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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to the Regulation 33 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 unaudited consolidated 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'), its associate and joint venture (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement) for the quarter ended 30 September 2020 and the year to date consolidated unaudited financial results for the period 01 April 2020 to 30 September 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding 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), 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.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

**Motilal Oswal Financial Services Limited**

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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 6 below, 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), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 7 and Note 8 in the accompanying Statement which describes the uncertainties relating to the effects of the COVID 19 pandemic on the impact on expected credit loss recognised towards the housing loans to customers and carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to ₹ 67,172 lakhs as at 30 September 2020. Our conclusion is not modified in respect of this matter.
6. We did not review the interim financial information of nine subsidiaries included in the Statement whose financial information reflects total assets of ₹ 52,130 lakhs as at 30 September 2020, and total revenues of ₹ 4644 lakhs and ₹ 7,934 lakhs, total net profit after tax of ₹ 1,202 lakhs and ₹ 1,551 lakhs, total comprehensive income of ₹ 1,177 lakhs and ₹ 1,574 lakhs, for the quarter and six-month period ended on 30 September 2020, respectively, and cash inflows (net) of ₹ 280 lakhs for the period ended 30 September 2020, as considered in the Statement. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the Holding Company's management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries, one subsidiary is located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been reviewed by other auditors under International Standards on Auditing applicable in its country. The Holding Company's management has converted the financial information of such subsidiary from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of this subsidiary is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

7. The Statement includes the interim financial information of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information reflects total assets of ₹ 465 lakhs as at 30 September 2020 and total revenues of ₹ 63 lakhs and ₹ 119 lakhs, net loss after tax of ₹ 32 lakhs and ₹ 39 lakhs, total comprehensive loss of ₹ 32 lakhs and ₹ 39 lakhs for the quarter and six-month period ended 30 September 2020 respectively, cash outflow of ₹ 80 lakhs for the period ended 30 September 2020 as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 6,326 lakhs and ₹ 6,745 lakhs for the quarter and six-month period ended on 30 September 2020 respectively, in respect of one associate and one joint venture based on their financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture are based solely on such management certified unreviewed financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

**Motilal Oswal Financial Services Limited**  
**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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Further these subsidiaries are located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been reviewed by other auditors. The Holding Company's management has converted the financial information of such subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of these subsidiaries is based on the management certified unreviewed financial information and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the management.

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

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

**UDIN:20043334AAAAAT9957**

Place: Mumbai  
Date: 30 October 2020

**Motilal Oswal Financial Services Limited**  
**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Motilal Oswal Financial Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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**Annexure 1**

**List of entities included in the Statement**

**List of Subsidiaries**

<b>Name of the Company</b>
Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)
MOPE Investment Advisors Private Limited
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
Motilal Oswal Wealth Management Limited
Motilal Oswal Asset Management Company Limited
Motilal Oswal Trustee Company Limited
Motilal Oswal Securities International Private Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets (Singapore) Pte. Limited
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
India Business Excellence Management Company
Motilal Oswal Asset Management (Mauritius) Private Limited
Motilal Oswal Capital Limited
Glide Tech Investment Advisory Private Limited
Motilal Oswal Finsec IFSC Limited
TM Investment Technologies Private Limited (w.e.f. 24 July 2020)

**List of Associate**

India Reality Excellence Fund II LLP
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**List of Joint Venture**

India Business Excellence Fund III (upto 29 September 2020)
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**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

