0.09)



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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

Standalone Statement of Assets and Liabilities

(Rs. in lakhs, unless otherwise stated)

Particulars	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
I ASSETS		
1. Financial assets		
Cash and cash equivalents	67,459	25,799
Bank balance other than above	64,683	30,652
Receivables		
(i) Trade receivables	72,597	118,413
(ii) Other Receivables	254	12
Loans	37,817	52,363
Investments	316,256	309,495
Other financial assets	17,897	3,300
Sub - total financial assets	576,963	540,034
2. Non - financial assets		
Current tax assets (net)	205	23
Investment Property	8,251	8,280
Property, plant and equipment	21,068	18,423
Intangible assets under development	-	130
Other intangible assets	1,305	1,404
Other non - financial assets	1,922	2,330
Sub - total non - financial assets	32,751	30,590
Total assets	609,714	570,624
II LIABILITIES AND EQUITY		
Liabilities		
1. Financial liabilities		
Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprise and small enterprise	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	127,083	114,629
Debts	99,046	39,771
Borrowings	42,574	102,180
Deposits	5	5
Other financial liabilities	42,188	37,115
Sub - total financial liabilities	310,896	293,700
2. Non - financial liabilities		
Provisions	5,254	7,397
Deferred tax liabilities (net)	4,829	8,986
Other non - financial liabilities	2,235	1,185
Sub - total non - financial liabilities	12,318	17,568
3. Equity:		
Equity share capital	1,473	1,457
Other equity	285,027	257,899
Sub - total equity	286,500	259,356
Total Liabilities and equity	609,714	570,624

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MOTILAL OSWAL FINANCIAL SERVICES LIMITED Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025 Tel: +91-22-39804200/71934200, Fax: +91-22-38462365 Email:shareholders@motilaloswal.com, Website : www.motilaloswal.com CIN: L67190MH2005PLC153397 Standalone Statement of Cash Flow for the period ended 30 September 2019 (Rs. in lakhs, unless otherwise stated)		
Particulars	Period ended 30 September 2019	Period ended 30 September 2018
A. Cash flow from operating activities		
Profit before taxation	21,174	12,170
Adjustment for:		
Unrealised Loss	5,702	5,822
Employee stock option scheme cost	1,072	705
Interest income on deposits with bank	(1,242)	(483)
Interest Expense	5,982	5,434
Depreciation, amortisation and impairment	1,464	924
Dividend income	(5,273)	(28)
Profit on sale of investment	(11,619)	(4,315)
Bad debts written off	(10)	(33)
Provision on standard and doubtful assets	377	342
Operating profit	17,627	20,538
Adjustment for working capital changes		
1) Increase/(decrease) in provision	(1,994)	-5,391
2) Increase/(decrease) in borrowings	(59,606)	-23,927
3) Increase/(decrease) in debt securities	59,275	8,410
4) Increase/(decrease) in other financial liabilities	2,767	13,969
5) Increase/(decrease) in trade payables	12,454	-8,219
6) (Increase)/decrease in loans	14,546	21,935
7) (Increase)/decrease in other non financial liabilities	1,051	1,025
8) (Increase)/decrease in other financial assets	(14,597)	-64
9) (Increase)/decrease in other non financial asset	471	-292
10) (Increase)/decrease in trade receivables	45,207	-13,749
11) Increase/(decrease) in deposits	-	-1,022
12) (Increase)/decrease in fixed deposits	(34,028)	4,986
Cash generated/(used) from operations	43,173	18,199
Direct taxes paid net	(4,289)	(3,579)
Net cash generated from operating activities	38,884	14,620
B. Cash flow from investing activities		
Purchase of equity shares in subsidiary company	(22,040)	(5,821)
Dividend income	5,273	28
Purchase of Property, plant and equipment and intangible assets	(1,073)	(1,205)
Purchase of investments	(14,914)	(5,557)
Sale of investments	46,169	24,772
Interest received on fixed deposits	1,242	483
Net cash generated from investing activities	14,657	12,700
C. Cash flow from financing activities		
Proceeds from issued of equity shares	4	5
Premium on issue of equity shares	1,188	1,019
Dividend paid (including Dividend distribution tax)	(6,555)	-
Interest expense	(5,868)	(5,434)
Cash payment of lease liability and interest	(649)	-
Net cash used in financing activities	(11,880)	(4,410)
Net increase/(decrease) in cash and cash equivalents during the year	41,661	22,910
Cash and cash equivalents as at beginning of the year		
Cash in hand	31	27
Scheduled bank - In current account	14,993	18,048
Fixed Deposit with Banks	10,775	242
Scheduled Bank - Unpaid Dividend Account	19	22
Total	25,818	18,339
Cash and cash equivalents as at end of the year :		
Cash in hand	18	27
Scheduled bank - In current account	46,723	9,818
Fixed Deposit with Banks	20,719	31,384
Scheduled Bank - Unpaid Dividend Account	21	19
Total	67,481	41,248
Reconciliation of cash and cash equivalents as above with cash and bank balances		
Cash and cash equivalents as at end of the year as per above	46,741	9,845
Add:- Fixed deposit with banks	20,719	31,384
Add:- Unpaid dividend account	21	19
Total Cash and bank balances equivalents as at end of the year	67,481	41,248
Notes : (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2015 (as amended) (ii) Figures in brackets indicate cash outflows.		



