Motilal Oswal Financial Services

ConCall Summary & Earnings Release

Quarter and Nine months ended December 2018

17th January 2019

Motilal Oswal Financial Services Limited (MOFSL) posted consolidated revenues of Rs 6.8 billion for Q3FY19, and Rs 19.7 billion for 9MFY19. Consolidated Adjusted PAT was Rs 1.4 bn, +2% YoY in Q3FY19 and Rs 3.7 bn, +15% YoY in 9MFY19. Capital Market revenue was Rs 2.7 billion in Q3FY19 and Rs 8.8 bn in 9MFY19. Asset and Wealth management revenue was Rs 1.9 billion in Q3FY19, and Rs 5.9 billion in 9MFY19. Housing finance-related revenue was Rs 1.5 billion in Q3FY19 and Rs 4.8 billion in 9MFY19.

For a deeper insight into the company's performance and the management's expectations, we present extracts from the post-results conference call. We have edited and rearranged the transcript for greater lucidity. This presentation is available at www.motilaloswalgroup.com

Corporate Participants

Mr Motilal Oswal

Chairman

Mr Raamdeo Agrawal

Joint Managing Director

Mr Navin Agarwal

Managing Director

Mr Shalibhadra Shah

Chief Financial Officer

Mr Aashish Somaiyaa

Chief Executive Officer - AMC

Mr Rakesh Shinde

Investor Relations

Welcome to the Q3 FY19 and 9M FY19 Earnings Conference call for Motilal Oswal Financial Services Limited. We have with us today, Mr. Motilal Oswal - Chairman, Mr. Raamdeo Agrawal - Joint Managing Director, Mr. Navin Agarwal - Managing Director, Mr. Aashish Somaiyaa - CEO MOAMC, Mr. Shalibhadra Shah – CFO and Mr. Rakesh Shinde, Investor Relation. For the duration of the presentation all participant lines will be in listen-only mode. I will be standing by for the question and answer session. I now like to invite Mr. Navin Agarwal to make his opening remarks. Thank you and over to you sir.

MOFSL CONSOLIDATED FINANCIALS (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	**6,797**	**8,617**	**-21%**	**6,247**	**9%**	**19,711**	**23,165**	**-15%**
Total Adjusted Revenues	6,483	6,989	-7%	6,571	-1%	19,235	18,738	3%
EBITDA	1,547	4,663	-67%	1,653	-6%	6,020	12,400	-51%
PBT	236	3,233	-93%	293	-19%	1,983	8,218	-76%
Reported PAT as per Ind AS	**399**	**2,473**	**84%**	**42**	**-**	**1,476**	**6,086**	**-76%**
Adjusted PAT as per Ind AS (ex-Aspire)	**1,433**	**1,405**	**2%**	**1,099**	**30%**	**3,691**	**3,198**	**15%**

REVENUE COMPOSITION (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Broking	2,701	3,113	-13%	2,957	-9%	8,580	8,146	5%
Investment Banking	50	449	-89%	34	46%	235	904	-74%
Asset Management	1,368	1,353	1%	1,543	-11%	4,390	3,593	22%
Wealth Management	249	245	2%	319	-22%	829	684	21%
Private Equity	319	419	-24%	247	29%	749	1,459	-49%
Fund Based	565	1,418	-60%	-578	-	56	3,331	-98%
Housing Finance	1,545	1,620	-5%	1,724	-10%	4,872	5,047	-3%
Total Revenues	**6,797**	**8,617**	**-21%**	**6,247**	**9%**	**19,711**	**23,165**	**-15%**
Total Adjusted Revenues	**6,483**	**6,989**	**-7%**	**6,571**	**-1%**	**19,235**	**18,738**	**3%**

Note: *Adjusted revenues and PAT excludes fair valuation of unrealised gains in fund based business, and lumpy profit share on exit of PE fund investments.*

Opening remarks

Good Morning. It is my pleasure to welcome all of you to the Motilal Oswal Financial Services earnings call for the 3rd quarter FY19 and 9MFY19. During the quarter, we continue to witness positive outcomes from the changes we made in our business model few years back. Most of our chosen area of businesses have built scale and improved profitability. Turning to our consolidated numbers, Revenues in 9MFY19 stood at Rs 19.7 bn. Asset Management business, Wealth Management business and Capital market business top-line was +22% YoY,+21% YoY and +5% YoY respectively. Capital Markets share in revenue was 45% during the quarter led by market tailwinds. Notwithstanding this strong performance in Capital Markets, the share of annuity revenue streams went up to 55%, led by strong growth in AMC's AUM.

Consolidated PAT excluding gains on fund based investments, lumpy gains on the exit of PE investments and ex-aspire was Rs 782 mn in Q3FY19 and Rs 2.9 bn, (+11% YoY) in 9MFY19. Consolidated PAT was Rs 401 mn in Q3FY19 due to impact of MTM fair valuation of investments under Ind-AS and write off taken in Aspire. 47% of PAT was contributed by Capital Market business and 50% was by Asset & Wealth businesses.

Consolidated net worth stood at Rs 30 bn, gross borrowing was Rs 49 bn and net borrowing was Rs 45 bn (including Aspire). Excluding Aspire, gross and net borrowings were Rs 12 bn and Rs 10 bn respectively and this is less than the market value of quoted investments at Rs 14 bn. Overall gearing remains conservative at 1.7x; ex-Aspire it is at 0.4x and considering market value quoted investments, we are effectively net cash balance sheet.

Board has declared interim dividend of Rs 4 per share (FV Re 1/share). Dividend payout policy is 25%-35% of PAT.