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CIN: L67190MH2005PLC153397

**Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2020**

Particulars	(Rs. in Lakhs, unless otherwise stated)					
	For the quarter ended			For the half year ended		For the year ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>						
(i) Interest income	18,198	17,262	19,412	35,460	39,098	76,754
(ii) Dividend income	65	10	122	75	138	194
(iii) Rental income	1	1	4	2	4	39
(iv) Fee and commission income	48,321	39,144	38,045	87,465	73,844	1,54,922
(v) Net gain on fair value change	13,262	14,953	4,029	28,214	8,892	-
(vi) Other operating income	1,276	1,210	1,107	2,486	2,333	3,846
<b>(I) Total revenue from operations</b>	<b>81,123</b>	<b>72,580</b>	<b>62,719</b>	<b>1,53,702</b>	<b>1,24,309</b>	<b>2,35,755</b>
(II) Other income	39	167	54	206	435	786
<b>(III) Total Income (I)+(II)</b>	<b>81,162</b>	<b>72,747</b>	<b>62,773</b>	<b>1,53,908</b>	<b>1,24,744</b>	<b>2,36,541</b>
<b>Expenses</b>						
(i) Finance cost	10,910	10,879	12,455	21,789	24,850	49,447
(ii) Fees and commission expense	15,912	12,322	11,041	28,235	22,046	46,911
(iii) Net loss on fair value change	-	-	-	-	-	21,902
(iv) Impairment on financial instruments	2,380	1,592	5,063	3,972	6,360	9,130
(v) Employee benefits expenses	15,063	14,299	14,308	29,362	27,212	53,980
(vi) Depreciation and amortisation expenses	1,140	1,058	996	2,197	1,945	3,971
(vii) Other expenses	5,707	4,653	5,465	10,360	10,233	22,681
<b>(IV) Total expenses</b>	<b>51,112</b>	<b>44,803</b>	<b>49,328</b>	<b>95,915</b>	<b>92,646</b>	<b>2,08,022</b>
<b>(V) Profit/(loss) before exceptional items and tax (III)-(IV)</b>	<b>30,050</b>	<b>27,944</b>	<b>13,445</b>	<b>57,993</b>	<b>32,098</b>	<b>28,519</b>
(VI) Exceptional items	-	(8,896)	-	(8,896)	-	-
<b>(VII) Profit/(Loss) before tax and after exceptional items (V)+(VI)</b>	<b>30,050</b>	<b>19,048</b>	<b>13,445</b>	<b>49,097</b>	<b>32,098</b>	<b>28,519</b>
<b>Tax expense/(credit)</b>						
(1) Current tax	5,538	3,606	2,409	9,143	7,992	13,371
(2) Deferred tax expense/(credit)	866	(1,031)	(3,925)	(165)	(4,689)	(6,424)
(3) Short/(excess) provision for earlier years	80	-	0	80	(1)	32
<b>(VIII) Total tax expenses</b>	<b>6,484</b>	<b>2,575</b>	<b>(1,516)</b>	<b>9,058</b>	<b>3,302</b>	<b>6,979</b>
<b>(IX) Profit/(Loss) after tax (VII)-(VIII)</b>	<b>23,566</b>	<b>16,473</b>	<b>14,961</b>	<b>40,039</b>	<b>28,796</b>	<b>21,540</b>
(X) Share of profit/(loss) from associate and joint venture (net of taxes)	6,326	420	(732)	6,745	(1,293)	(2,582)
<b>(XI) Profit/(Loss) after tax and share in profit/(loss) of associate &amp; joint venture (IX)+(X)</b>	<b>29,892</b>	<b>16,893</b>	<b>14,229</b>	<b>46,784</b>	<b>27,503</b>	<b>18,958</b>
<b>(XII) Other comprehensive income</b>						
(i) Items that will not be reclassified to profit or loss						
- Remeasurement of the defined employee benefit plans	43	222	390	265	264	201
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	5,420	3,240	(1,209)	8,660	2,396	(6,914)
(ii) Tax expenses relating to items that will not be reclassified to profit or loss	(630)	(433)	60	(1,063)	(347)	727
<b>Total other comprehensive income/(loss) (XII)</b>	<b>4,833</b>	<b>3,029</b>	<b>(759)</b>	<b>7,862</b>	<b>2,313</b>	<b>(5,986)</b>
<b>(XIII) Total comprehensive income/(loss) (XI)+(XII)</b>	<b>34,725</b>	<b>19,922</b>	<b>13,470</b>	<b>54,646</b>	<b>29,816</b>	<b>12,972</b>
<b>(XIV) Net profit/(loss) attributable to:</b>						
Owners of parent	29,646	16,699	14,235	46,340	27,177	18,337
Non-controlling interests	246	194	(6)	444	326	621
<b>(XV) Other comprehensive income/(loss) attributable to:</b>						
Owners of parent	4,833	3,026	(761)	7,864	2,311	(5,983)
Non-controlling interests	(0)	3	2	(2)	2	(3)
<b>(XVI) Total comprehensive income/(loss) attributable to: (XIV)+(XV)</b>						
Owners of parent	34,479	19,725	13,474	54,204	29,488	12,354
Non-controlling interests	246	197	(4)	442	328	618
<b>(XVII) (a) Paid up equity share capital (Face value Re.1 per share)</b>	<b>1,469</b>	<b>1,480</b>	<b>1,473</b>	<b>1,469</b>	<b>1,473</b>	<b>1,481</b>
<b>(b) Other Equity</b>						<b>3,07,149</b>
<b>(XVIII) Earning per share (EPS)*</b>						
Basic EPS (Amount in Rs.)	20.07	11.28	9.73	31.34	18.59	12.47
Diluted EPS (Amount in Rs.)	19.65	11.05	9.59	30.69	18.31	12.20