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Notes to statement of standalone financial results for the quarter and period ended 30 September 2019

STANDALONE NOTES:-

1) The standalone financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 24 October 2019. The Result for the quarter and period ended September 2019 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) Pursuant to receipt of Order dated 30 July 2018 from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") approving the 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"), the Board of Directors ("Board") of the Company at its Meeting held on 21 August 2018, inter-alia, has made the Scheme effective from 21 August 2018. The appointed date is 1 April 2017.

The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Finvest Limited ("MOFL") (formerly known as 'Motilal Oswal Capital Markets Limited') as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of Rs. 5,000 lakhs.

4) In terms of Ind AS 105 on Non-current Assets Held for Sale and Discontinued operations, the details of discontinued operations as disclosed in the above results are as follows:

Particulars	For the quarter ended			Period ended		(Rs. in lakhs)
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	Year ended 31 March 2019
Total income	-	-	445	-	1,067	1,067
Total expenses	-	-	523	-	1,316	1,253
Profit / (loss) before tax from discontinuing operations	-	-	(78)	-	(249)	(186)
Tax charge/ (credit) including deferred tax pertaining to discontinuing operations	-	-	(13)	-	(72)	54
Profit / (loss) after tax from discontinuing operations	-	-	(65)	-	(176)	(132)

5) Additional Disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as below :

a) During the quarter, CRISIL has reaffirmed the rating of "CRISIL A1+" to the Commercial Paper Programme of the Company for Rs. 1,30,000 lakhs, India Ratings & Research has affirmed the rating of "IND A1+" to the Commercial Paper Programme of the Company for Rs. 1,30,000 lakhs and ICRA Limited has affirmed the credit rating of "[ICRA] AA" with stable outlook to the non convertible debentures programme of Rs 35,000 lakhs. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

b) Assets Cover available in case of Non Convertible Debt Securities :

- First Gala no. L- 105 on first floor, Rajlaxmi Commercial Complex, Village Klaher, Taluka Bhiwandi (District Thane).
- The Loan receivables of the Company of both present and future to the extent of required security cover.
- Mutual fund investment by the Company of both present and future to the extent of required security cover.
- units of Private Equity funds owned by the Company.

c) Credit rating, previous due date, next due date for payment of interest/repayment of principal of non convertible debentures

ISIN*	Credit rating	Issue size (In lakhs)	Previous due date		Next due date	
			01 April 2019 to 30 September 2019		Principal	Interest
INE886I07014	ICRA AA	2,500	30 April 2019	30-Apr-19	NA	NA
INE886I07022	ICRA AA	2,500	5 June 2019	05-Jun-19	NA	NA
INE886I07030	ICRA AA	15,000	NA	4 July 2019	3 July 2020	3 July 2020

*Pursuant to the scheme of Amalgamation, the Company has filed an application with BSE Limited for transfer of listed Non-Convertible Debentures of Motilal Oswal Securities Limited to Motilal Oswal Financial Services Limited.

d) Financial Key Ratios :

Particulars	Quarter ended			Period ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
Debt Equity Ratio	0.49	0.44	0.52	0.49	0.52	0.55
Debt Service Coverage Ratio	0.13	0.07	0.07	0.21	0.17	0.46
Interest Service Coverage Ratio	5.60	3.94	2.58	4.81	3.31	4.84

e) Debenture Redemption Reserve as at 30 September 2019 - Rs. 3,735 lakhs.

f) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the period ended 30 September 2019 is Rs. 2,86,500 lakhs.