Besides financial performance, the last few quarters have been very eventful in terms of our successes in brand building, advertising and several other fronts. MOPE-IBEF II awarded as “PE exit performance of the year 2017” at the IVCA conclave 2018. MOPWM won the prestigious ‘Best Boutique Wealth Manager India’ at the Asset Triple A Award 2018. MOAMC won ‘Best Portfolio Management Service Product’ at India Wealth Awards 2018. MORE won ‘Best Real Estate Product’ at India Wealth Awards 2018. MOFSL awarded as “Best Broking Business of the Year” at the Moneycontrol Awards 2018. These, and several other awards, are recognition of Motilal Oswal as a preferred consumer and employee brand in the financial services space.

I will now share the performance of each of our businesses.

Capital market business:

KEY FINANCIALS: Capital Markets (Retail Broking & Distribution, Institutional Broking)

Broking and Distribution

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	2,707	3,113	-13%	2,957	-9%	8,580	8,146	5%
EBITDA	825	1,028	-20%	1,065	-23%	2,983	2,592	15%
PBT	487	670	-27%	701	-31%	1,917	1,520	26%
PAT	339	356	-3%	478	-29%	1,372	1,037	32%

Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 8.8 bn in 9MFY19 and contributed ~45% of Cons revenues in 9MFY19. Profits were Rs 1.4 bn and contributed ~47% of 9MFY19 PAT. Broking and distribution business profit grew by 32% YoY in 9MFY19 led by strong operating margin expansion 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 maintained on sequential basis. Overall market share stood at 1.7% in Q3FY19 despite higher F&O volumes in market.

Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM was Rs 89.6 billion, +20% YoY and Net Sales were Rs 15 bn in 9MFY19. With only 11.5% of the near million client base tapped, Distribution income is already at 16% of retail broking gross revenues. We expect a meaningful 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.

Investment Banking

KEY FINANCIALS: INVESTMENT BANKING (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	50	449	-89%	34	46%	235	904	-74%
EBITDA	-28	282	-	-20	38%	46	627	-93%
PBT	-30	281	-	-22	36%	40	625	-94%
PAT	-23	170	-	-16	-	26	447	-94%

Investment Banking business has continued to engage and conclude some significant transactions in this period. We have completed 5 ECM transactions in 9MFY19. Overall transaction pipeline remains encouraging

Asset and Wealth management businesses,

KEY FINANCIALS: ASSET MANAGEMENT (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
AUM (Rs bn)	374	350	7%	364	2%	374	350	7%
Net inflows (Rs bn)	8	36	-79%	12	-38%	39	97	-60%
Total Revenues	1,368	1,353	1%	1,543	-11%	4,390	3,593	22%
EBITDA	540	496	9%	614	-12%	1,779	1,209	47%
PBT	539	494	9%	612	-12%	1,774	1,205	47%
PAT	345	320	8%	396	-13%	1,145	788	45%

Asset Management business across MF, PMS & AIF reached the mark of Rs 374 bn AUM, +7% YoY this year, comprising of Rs 191 bn MF AUM, Rs 154 bn PMS AUM and Rs 27 bn of AIF AUM. Our AMC now ranks among the Top-10 players by total equity assets, PMS ranks #1 while AIF is growing rapidly. Net Sales is Rs 39 bn in 9MFY19. Net yield remains robust at ~0.9% in 9MFY19. Revenues are Rs 1.4 bn and Rs 4.4 bn (+22% YoY) in Q3FY19 and 9MFY19 respectively. PAT is Rs 345 mn (+8% YoY) and Rs 1.14 bn (+45% YoY) in Q3FY19 and 9MFY19 respectively. The asset management business offers the highest scalability and operating leverage among all our businesses.

Our Equity MF AUM of Rs 191 bn is just 1.9% of the Industry Equity AUM of Rs 9.66 tn. However, our market share in Equity MF Net Sales (Including balance) has scaled up to ~2.4% in 9MFY19. Our SIP AUM is growing qualitatively and profitably; our SIP market share and proportion to total inflows is also rising.

Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at 49% and continues to grow very strongly. Yields and profitability of Alternates is higher. As of December 2018, ~20% of Alternates AUM is performance-fee linked, and our target is to increase this further.

Private Equity

KEY FINANCIALS: PRIVATE EQUITY* (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	319	419	-24%	247	29%	749	1,459	-49%
EBITDA	141	296	-52%	116	21%	331	984	-66%
PBT	141	292	-52%	113	25%	323	969	-67%
PAT	104	284	-63%	79	31%	226	760	-70%

Private Equity manages an AUM of Rs 60 bn across 3 growth capital PE funds and 4 real estate funds. This business has delivered on profitability and scalability fronts. The 1st growth fund (IBEF 1) has delivered an XIRR of 28%, and alpha of 10% and is expected to return nearly 6x MoC (Multiple of Cost). Strong performance and positioning has also aided new fund raise. We launched IBEF-3 in September 17 and received phenomenal response by garnering Rs 23 bn. We have launched IREF IV in FY19 with a target size of Rs. 15 bn has achieved 1st close at ~Rs. 5.6 bn

Wealth Management business:

KEY FINANCIALS: PRIVATE WEALTH MANAGEMENT (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	249	245	2%	319	-22%	829	684	21%
EBITDA	39	66	-41%	83	-53%	163	222	-26%
PBT	36	63	-42%	81	-55%	157	215	-27%
PAT	26	43	-40%	59	-56%	110	147	-25%

Wealth Management business AUM grew by 7% YoY at Rs 164 bn with Net adds of Rs 21 bn in 9MFY19. Revenues grew 21% YoY in 9MFY19. RM count of this business has reached 135 from 98 in 9MFY18, +27% YoY. Investments in strong RM addition suppressed reported profitability. However, as the ratio of new adds to opening RM's falls and the vintage of RM's improve, both productivity and profitability of the business will scale up. Yield stood at ~75 bps in 9MFY19, led by favourable equity mix of ~62% in total AUM.