\*EPS for the quarters / half-years is not annualized

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**Consolidated Statement of Assets and Liabilities**

**(Rs. in Lakhs)**

PARTICULARS	As at	As at
	30 September 2020	31 March 2020
	(Unaudited)	(Audited)
<b>I. ASSETS</b>		
<b>1 Financial assets</b>		
(a) Cash and cash equivalents	1,17,642	84,352
(b) Bank balance other than (a) above	1,17,634	53,443
(c) Receivables		
(I) Trade receivables	76,005	74,553
(II) Other receivables	120	145
(d) Loans	4,15,660	4,07,947
(e) Investments	2,59,232	3,08,850
(f) Other financial assets	72,223	14,925
<b>Sub - total financial assets</b>	<b>10,58,516</b>	<b>9,44,215</b>
<b>2 Non-financial asset</b>		
(a) Current tax assets (net)	4,097	4,043
(b) Deferred tax assets (net)	10,963	12,428
(c) Investment property	3,438	3,465
(d) Property, plant and equipment	27,317	27,321
(e) Other Intangible assets	2,836	2,548
(f) Other non-financial assets	14,149	17,040
<b>Sub - total non - financial assets</b>	<b>62,800</b>	<b>66,845</b>
<b>Total Assets</b>	<b>11,21,316</b>	<b>10,11,060</b>
<b>II. LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>1 Financial liabilities</b>		
(a) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises	2,28,804	1,79,798
(b) Debt securities	2,81,727	2,82,326
(c) Borrowings (Other than debt securities)	1,81,787	1,80,355
(d) Deposits	16	12
(e) Other financial liabilities	51,625	37,464
<b>Sub - total financial liabilities</b>	<b>7,43,959</b>	<b>6,79,955</b>
<b>2 Non - financial liabilities</b>		
(a) Current tax liabilities (net)	6,944	955
(b) Provisions	9,307	12,538
(c) Deferred tax liabilities (net)	2,909	2,699
(d) Other non - financial liabilities	4,514	2,624
<b>Sub - total non - financial liabilities</b>	<b>23,674</b>	<b>18,816</b>
<b>3 Equity</b>		
(a) Equity share capital	1,469	1,481
(b) Other equity	3,47,562	3,07,149
(c) Non-controlling interests	4,652	3,659
<b>Sub - total equity</b>	<b>3,53,683</b>	<b>3,12,289</b>
<b>Total Liabilities and Equity</b>	<b>11,21,316</b>	<b>10,11,060</b>

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**Consolidated Statement of Cash Flow**

(Rs. in Lakhs)