6) 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.

7) As per IndAS 109 the Company has unrealised gain / (loss) of Rs (3,860) lakhs and Rs (5,702) lakhs for the quarter ended 30 September 2019 and period ended 30 September 2019 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. (1,367) lakhs and Rs (2,325) lakhs for the quarter ended 30 September 2019 and year ended 30 September 2019.

8) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 1,08,300 and 4,45,682 equity shares to the employees during the quarter ended 30 September 2019 and period ended 30 September 2019 respectively.

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

10) Tax expenses for the quarter ended and six months ended 30 September, 2019 reflect changes made vide Taxation Laws (Amendment) Ordinance 2019 as applicable to the company.

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

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



Motilal Oswal
Managing Director and chief executive officer
(DIN 00024503)

Mumbai,
24th October 2019

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INVESTOR UPDATE

Motilal Oswal Financial Services reports Q2FY20 PAT of Rs 1.42 bn and H1FY20 PAT of Rs 2.72 bn, +152% YoY.

Mumbai, October 24, 2019: Motilal Oswal Financial Services Ltd. announced its results for the quarter ended and half year ended September 30, 2019 post approval by the Board of Directors at a meeting held in Mumbai on October 24, 2019.

Performance for the quarter and half year ended September 30, 2019

- Consolidated revenues stood at Rs 6.7 bn, +8% YoY in Q2FY20. Consolidated PAT was at Rs 1.42 bn in Q2FY20 vs Rs 42 mn in last year same period. Consolidated revenues for H1FY20 was at 13.3 bn, +3% YoY and consolidated PAT for H1FY20 was at Rs 2.7 bn, +152% YoY.
- **Some of the key highlights** for the H1FY20 include 17% YoY growth in Wealth AUM, 16% YoY growth in Distribution business AUM, 8% YoY growth in PE & RE AUM, 6% YoY growth in AMC AUM, significant improvement in product performance leads to positive MF net flows in Q2FY20, name change of home finance business to “Motilal Oswal Home Finance” (MOHFL), CRISIL has upgraded long term rating of MOHFL to AA- (Stable) from A+ earlier and MOHFL’s NPA pool sale to ARC for upfront cash realization (with minimal impact to P&L) resulting in net NPA of 1.8%.
- Consolidated net worth stood at Rs 33.1 bn, gross borrowing was Rs 47.2 bn and net borrowing was Rs 41.7 bn (including MOHFL). Excluding MOHFL, gross and net borrowings were at Rs 15 bn and Rs 12.6 bn respectively and considering market value of quoted investments, we are effectively net cash balance sheet. Overall gearing remains conservative at 1.4x; ex-MOHFL gearing is at 0.4x. ROE stands at 18%.
- Besides financial performance, the last quarter has been very eventful in terms of our successes in brand building, advertising and several other fronts. In H1FY20, MOFSL got inducted in “Hall of Fame” at 10th Financial Advisory Awards 2019. MOFSL won “Broking House of the year” at MCX awards 2019. MOPWM won “Best Boutique Wealth Manager India” 2nd consecutive year by the Asset Triple A Awards 2019. MOFSL won “Best Data Analytics of the year Award” at the India NBFC excellence Awards 2019 by Synnex. These, and several other awards, are recognition of Motilal Oswal as a preferred consumer and employee brand in financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, MD & CEO said “Our strategy to diversify our business model towards linear sources of earnings continues to show results. Our Housing finance business is set for new beginning as all legacy issues are behind with incremental focus on profitable growth. Each of our 7 businesses offer headroom for growth. Prestigious awards like “Hall of fame”, Broking House of the year and several others have made all associated with the group immensely proud”.



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Performance of Business Segments for the quarter and half year ended September 30, 2019

• Asset Management businesses (AMC, PE and PWM)