Home Finance business:

KEY FINANCIALS: ASPIRE HOME FINANCE (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Net Interest Income	523	577	-9%	700	-25%	1,797	1,819	-1%
Other Income	33	8	287%	26	26%	94	159	-41%
Total Income	556	586	-5%	726	-23%	1,890	1,978	-4%
Operating Profit	282	377	-25%	467	-40%	1,092	1,278	-15%
PBT	-1,496	88	-	-541	-	-2,208	557	-
PAT	-970	76	-	-371	-	-1,450	426	-

Loan book stood at Rs 44 bn. NII remain flat in 9MFY19 on YoY basis, despite reduction in loan book led by higher write off and lower disbursements.

Margins remain stable at 4.85% in 9MFY19 on YoY basis. This was on account of lower borrowings and higher equity infusion during the period.

Asset quality deterioration in 9MFY19 was on account of seasoning of legacy portfolio. Clean up of legacy book, expected positive trends in disbursements in coming quarters along with improvement in collection efficiency from Dec-18 augur well for future asset quality outlook.

Provisions of Rs 1.78 bn on account of higher write off in Q3FY19 to clean up the legacy book. Provisions including write off stands at 69% as of Q3FY19. Strong support from parent with capital infusion of Rs 2 bn in Q3FY19 taking total capital infusion to Rs 8.5 bn. Gearing remains conservative at 4.4x.

Limited repayments till March 2019, equity infusion, undrawn borrowing lines, calibrated pace of growth, places us in comfortable liquidity situation.

Fund-based activities

KEY FINANCIALS: (Rs Mn)

Particulars	Q3 FY19	Q3 FY18	CHG. YoY	Q2 FY19	CHG. QoQ	9MFY19	9MFY18	CHG. YoY
Total Revenues	565	1,419	-60%	-578	-	56	3,331	-98%
PAT	563	1,165	-52%	-525	-	83	2,634	-97%

Fund Based activities 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.

Total quoted equity investment including unrealised gains was Rs 14 bn as of Q3FY19. MTM on these gains are now part of reported earnings under INDAS reporting. Cumulative XIRR of these investments is ~17%, which is the see-through RoE.

Outlook: To sum up, our strategy of diversified business model towards linear sources of earnings is showing definite results. Our businesses continue to grow strongly, make significant investments, are building scale and offer meaningful operating leverage. The portfolio of business are also well-positioned to capitalise on the various tailwinds created by financialisation of savings, shift from unorganised to organised due to de-monetisation and GST and several other macro trends. Our brand is now being recognized in each of our businesses. We remain excited about the headroom to grow in our existing businesses with several structural tailwinds and remain sharply focused on deepening moats in these businesses. We are now open for Q&A!

Q&A

Can you give me an update on the broking business? How it is doing in this environment where there are a lot of headwinds, and which is more getting impacted, the retail or institution?

Broking business always will go hands in on with retail institutions even against the flows. Everything right now impacted for the same reasons because as we see all geopolitical reasons.

The impact on the institutional equities business because of yield pressures have been greater than in the retail broking business for the 9-month period notwithstanding that our own profits have grown by 32% in the 9-month period. An important contributor to that has also been our strategy to bring linearity to the whole broking business, revenues and profitability by cross selling financial products to our million retail customer base. As I mentioned, we have successfully undertaken this exercise for over 11% of our customers and they now contribute to 16% of our retail broking revenues, and this has been an important contributor to the strong profit flow that you have seen during the current year notwithstanding what has happened to the market volumes.

There is some shrinkage of market share in our broking business as well. I am seeing the softening of around 10 bps kind of in this quarter. Can this go up following the next quarter onwards? Any colour on that Sir?

Actually, that is on account of the mix change because we have seen mix continuously going towards the F&Os. F&O as a proportion of market now stands at 97% which earlier was about 95% in last year. So, because of the mix change, we will definitely see the yields are coming down because of the higher F&O in the market volumes. But as we have guided, the yields as well as the market share in the high-yield cash business will continue to remain stable.

On the Asset Management business, on the mutual fund side during the changes in terms of the payouts to the distribution because of the TER related issues. How has been the initial response and have you seen any change in the complexion of your sourcing from larger versus smaller distributors or pockets or Wealth Management IFAs versus the banking channels, any colour on that?

I think if you see in this quarter, right now, frankly, the waters are a bit muddied in the sense that is there a slow down because of people's experience with last couple of years of investing or is there is a slowdown purely because distributors are slightly disenchanted with this business. I think it is a little difficult to decipher right now. I do believe that if you see a lot of pricing sensitive channels; when I say pricing sensitive channels, I mean that the guys who are heavily depending on upfront commission, there will be few pockets in the Beyond-30 cities and there will be few pockets within the retail banking space and as it is there will be few guys who are having a smaller asset base and hence for them, upfront income is more relevant than the trail book. So, there are definitely certain segments which are related to retail banks, which are related to Beyond-30 cities and which are related to smaller IFAs where I do believe that, yes, there is a maybe 40-50% impact and that is also visible in the industry's gross flows because if you see the net sale trend in the industry is not like redemptions are spiking. It is more to do with a massive decline in gross flows that one is witnessing right now. Coming to our AMC specifically, you would expect me to say that and take it with a pinch of salt but the fact is that our dependence on Beyond-30 cities has not seasoned. I mean we are actually present physically, our branches are mainly in the Top-30 cities itself, top 28 or 29. As far as Beyond-30 cities are concerned, our branch presence is practically nil and we depend more on the national distributor network to fetch business from these cities because otherwise we see a lot of cost duplication and channel conflict. So, we don't have direct presence in Beyond-30 cities, although some business comes through the national distributor network. Second point is that in the last 6 years of our existence, for our mutual funds, we never paid any upfront commission at all. So, from that perspective, the channels which are very very sensitive to upfront commissions anyway never like to work with us. So, from that perspective, the impact would be muted. And the third point is that in our entire business mix, nearly half the business is to do with alternate products like PMS and AIF and hence the overall discussion we are having is on a very-very small part of the total business. So, as far as Motilal Oswal AMC specifically is concerned, I think the impact has got more to do with the overall slow down in gross flow in the industry and people's experiences with investing in the last year, year and a half, but I think on a larger industry level if you ask me, yes, it is upfront and all these things are playing their role in a big way. Also, from 1st April, the actual TER cuts will kick in and that will result in further reduction in commissions. All of this is going to open a larger play area for us because we were not able to participate in certain segments in the past and now that gets opened up for us, but I think for the industry, this is a long-drawn adjustment process. I think you will still see a lot of adjustments over the next 6 months continuing to happen.