PARTICULARS	For the half year ended 30 September 2020	For the half year ended 30 September 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit before taxation</b>	<b>49,098</b>	<b>32,098</b>
Adjustments for:		
Impairment on financial instruments	3,972	6,361
Depreciation and amortisation expense	2,197	1,945
Provision for gratuity	366	409
Employee stock option expenditure	1,166	1,190
Profit / (loss) from partnership gain and joint venture	7,531	72
Net loss/(gain) on fair value change	(28,214)	(8,891)
Interest income	(35)	(44)
Dividend income	(75)	(138)
Interest expense pertaining to lease liability	174	159
<b>Operating profit</b>	<b>36,180</b>	<b>33,161</b>
<b>Adjustment for working capital changes:</b>		
(Increase) / decrease in trade receivables	(2,185)	47,757
(Increase) / decrease in other receivables	24	(40)
(Increase) in other financial assets	(57,298)	(9,155)
Decrease in other non financial assets	2,891	783
(Increase) / decrease in loans	(10,952)	40,043
Investment in Fixed deposit having maturity more than 3 months (net of maturity)	(64,191)	(33,949)
Decrease in liquid investments	94,239	37,937
Increase in trade payables	49,006	10,439
Increase in deposit	4	(5)
Increase in other financial liabilities	14,161	30,623
Increase in other non financial liabilities	1,890	707
(Decrease) in provision	(3,331)	(3,756)
Increase / (decrease) in borrowings	1,432	(61,110)
Increase / (decrease) in debt securities	(600)	17,067
<b>Cash generated from operations</b>	<b>61,270</b>	<b>1,10,502</b>
Direct taxes paid net (including utilisation of MAT credit)	(3,304)	(10,433)
<b>Net cash generated from Operating activities (A)</b>	<b>57,966</b>	<b>1,00,069</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment	(2,455)	(5,124)
Purchase of Investments	(18,703)	(32,860)
Sale of Investments	10,957	4,979
Sale of Property, plant and equipment	2	-
Interest received	35	44
Dividend received	75	138
<b>Net cash (used in)/generated from Investing activities (B)</b>	<b>(10,089)</b>	<b>(32,823)</b>
<b>C. Cash flow from financing activities</b>		
Issue of Share capital including Securities premium	92	1,577
Buyback of shares	(14,861)	-
Payment of Dividend and Dividend Distribution Tax	-	(7,799)
Increase /(Decrease) in unpaid dividend	-	(3)
Cash payment of lease liability and interest	(174)	(159)
Foreign Currency Translation Reserve	(152)	1
Investment by/ (purchase) from Minorities	508	23
<b>Net cash (used in)/generated from Financing activities (C)</b>	<b>(14,587)</b>	<b>(6,360)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the period (A+B+C)</b>	<b>33,290</b>	<b>60,886</b>

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**Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2020**

PARTICULARS	(Rs. in lakhs)	
	For the half year ended	
	30 September 2020	30 September 2019
<b>Cash and cash equivalents as at beginning of the period</b>		
Cash on hand	76	236
Schedule bank - In Current accounts	47,666	26,344
Cheques in hand	-	-
Fixed Deposit with original maturity within 3 months	36,610	10,788
<b>Cash and cash equivalents as at beginning of the period</b>	<b>84,352</b>	<b>37,368</b>
<b>Cash &amp; Cash equivalents comprise of as at end of the period</b>		
Cash on hand	166	244
Schedule bank - In Current accounts	1,09,328	77,278
Cheques in hand	131	-
Fixed Deposit with original maturity within 3 months	8,017	20,732
<b>Cash and cash equivalents as at end of the period</b>	<b>1,17,642</b>	<b>98,254</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	166	244
In Current accounts	1,09,328	77,278
Cheques in hand	131	-
Fixed Deposit with original maturity within 3 months	8,017	20,732
<b>Total</b>	<b>1,17,642</b>	<b>98,254</b>

**Notes :**

(i) The above Statement of Cash Flow has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flow', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(ii) Figures in brackets indicate cash outflows.