- **Asset Management** business AUM across MF, PMS & AIF stood at Rs 385 bn, +6% YoY. Our AMC ranks 12 by total equity assets, PMS ranks #1 while AIF assets are growing rapidly. Revenues and PAT for the quarter stood at Rs 1.36 bn and Rs 478 mn (+22% YoY), respectively. Asset management business offers highest scalability among all businesses.
- Our Equity MF AUM of Rs 199 bn is just 1.9% of the Industry Equity AUM of Rs 10.3 tn. We have seen significant improvement in performance of all of our flagship schemes in MF as well as in alternate funds. Most of our schemes are in top 5 amongst their peer set category in 1 year period. This has resulted in traction in our gross as well as net flows.
- Further, MOAMC has also launched Large & Mid-Cap fund under active category and also launched 4 index funds under passive category.
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~48% and continues to rise.
- **Private Equity** manages an AUM of Rs 66 bn (+8% YoY) across 3 growth capital PE funds and 4 real estate funds. In H1FY20, revenues grew by 8% YoY at Rs 495 mn and PAT stood at Rs 107 mn. The 1st growth fund (IBEF 1) has delivered an XIRR of ~27%. Strong performance and positioning has also aided new fund raise. We have launched IREF IV in FY19 with a target size of Rs. 12 bn and have achieved 3rd close at ~Rs. 10.6 bn.
- **Wealth Management** business AUM grew by 17% YoY at Rs 181 bn in H1FY20 with net sales of Rs 6 bn. RM count of this business has reached 129. Our trail revenues predominantly cover our fixed costs. As ratio of new adds to opening RM falls and the vintage of RM improves, both productivity and profitability of the business will scale up. New MD & CEO has joined us with over 17 years of experience in Wealth Management Industry.
- Overall **Asset and Wealth Management** revenues were Rs 3.8 bn in H1FY20 and contributed 29% of consolidated revenues. Profits were Rs 960 mn and contributed 35% of consolidated profits.

• Capital markets Businesses (Broking & Investment banking)

- Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 5.9 bn in H1FY20 and contributed ~44% of consolidated revenues. Profits were Rs 933 mn in H1FY20 and contributed ~33% of consolidated PAT. Broking and distribution business profit stood at Rs 962 mn in H1FY20 led by strong margins on account of better operating leverage on the higher and linear revenues.
- In **Retail Broking & Distribution**, our Market share in high-yield cash segment has been improved. Overall market share stood at 2.3% (ex-prop) in H1FY20 in rising F&O volumes in market.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM was Rs 99 bn, +16% YoY in Q2FY20. With only 17% of the near million client base tapped, we expect a continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.



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- In **Institutional Broking**, there was improvement in rankings with encouraging domestic institutions' contribution and new client additions. Every aspect of the business, research, sales, sales trading and corporate access is being strengthened.
- **Investment Banking** business reported improvement in 2Q performance and the overall transaction pipeline remains encouraging.

• **Housing finance business**

- Motilal Oswal Home Finance (MOHFL) reported profit of Rs 53 mn in H1FY20 against loss in a same period last year.
- During the quarter, MOHFL has sold pool of NPA's of Rs 5.4 bn (having Net Outstanding book value of Rs 3.45bn) to Phoenix ARC Private Ltd and realised full cash consideration of Rs 2.6 bn. This has resulted in significant reduction of the GNPA & NNPA ratios to 2.39% and 1.82% respectively. This lower NPL will help us in further adding to lenders' confidence and bringing down incremental cost of funds
- MOHFL has received credit rating upgrade amid challenging environment based on several positive changes undertaken including name change. CRISIL has upgraded MOHFL's rating to AA- (stable outlook) from earlier A+ (stable). This will further benefit MOHFL in bringing down cost of funds and improve spreads.
- Name change to "Motilal Oswal Home Finance" to yield multiple benefits like reduction in cost of funds, leveraging on brand, group level synergy across functions, locations and business associates.
- Loan book stood at Rs 38.5 bn as of H1FY20. Disbursements in H1FY20 were Rs 850 mn.
- New book sourced from April'18 has encouraging performance, with only 6 cases in NPA out of ~4000 loan cases.
- Margins remained stable at 5.1% in H1FY20, on account of improvement in yield coupled with equity infusion in CY19. Our spreads have remained stable in an environment of higher cost of funds.
- Strong traction in legal recourse coupled with improvement in collection efficiency will result in faster resolution of delinquent cases.
- With likely pick-up in disbursements coupled with improved collection efficiency, augur well for future asset quality and profitability outlook.
- Strong support from parent continues with capital infusion of Rs 2 bn in CY19 taking total capital infusion to Rs 8.5 bn. Gearing remains conservative at 3.9x.
- Limited borrowing repayments till March 2020, strong undrawn borrowing lines and ALM place us in comfortable liquidity situation.