On the mutual fund side if we look at all our scheme F-30, 35, they have underperformed in the last 2 years on a SIP as well as on a lump sum basis. So, what are we communicating on how we are tackling this to our existing and potential investors and what has gone wrong in the performance? In the future, is it paying higher price?

This is the toughest question to answer. What happened was that we launched this QGLP in 2014 and after that we started in the portfolios based on those schemes first. It worked very well but the outperformance was outlandish, like F-35 which is the largest mutual fund and so is NTDOP. They had an outperformance, I remember, till October of 2017.

It compounded 16%-17% for 4 years. What you are seeing 2 years or 3 years of performance, it is actually nothing but last 1 year's bad performance. So, first 4 years, it did very well. You cannot have a strategy which will keep doing good every year. You see whether it is Buffet or you see all the masters of the past, nobody has got every year right. Strategy can deliver that because we have strategy and otherwise it will become so good kind of strategy that the whole industry will get time to QGLP which is not the case. Clearly, it is a very sound strategy. I still can't think when things don't work, and then you will start thinking whether you are right or wrong. I mean, all the insights come that you don't work well, but I don't have any further insights on this. I think we are on a very strong footing and I think one of things which, looking back, I am saying, somewhere we became a little more bigger trade on the oil, somehow the portfolios got aligned in terms of automotive, in terms of aviation, in terms of oil marketing companies, somewhere the oil trade had a lot of impact in last 12 months and in last 12 months when the oil prices kind of shot up, it had its own correlations and market behaved in its own fashion whether it is right or wrong. So, I think I can't correct what has happened in the last 12 months but going forward, we will try to see that there is no one thing which is overriding on the portfolios but broadly I think our portfolio is same. We have not made any churns; I mean we have remained same. One or two companies will keep coming and going and so we are able to position like tech we are positioned very well ahead of the curve. So, those things will keep happening, but broadly we will keep buying quality companies, growth companies at reasonable price but finding these companies at reasonable price has become very very big challenge. And the economy itself doesn't have a very broadbased growth thing. So, for us to pay a reasonable price for these companies is also becoming very difficult. So, there are challenges but I think this is the right way to go and you are there to appraise whatever happens.

I want to just share a couple of industry observations because there are very important people on the call, all active managers, opinion makers, I want to point out a couple of things about the industry itself. You know, in our universe, let's say Raamdeoji spoke about the multi-cap fund, I track a bunch of 25 multi-cap funds to appraise our portfolio managers, that's our peer set, and of course, we have Nifty 500 total return index. Now, the specific time frame of 2 years which was discussed, you would be surprised to know that out of 25, approximately 18 funds including us have failed to beat the benchmark in the last 2-year time bucket. And I think that a lot of the interactions that are happening about active management are missing a simple point that if you look at exactly 2 years, the bottom of demonetization, Jan 2017, Nifty was 7700 and August 2018 at the peak, Nifty was 11,900. So I don't think there are very many 20-month periods where the whole Nifty goes up 55% to 56% and within this period, I think there is a big divergence between how much Nifty went up and I think in that period, Nifty 500 has a very disjointed performance compared to Nifty itself. So, I think most multicap funds were trying to underperform because Nifty is up and Nifty 500 has a different type of performance itself. I think from October onwards; this momentum of underperformance is broken. In fact, October onwards, we have started to outperform pretty sharply. So, I think it is more to do with a very narrow index performance and very unusual bump up like 55-56% in 20 months is very very high beta, and especially people like us don't even run in that range. I mean our betas in all portfolios are ranging 0.7 to 0.9. I think this is something which is happening across the industry also and of course, within that, we have to differentiate ourselves.

That is helpful, but just one point to that, obviously this is a point-to-point comparison, and as Raamdeoji said, you have phases of up-cycle, down-cycle and no money manager in the world has consistently performed, but just one point is if the run up was so fast and so large as you mentioned from point to point till August where Nifty touched 11,900 and given whatever our parameters are and the MOVI index which you published on our MF website where getting returns from there was difficult, we could have always taken a cash call, obviously it is in hindsight, but nobody stops us from taking a cash call. What are your views?

Just to correct this, I mean, we don't have cash call as a strategy. Nobody is stopping us from taking cash call, but in general, we are not going to take a cash call. It will be fully invested, instantly invested. That is a part of the strategy.

Our AUM in the PMS I think 7-8% is performance linked. How do we plan to take this on the higher side. I think, earlier we had mentioned we were planning to increase these particular shares or any traction on that side of the PMS?