**Consolidated notes:**

1) The consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 30 October 2020, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2) The consolidated results of the Company include limited reviewed results of the subsidiaries – Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited) (100%), MOPE Investment Advisors Private Limited (87.16%), Motilal Oswal Commodities Broker Private Limited (100%), Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited) (100%), Motilal Oswal Wealth Management Limited (100%), Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited) (100%), Motilal Oswal Asset Management Company Limited (98.64%), Motilal Oswal Trustee Company Limited (100%), Motilal Oswal Securities International Private Limited (100%), Motilal Oswal Real Estate Investment Advisors Private Limited (87.16%), Motilal Oswal Real Estate Investment Advisors II Private Limited (78.444%), Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd) (97.87%), India Business Excellence Management Company (87.16%), Motilal Oswal Capital Limited (98.64%), Motilal Oswal Finsec IFSC Limited (100%), Glide Tech Investment Advisory Private Limited (100%), TM Investment Technologies Pvt. Ltd (63.83%) and unaudited results of the subsidiaries - Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Asset Management (Mauritius) Private Limited (98.64%), Motilal Oswal Capital Markets (Singapore) Pte. Limited (100%), Associate, India Realty Excellence Fund II LLP (20.44%)

3) During the quarter, CRISIL has re-affirmed the credit rating on the non-convertible debentures and long term bank facilities at 'CRISIL AA-/Stable', commercial paper rating at 'CRISIL A1+' and long term Principal Protected Market Linked Debentures rating at 'CRISIL PP-MLD AA-r/Stable' of Motilal Oswal Home Finance Limited.

ICRA has re-affirmed the credit rating on the non-convertible debentures at 'ICRA AA(CE)/Stable', commercial paper rating at 'ICRA A1+' and long term Principal Protected Market Linked Debentures rating at 'PP-MLD ICRA A+/stable' of Motilal Oswal Home Finance Limited.

India Ratings has assigned the credit rating on the short term instruments at 'Ind A1+' of Motilal Oswal Home Finance Limited.

Also, CRISIL has re-affirmed the credit rating on the commercial paper rating at 'CRISIL A1+', ICRA has re-affirmed the credit rating on the non-convertible debentures rating at 'ICRA AA/Stable' of Motilal Oswal Financial Services Limited.

Also, CRISIL has re-affirmed the credit rating on the non-convertible debentures at 'CRISIL AA-/Stable', commercial paper rating at 'CRISIL A1+' and assigned long term Principal Protected Market Linked Debentures rating at 'CRISIL PP-MLD AA-r/Stable' of Motilal Oswal Finvest Limited.

4) As per IndAS 109 the group has unrealised gain of Rs.12,985 lakhs and Rs.24,294 lakhs for the quarter and half-year ended 30 September 2020 respectively which has been included in net gain on fair value changes. Further, the group has investment designated as 'Fair value through other comprehensive income' on which unrealised gain has been classified under 'Other comprehensive income' amounting to Rs.5,420 lakhs and Rs.8,660 lakhs for the quarter and half-year ended 30 September 2020 respectively.



**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

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CIN: L67190MH2005PLC153397

**Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2020**

5) Consolidated segment results for the half year ended 30 September 2020 is as follows:

(Rs. in Lakhs)