Motilal Oswal Financial Services Limited

CIN: L67190MH2005PLC153397

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- **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
 - **Fund based** investments like commitments to our asset management products, not only helped seed these new businesses by investing in highly scalable opportunities, but they also represent liquid resources for future opportunities.
 - Company continues to invest its free cash flow; during H1FY20 we have invested Rs 1.1 bn in quoted equity investments.
 - Total quoted equity investment including MTM gains was Rs 15.5 bn as of Q2FY20. MTM on these gains are now part of reported earnings under Ind-AS reporting. Cumulative XIRR of these investments is ~17%.

About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. is a financial services company. Its offerings include capital markets businesses (Retail broking, Institutional broking & Investment banking), Asset & Wealth Management (Asset Management, Private Equity & Wealth Management), Housing Finance & Equity based treasury investments. Motilal Oswal Financial Service won the 'Brand of the Year' award at the IBLA CNBC TV 18. Motilal Oswal Securities won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards for the 6th time. It was ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services & Best Roadshows/Company Visits & amongst the Top-3 in Best Local Brokerage, Best Execution & Sales Trading Visits at the Asia Money Awards 2015. Motilal Oswal 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 & Valuable Housing Finance Company' at India Leadership Conclave 2015.

For further details contact:

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Pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), we submit herewith the following information pertaining to the Secured, Redeemable, Non-Convertible Debentures of the Company listed on BSE Limited.

Sr. No	Particulars	Details
(a)	Credit Rating and change in credit rating (if any)	Forms part of Unaudited Financial Results.
(b)	Asset cover available, in case of non-convertible debt securities	Forms part of Unaudited Financial Results.
(c)	Debt Equity Ratio	Forms part of Unaudited Financial Results.
(d)	Previous due date for the payment of interest/ repayment of principal of non-convertible debt securities and whether the same has been paid or not	During the six months ended September 30, 2019, payment of interest & repayment of principal for Series A and Series B and payment of interest of Series C was due and the said payments were made on due date. Please refer Annexure - 1 .
(e)	next due date for the payment of interest/ principal along with the amount of interest and the redemption amount	Please refer Annexure - 2 .
(f)	Debt service coverage ratio	Forms part of Unaudited Financial Results.
(g)	Interest service coverage ratio	Forms part of Unaudited Financial Results.
(h)	Outstanding redeemable preference shares (quantity and value)	Not applicable
(i)	Capital Redemption Reserve / Debenture Redemption Reserve	Forms part of Unaudited Financial Results.
(j)	Net worth	Forms part of Unaudited Financial Results.
(k)	Net profit after tax	Forms part of Unaudited Financial Results.
(l)	Earnings per share	Forms part of Unaudited Financial Results.

ANNEXURE - 1**PREVIOUS DUE DATE FOR PAYMENT OF INTEREST / REPAYMENT OF PRINCIPAL AMOUNT AND WHETHER THE SAME HAS BEEN PAID OR NOT (i.e. DURING PERIOD APRIL 1, 2019 TO SEPTEMBER 30, 2019)**

Name of Series	ISIN	Type (Interest/ Principal)	Due Date of Payment	Date of Payment
Series A - 8.5 % Secured, Redeemable, Non- Convertible Debentures	INE886I07014	Interest	April 30, 2019	April 30, 2019
		Principal		
Series B - 8.5 % Secured, Redeemable, Non- Convertible Debentures	INE886I07022	Interest	June 5, 2019	June 4, 2019*
		Principal		
Series C - 8.53 % Secured, Redeemable, Non- Convertible Debentures	INE886I07030	Interest	July 4, 2019	July 4, 2019

* As per terms & conditions of the Information Memorandum, since the due date for payment of Interest and Principal falls on public holiday i.e. June 5, 2019, the interest & principal amount was paid on June 4, 2019.

ANNEXURE - 2**NEXT DUE DATE FOR THE PAYMENT OF INTEREST/ REPAYMENT OF PRINCIPAL AMOUNT ALONG WITH THE AMOUNT OF INTEREST/REDEMPTION:**

Name of Series	ISIN	Type (Interest/ Principal)	(In Rupees)	
			Due date of payment	Amount
Series C - 8.53% Secured, Redeemable, Non- Convertible Debentures	INE886I07030	Interest	July 3, 2020	127,600,500
		Principal	July 3, 2020	1,500,000,000

For Motilal Oswal Financial Services Limited

Kailash Purohit

Company Secretary & Compliance Officer