Yes, what we have done is that if you see consciously, one is obviously for operational ease and other is to get you more alpha or performance linked assets. One of the thing which has been done consciously is that we have now let us say over Rs 2500 crores of assets which is in the AIF business. Now, literally every rupee in the AIF is linked to performance fees. So, I think, in the PMS, you are right that it is about 7-8% but added to that the entire AIF book is totally in performance-linked assets. There is another trend which we have seen and I think performance-linked assets will pick up again. One of the trends we have seen is that when the returns are looking really well, historic returns look really great, then lot of clients don't allow us to sign up with a performance-linked mandate. While, honestly for us, it is top priority but I think the market impact, I mean, the market behavior and our own past performance, at times, results in people wanting to sign up for fixed fee and then when the performance is down, markets are down, then again you see some people wanting to sign up with a variable fee, but long story short, our effort is that for operational ease as well as for getting more performance-linked revenue, we would rather focus on the scale in AIFs, I think that's the idea.

Any guidance that you can give on terms of where your yields could head for next year?

As mentioned, first of all, like in wealth business, we have mutual fund expenditure is very less, like 25% of our AUM is mutual funds and almost 15% of our revenues are coming from the mutual fund segment where you are saying the TER reduction impact will be there. With the bulk of our revenue and bulk of our AUM is from the Alternates where we haven't seen any regulatory action on that. In terms of yield, the product mix is changing. Right now, I think 62% of the mix is in favour of equity and I think the yields will have some pressure, but not at that level because the kind of alternative product which we are pushing have high rating compared to the low rating mutual funds.

And do you see a pressure building up on the Alternative products as well because you have seen TER is going in one segment, so people coming in and saying that why don't you reduce your realizations in Alternatives as well.?

Typically in Alternatives, I can imagine that when they have spoken about upfronting and certain distribution practices related to mutual funds, then I don't think anybody of us should be surprised if they want to have a look into the distribution practices for Alternates, but on the expense or on the fee itself, I don't perceive a threat really because typically when you talk about PMSs for instance, they are individual agreements with clients and if you see AIF for instance, they have already got share classes. So, as the size of client goes up, the fee comes down. So, I think PMS and AIF, our sense is that on the overall realization itself, we don't perceive a threat but, yes, in terms of how the distribution practices should be conducted like they have taken a look through into mutual funds, I won't be surprised if they do it for Alternates as well.

This is for the mutual fund business. For you and for the industry, is the direct business now more profitable or now with the change in regulations, the direct or the distributor channels both are equally profitable from an Asset Management business point of view?

One would be actually indifferent from here on. One is actually indifferent between direct and regular. There is no difference now. In fact, somebody can really argue that if I have already invested a lot on scaling direct and the regulator does not allow me to recognize any of those expenses or does not give me any credit for those expenses, then I could actually argue on the opposite hand that direct becomes expensive, less profitable.

Sir, we are seeing some softening in the inflow market share in our AMC AUM. I am seeing around a 40-bps kind of drop. Any color if you could give on that Sir?

So you are talking about the mutual fund inflows. Yes, I think that in the last 3 months, one of the things which has happened is that the playfield has contracted quite dramatically. When I say playfield has contracted dramatically, the inflow is in 3 parts in the industry always. One is the recurring SIP book which is there, so in that I don't think anything changes in 1 quarter. The second is the number of NFOs, and the third is the amount of discretionary cheques that people are writing every month. Now, in the industry if you see the amount of cheques that people are writing in a month has dropped dramatically. That shrinks the playfield for people like us. And the second thing which happens is that the amount of money as a percentage of the inflow, the amount of money collected through NFOs has kept rising. So, in any given month, anywhere around Rs 2000-3000 crore of inflow is coming from NFOs and given our product mandate is pretty sharply defined. So, I don't see much for us to do by way of NFOs really. We don't believe in proliferating products. So, that shrinkage if you ask me is because of reduction in the discretionary flows which come month on month and that shrinks the playfield in which we can participate.

I just wanted to ask you related to the mutual funds business. Our focus I think you said that direct is not probably now favoring in terms of the mathematics but is our share from the IFAs or the distribution side much lower and what is the focus out there?

Actually, if you look at the industry numbers in the distribution, what you will realize is that while we call it as IFA, the point is that national distributors are also primely drawing their business through IFAs. It is basically a wholesaler versus retailer concept. My parent company is an aggregator, all MOSL franchises and IFAs empaneled with MOSL, for example. So, MOSL acts as an aggregator for me. Similarly, there is NJ India which is a very large aggregator, there is Prudent Corporate which is a large aggregator. So, our business is pretty much through IFAs. Only thing is that to maintain cost effectiveness and to avoid channel conflict, what we have done is that a large part of our retail business, we prefer to conduct with the aggregators or national distributors. As far as IFAs themselves are concerned, we prefer to deal with the largish IFAs in every city because they do not want to get under the fold of any aggregator, they would prefer to be on their own as individual entrepreneurs. So, actually, if you ask me, more than half of our mutual fund business is directly/indirectly derived from these retail channels, it is just a preference of dealing with wholesalers rather than going deep into retailers and causing channel conflict.

Where I come from is while I was checking with a couple of new empanelment's happening, it so turned out that you have stopped the new empanelment's is what I came to know. Is this true? And why so? I mean if somebody likes to empanel, you are stopping it or is there a change in strategy or is it a temporary thing or…,?

I do get this kind of feedback and I understand that there has been a bit of a discordant note out here. There is no such mindset of not empaneling but, yes, we are a little choosey and a little picky about how we want to go about empanelment, purely, like I said, to avoid channel conflict. It is not anything which is person-specific, individual or business specific. It is very simple that if I have empaneled a lot of retailers directly and if I publish my pricing to them, then obviously my pricing to the wholesaler gets impacted pretty straightforward and that can have dramatic consequences on overall profitability. So, we are just conscious of not circumventing or sidelining the wholesaler, that's the point.