Particulars	For the quarter ended			For the half year ended		For the year ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
(a) Broking and other related activities	42,160	34,340	30,066	76,500	57,831	1,22,461
(b) Fund based activities	20,354	14,854	2,946	35,208	6,336	3,559
(c) Asset management and advisory	18,082	15,006	19,151	33,089	38,567	78,865
(d) Investment banking	199	35	831	234	859	1,211
(e) Home finance	13,597	13,330	14,626	26,926	29,900	57,644
(f) Unallocated	2	5	16	7	44	33
<b>Total</b>	<b>94,394</b>	<b>77,570</b>	<b>67,636</b>	<b>1,71,964</b>	<b>1,33,537</b>	<b>2,63,773</b>
Less: Inter segment revenue	(5,895)	(4,447)	(5,692)	(10,341)	(10,396)	(22,717)
<b>Total segment revenue (Inclusive of revenue from associate and joint venture)</b>	<b>88,499</b>	<b>73,123</b>	<b>61,944</b>	<b>1,61,623</b>	<b>1,23,141</b>	<b>2,41,056</b>
<b>2. Segment results</b>						
(a) Broking and other related activities	11,789	8,444	6,739	20,233	12,869	26,122
(b) Broking exceptional item	0	(8,896)	-	(8,896)	-	-
(c) Fund based activities	19,336	13,996	2,282	33,333	5,289	(29,063)
(d) Asset management and advisory	6,314	4,192	6,381	10,505	13,155	26,391
(e) Investment banking	(198)	(516)	280	(714)	(262)	(1,019)
(f) Home finance	1,687	2,412	(1,741)	4,099	772	6,129
(g) Unallocated	(1,540)	(207)	(1,324)	(1,748)	(1,329)	(3,029)
<b>Total</b>	<b>37,388</b>	<b>19,425</b>	<b>12,617</b>	<b>56,812</b>	<b>30,494</b>	<b>25,531</b>
<b>Total segment results (Inclusive of share of profit from associate and joint venture)</b>	<b>37,388</b>	<b>19,425</b>	<b>12,617</b>	<b>56,812</b>	<b>30,494</b>	<b>25,531</b>
<b>3. Segment assets</b>						
(a) Broking and other related activities	4,37,476	4,32,473	3,70,627	4,37,476	3,70,627	3,97,315
(b) Fund based activities	2,48,862	2,13,607	2,41,968	2,48,862	2,41,968	2,04,668
(c) Asset management and advisory	26,981	26,846	31,014	26,981	31,014	28,411
(d) Investment banking	219	170	200	219	200	167
(e) Home finance	4,15,706	3,99,141	4,12,976	4,15,706	4,12,976	3,78,057
(f) Unallocated	15,223	16,504	26,023	15,223	26,023	16,848
Less : Inter segment assets	(23,151)	(22,832)	(23,093)	(23,151)	(23,093)	(14,406)
<b>Total segment assets</b>	<b>11,21,316</b>	<b>10,65,909</b>	<b>10,59,715</b>	<b>11,21,316</b>	<b>10,59,715</b>	<b>10,11,060</b>
<b>4. Segment liabilities</b>						
(a) Broking and other related activities	3,91,333	3,93,991	3,33,713	3,91,333	3,33,713	3,66,976
(b) Fund based activities	31,023	21,423	43,065	31,023	43,065	22,141
(c) Asset management and advisory	13,612	8,806	15,382	13,612	15,382	10,952
(d) Investment banking	1,366	1,229	1,164	1,366	1,164	725
(e) Home finance	3,35,134	3,20,297	3,42,010	3,35,134	3,42,010	3,01,649
(f) Unallocated	11,615	5,422	7,920	11,615	7,920	4,675
Less : Inter segment liabilities	(16,451)	(16,881)	(17,822)	(16,451)	(17,822)	(8,347)
<b>Total segment liabilities</b>	<b>7,67,632</b>	<b>7,34,287</b>	<b>7,25,432</b>	<b>7,67,632</b>	<b>7,25,432</b>	<b>6,98,771</b>

The group has reported segment information as per Indian Accounting Standard 108 on 'Operating Segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified five reportable segments, namely i) Broking and other related activities, ii) Fund based activities, iii) Asset management and advisory, iv) Investment banking and v) Home finance. The balance is shown as unallocated items.

6) Total segment revenue (inclusive of revenue from associate and joint venture) includes Net gain on fair value change from Broking and other related activities, Asset management and advisory and Home finance segment of Rs 966 lakhs and Rs. 4,515 lakhs for the quarter and year ended 31 March 2020 respectively which has been classified under 'Net loss on fair value change' in Statement of Consolidated Financial Results .

7) The subsidiary company Motilal Oswal Home Finance Limited had offered moratorium in accordance with its Board approved policies read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 Regulatory Package', to its eligible customers based on requests received as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. The moratorium period, wherever granted, was excluded for assets classification purpose for accounts classified as standard as of 29 February 2020, even if overdue.