And one more follow-up on that side. Let's say today I think we should be around Rs 17,000 to 20,000 crore AUM on the equity side, on the mutual fund's piece. Again, this is not a guidance asking, but where can this go with a benchmarked performance. I mean, I am trying to understand that let's assume that our performance does not erode but our performance is not in the top quartile, how would then the AUM growth potentially come if the market grows at an X rate? Some thoughts on that.

It is very difficult to build any model, but if you look at a little longer shot in the sense that as prosperity is increasing, your nominal GDP is growing at about 11-12%, savings are increasing, financial savings to household savings are increasing, so I would think that equity allocation is still very slow, real estate is not anymore hot destination for redeployment, Residential yields are 2-3% all over the country, in fact, it is lower in some of the parts. So, I think, apart from fixed income, the only allocation asset class which is left in meaningful is the equities, but equity, people are fearful, but if you take a long shot, as the performance builds up for whatever account like we had Modi Saheb coming in, that government had the last 4 years have been a fantastic flow. So, the backdrop is fantastic for accelerated inflow. Right now, I think after 4 years, we are seeing some kind of breakdown, again the pendulum is swinging towards a very low flow for some time, but conditions are getting conducive for large flow going forward in the next 5 years, I would say. I mean, I am optimistic but I would really hazard to put a number because this is one industry which grows twice, one because of the inflow and second because of mark-to-market, and I mean what should be the mark-to-market, what should be alpha and what should be the net inflow? Probably at some point of time, we won't be able to take actually what is being offered by the market. So, real constraining factor is how much money we can manage or anybody can manage? This is a problem of plenty for the responsible money managers in the years to come. That's how I look at the prospects.

My second question relates to your wealth business. This is my calculated number in terms of the yield. What has happened that the revenue yield is close to around 83 bps and this quarter it is around closer to 63 bps. Is it just because of some kind of interest income which was missing for across the board as far as the competitor and industry itself is concerned or there is something else which has reduced the Q-on-Q revenue yield on 20 bps from 84 to 63 bps kind of things?

Actually, in the previous quarters, you would have seen some higher yield because of the private equity and real estate funds where the yield is slightly higher, so this is a product mix which is actually playing out. So, there is no impact on the yields as of now.

In the wealth business, if I look at the quarter-on-quarter AUM growth, is it possible for you to give us a breakup between inflows and the market appreciation?

Broadly it is a flat market. So, I think whatever growth is there, it must be because of the net flow. The net flow for the quarter was Rs 5.1 billion, and for the last quarter, it was Rs 6.3 billion. This will help you to decipher the mark-to-market versus a net sales contribution to the AUM change.

The other thing is, on the wealth side, and this is a question where I want to really understand the strategy going forward. If there is going to be a TER reduction and inflows have also sort of been a little weak, then why continue to scale up the wealth business the way you have been doing it over the last couple of quarters, and in that sense, what kind of a guidance or kind of impact of TER and profitability guidance if you can give us?

Basically, this wealth business, we think in this entire Asset Management or investment management and savings management business, 2 things are happening. One, the active side is getting threatened globally by the passivity, and second side, the wealth is going all over the world and India is going to see explosion in wealth. So, opportunity to manage wealth is massive. Now, how do you compensate the wealth manager is the function of all this fight between distributor and investment advisors. That thing is on. Somewhere along the line, these things will be settled because still it is not a matured industry and even most of the clients don't actually allow the wealth manager to function like a wealth manager, they call the final shot and most of the wealth managers are kind of accountant or they provide the products and introductions. So, I think this business is in a very formative stage and we are not taking a short-term call in terms of profitability. Of course, the challenges what you are saying about the cut in the distribution fees for the Wealth Management outfit is a challenge but it is an industry-wide challenge but what will be the volume expansion? I mean what we have seen in broking is that in 30 years, broking has come down from 150 basis to 5 basis or 3 basis and yet the brokerage industry has prospered. I mean, in the exploding industry, number of players will also be lower because the break-even levels will go up, and in Wealth Management, it is not only break-even levels are very high, but it is also difficult to successfully build that. So, I think we are optimistic about the future of this business, but short-term challenges are known to you also.

Sir, my question is on the wealth business. What is the plan going ahead? Are you slowing down the RM additions and that after regulatory changes on the distribution side with respect to upfront commission and all? What will be the strategy going ahead?

As you are aware, we have been strengthening both the legs of the distribution business. Our own retail leg of the distribution business continues to see strong cross sell and growth and as far as the Wealth Management business itself is concerned, we have basically increased the geographical footprint which has driven this RM count increase and as we pass this business from a longer-term perspective and the mandate is not really to just focus on upfront revenues but in a generic robust and a personable trail revenue base for this business. So, we are on course to that; we have a very clear positioning within this business as an equity specialist and we see given the change in the competitive landscape, constraints on banks as well as exit of many foreign Wealth Management houses, I think local businesses have a reasonably good runway over the next 5 years, and our own investments upfronted in this business in terms of RM addition, expanded geographical coverage that is in good stand over this period in our view.

Wealth Management business which is now very favourite in the whole sector, so now your count is at 135 RM count, where do you expect RM at the end of say FY20 and how much AUM you expect to go in FY20?

AUM is a function of the market but we remain kind of I think keep on investing into the RM. If you look at year-on-year basis, numbers are going anywhere between 30% to 35%. I think we will continue to invest in not only hiring more people but investing into their training, processes, and even deepening or opening more and more kind of branches. So, I think we always have been investing into wealth. We don't want only to have more and more money on table but we want to continuously invest into the wealth business because we see a huge amount of opportunities across this sector.

Sir, second question is on the PE business. Can you throw some light over there as it is continuously able to raise funds successfully?

In my opening address, I just mentioned to you that we had a very successful India Business Excellence Fund series III raise of Rs. 24 billion in a record time and we are in the process of raising our next series of the real estate fund which has already done its first close at Rs. 5.6 billion. So, the performance in FY19 in terms of capital raising by this business has been truly remarkable and very heartening for us.

Just wanted to have update on Aspire. Almost we have spent 1 year to understand the book and we have done at least ~Rs 400 crore kind of provisioning. So, just want to have your sense that where we are in terms of recognizing the entire book and from here on what is your thought process on this product?

We have been taking aggressive write-offs as you have seen in the last 4 quarters and to the best of our understanding. We have upfronted all the pain and the write-offs that were required to be done in the business aside of the usual provisioning. So, we think that going forward, we would not need any chunky write-offs of the tie that you have seen in the last 4 quarters as far as this business is concerned. We have also highlighted that the collection efficiency trends, we have seen some uptake from the month of December and we are hopeful that the coming quarter should also be better. So, without spelling out any guidance on how the numbers exactly will play out, we think that we should be closer to the peaking of these NPAs also.

Just to add, I think the whole version 2 of Aspire is getting built in a very slow and steady manner. The whole focus is on getting the right kind of talent. We have got a new CEO and I think a lot of senior level people, mostly they have been hired but a couple of vacancies are still there which will be closed in this quarter. So, the whole focus is on creating a very strong process-driven organization with the right kind of people with the right kind of culture and going very slow and steady because we see the opportunity is going to be very large. We went wrong in terms of scaling very fast. With that lesson learnt now, we are going slow and steady. The sales have completely stopped because we want to understand the whole business. Now that we are gradually seeing the sales happening across 120 branches, lot of new people have joined, the training is happening in a big way, the technology platform is being created completely, inhouse technology is being done. We are going through lot of investments to make sure that we create a very strong foundation. And you know, to create a quality organization takes time and we are going through that kind of effort. He understood the problem and most of the problem has been addressed now about people or about the quality of the book. So, now I would say I remain confident about the future but we will go very slow.

Should we take in like this lumpy which you are saying probably Rs 100-100 crore may restrict to maybe Rs 20-30 crore. This is the right assessment according to you?

No there is not going to be any lumpy kind of write-offs now. I would say most of the bigger problem which has been addressed and written-off. Now written-off does not mean that money will not come back. You know legal system in India takes time. We are seeing some sign where even the write-off money was recovered. We have recovered Rs 7 crore worth of money which was already written-off till date. So, legal system is geared up, we have hired about 25 legal people across the country. So, written-off doesn't mean that it is written-off for whole life. So, now the whole effort is to make sure that whatever amount was written-off, the recovery starts happening and at the same time, we are starting slow and steady with sales engine also.

From here on, everything is set, right? Can we see some kind of improvement in growth in your asset itself?

I think the increment will happen but I don't want to right now to comment but I am very confident that now things are going to be better than what we have seen in the past. I would not like to put any number to that because how much only recovery we are able to do that and second thing is that I also would like to put in that at least the provision covering ratio also, we will have to definitely increase the standard provisioning asset cum extra provision also, but I am not seeing any write-offs in the future.

You have given the details of ECL stage 1, stage 2, and stage 3. I wanted to get the equivalent numbers for 2QFY19 to get a trend on how these stage 3 data is performing and what is your sense about the 40% coverage which you have for these assets? What is the right number for that coverage as per the current trends?

As far as the coverage is concerned, we have just touched the point that we would like the coverage ratio to further go up from the 40% number that you spoke about and 69% including the write-offs that we have taken. So, going forward, we would like these coverage ratios to further go up.

If you can just explain the typically housing assets usually would not see this kind of loss given default. So, is it fair to conclude that a lot of this NPA was related to frauds where you do not have commensurate assets backing them?

It could be that or it could be under construction where really enforcing the securities or exercising the recoveries could be a slow burn process. And the third, I would add, it could be plots typically where the impairment could be on the higher side unlike completely built residential house.

In terms of the changes to the business model, if you can allude to what are the business lines or ticket sizes or segments which you will not be doing forward that will help us understand the extent of business realignment?

There are certain geographies where we have dialed down substantially including parts of MP and Maharashtra. There are certain product segments which we have dialed down which include soft loans and composite loans. From a ticket-side perspective, we are no longer focusing on the higher ticket size and that contributes to a negligible proportion of the incremental disbursements that we are doing. This could be in the Rs 15 to 25 lakh range. Our sweet spot is mostly Rs 8 to 10 lakh range now. From a customer segment point of view, our focus would be much lesser on cash salaried versus document salaried, although we continue to remain focused on the self-employed part of the business where yields are better, but I think aside of these choices and the negative lists that we have drawn up, as we have explained earlier, the whole organization is verticalized now. So, sales is arm's length from all the 4 control functions including credits, legal, technical and RTU and the collection engine is also assessed as vertical. So, we believe that the robustness that this architecture provides in terms of incremental underwriting is much better. We have upfronted all the cost incurred to put this structure in place and this is reflected in the numbers, but the benefits of this can only come as we scale up our disbursements in the coming quarters.

Finally, since you have realigned the business, possibly dialed down on risk and the kind of segments you chose, what is the sort of impact on incremental spreads for you in the business?

We have actually increased our rates and the threshold rates were almost 50 basis points during the last quarter, although it does not have any meaningful impact on the overall yields because incremental disbursements have been small, but as of now, our reported yield spreads have been stable in terms of the numbers that we have reported for the quarter and the 9-month period.