During the quarter ended 30 September 2020, the Company made an expected credit loss (ECL) provision on stage 1 and 2 assets of Rs.539 lakhs, taking the overall ECL provision on stage 1 and 2 assets to Rs.4,474 lakhs as of 30 September 2020. The ECL provision on stage 1 and 2 assets as a percentage of underlying assets stands at 1.24% as of 30 September 2020 (0.74% as of 31 March 2020). The provision on loans made by the Company is more than requirement as per the RBI guideline dated 17 April 2020.

The Company has recognised provisions as on 30 September 2020 towards its assets including loans based on the information available at this point of time including estimates and assumptions specific to the impact of the COVID-19 pandemic, in accordance with the Expected Credit Loss method. Given the dynamic and evolving nature of the COVID-19 pandemic, these estimates and assumptions may be affected by the severity, duration of the pandemic and other variables.

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**Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2020**

8) The SARS-CoV-2 virus responsible for COVID -19 has spread across the globe and India, which has contributed to a significant decline in the economic activities. Government have introduced a variety of measures to contain the spread of the virus. Governments have Introduced various lockdowns since March 2020. Such lockdowns have been lifted for activities in a phased manner by various governments at various points in time depending on the situation prevailing in their respective jurisdictions. The Company believes that it has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. The Company will continue to monitor for any material changes to future economic conditions.

The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & 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.67,172 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 Private Equity Funds and Real Estate Funds as at 30 September 2020, may be affected by the severity and duration of the outbreak; however the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

9) 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 the 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. 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.

10) The Buy-back window of the Company commenced on 01 April 2020 and was closed from closure of trading hours of 30 September 2020. During the Buy-back period i.e. 01 April 2020 till 30 September 2020, the Company bought-back 19,09,144 Equity Shares of the Company out of which 11,78,182 equity shares were extinguished during quarter ended 30 September 2020 and balance 7,30,962 equity shares were extinguished on 06 October 2020. The Company has deployed Rs. 12,033 lakhs, representing 80.22% of the Maximum Buy-back Size of Rs. 15,000 lakhs.

11) The subsidiary company Motilal Oswal Home Finance Limited has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced through 'The Taxation Laws (Amendment) Act, 2019'. Accordingly, the Company has recognised provision for income tax for the half year ended 30 September 2020 and re-measured its deferred tax assets/ liability basis the rate prescribed in the aforesaid section. Accordingly, an amount of Rs.683 lakhs and Rs.1,366 lakhs for the quarter and half year ended 30 September 2020 respectively, is attributable to the effect of revising the annual effective income tax rate.

12) Disclosures as required by RBI circular dated 17 April 2020 on 'COVID-19 Regulatory Package - Asset Classification and Provisioning' is given below:

Particulars	Rs. in lakhs	
	30 September 2020	31 March 2020
Principal amount outstanding for all loan accounts where moratorium benefit was extended	1,85,211	57,712
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	40,752	37,028
Respective amount where asset classification benefit is extended	5,115	5,282
Provision made in terms of paragraph 5 of the circular (5% in March 2020 and 10% cumulative till June 2020, based on regulatory provisioning requirements) *	515	259
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions in terms of paragraph 6 of the circular	515	259

\* The provision included in these results has been determined in accordance with the Expected Credit Loss method.

13) Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 (interim order), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Accordingly, the subsidiary company Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited) has not classified any accounts as NPA after 31 August 2020 which were not NPA as of 31 August 2020. However, the Company continues to consider 90 days past due cases under Stage 3 and provisioned accordingly, as per Ind AS accounting guidelines.

14) The amounts reflected as "0" in the financial information are values with less than rupees fifty thousands.

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

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

**MOTILAL**  
**GOPILAL**  
**OSWAL**

Digitally signed by MOTILAL GOPILAL OSWAL  
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 Date: 2020.10.30 17:44:48 +05'30'

**Motilal Oswal**  
 Managing Director and Chief Executive Officer  
 (DIN - 00024503)

Mumbai, 30 October 2020