My question was on incremental spreads because cost of fund for the system has also gone up. So, are you okay to do the business at a slightly lower spread is what my point was?

There is no much impact on the spreads as of now, so our cost of funds have gone up by about 25 to 50 basis points, and our yields have been actually improving slightly.

INVESTOR UPDATE

Motilal Oswal reports 9MFY19 revenue of Rs 19.7 bn and PAT of Rs 1.48 bn; 9MFY19 Adjusted PAT of Rs 3.7bn; Declares interim dividend of Rs 4 per share.

Mumbai, January 16, 2019: Motilal Oswal Financial Services Ltd. announced its results for the quarter and nine month ended December 31, 2018 post approval by the Board of Directors at a meeting held in Mumbai on January 16, 2019.

Performance for the quarter and nine month ended December 31, 2018

- Consolidated Adjusted revenues (excluding MTM gains in fund based and lumpy gain on PEexits)wereRs 6.5bnin Q3FY19 and Rs19.2bn, +3% YoYin 9MFY19.Consolidated revenues stood at Rs 6.8 bn in Q3FY19 and Rs 19.7 bn in 9MFY19.Consolidated PAT was Rs 399 mn in Q3FY19 due to impact higher provisioning/ write offs taken in Aspire. ConsolidatedAdjusted PAT (excluding MTM gains in fund based, lumpy gain on PE exitsand Aspire) was Rs 1.43bnin Q3FY19, +2% YoY and Rs 3.7 bn, +15% YoY in 9MFY19.
- Consolidated net worth stood at Rs 30 bn, gross borrowing was Rs 49 bn and net borrowing was Rs 45 bn (including Aspire). Excluding Aspire, gross and net borrowings were Rs 12 bn and Rs 10 bn respectively and this is less than the market value of quoted investments at Rs 14 bn. Overall gearing remains conservative at 1.7x; ex-Aspire it is at 0.4x and considering market value quoted investments, we are effectively net cash balance sheet.
- Board has declared interim dividend of Rs 4 per share (FV Re 1/share).
- Besides financial performance, the last few quarters have been very eventful in terms of our successes in brand building, advertising and several other fronts. **MOPE-IBEF II** awarded as "**PE exit performance of the year 2017**" at the IVCA conclave 2018. **MOPWM** won the prestigious '**Best Boutique Wealth Manager India'** at the Asset Triple A Award 2018. **MOAMC** won '**Best Portfolio Management Service Product'** at India Wealth Awards 2018. **MORE** won '**Best Real Estate Product'** at India Wealth Awards 2018. **MOFSL** awarded as **"Best Broking Business of the Year"** at the Moneycontrol Awards 2018. These, and several other awards, are recognition of Motilal Oswal as a preferred consumer and employee brand in the financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, CMD said *"Our strategy to diversify our business model towards linear sources of earnings continues to show results, with bulk of the revenue pie now coming from these new businesses. Each of these businesses offers significant headroom for growth and operating leverage as they scale up. Even our traditional businesses also saw strong uptick during the quarter by registering record revenues. Prestigious awards like Best broking business of the year, Top-15 Best Places to Work, Best boutique wealth manager and several others have made all associated with the group immensely proud".*

Performance of Business Segments for the quarter ended December 31, 2018

- **Capital markets Businesses (Broking & Investment banking)**
  - Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 8.8 bn in 9MFY19 and contributed ~45% of consolidated revenues. Profits were Rs 1.4 bn in 9MFY19 and contributed ~47% of consolidated PAT. Broking and distribution business profit grew by 32% YoY in 9MFY19 led by strong operating margin expansion 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 maintained on sequential basis. Overall market share stood at 1.7% in Q3FY19 despite higher F&O volumes.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM was Rs 89.6 billion, +20% YoY and Net Sales were Rs 15 bn in 9MFY19. With only 11.5% of the near million client base tapped, Distribution income is already at 16% of retail broking gross revenues. We expect a meaningful 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.
- In **Institutional Broking**, rankings with existing clients improved, domestic institutions contribution improved and new client additions were encouraging. Every aspect of the business, research, sales, sales trading and corporate access is being strengthened. Tailwinds for local firms remain strong.
- **Investment Banking** business has continued to engage and conclude some significant transactions in this period. We have completed 5 ECM transactions in 9MFY19. Overall transaction pipeline remains encouraging.

- **Asset Management businesses are nearing critical mass**
  - **Asset Management** business across MF, PMS & AIF reached the mark of Rs 374 bn AUM, +7% YoY this year. Our AMC now ranks among the Top-10 players by total equity assets, PMS ranks #1 while AIF assets are growing rapidly. Net Sales is Rs 39 bn in 9MFY19. Revenues are Rs 1.4 bn (+1% YoY) and Rs 4.4 bn (+22% YoY) in Q3FY19 and 9MFY19 respectively. PAT is Rs 345 mn (+8% YoY) and Rs 1.1 bn (+45% YoY) in Q3FY19 and 9MFY19 respectively. Asset management business offers highest scalability and operating leverage among all businesses.
  - Our Equity MF AUM of Rs 191 bn is just 2% of the Industry Equity AUM of Rs 9.66 tn. Our market share in Equity MF Net Sales (including balance) stood at ~2.4% in 9MFY19. The direct AUM is now 35% of total MF AUM.
  - Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC’s at ~49% and continues to grow very strongly. Yields and profitability of Alternates is higher. As of December 2018, ~20% of Alternates AUM is performance-fee linked, and our target is to increase this further.
  - **Private Equity** manages an AUM of Rs 60 bn (+30% YoY) across 3 growth capital PE funds and 4 real estate funds. This business has delivered on profitability and scalability fronts. In 9MFY19, PAT excluding lumpy share of profit on exits was Rs 149 mn, +200% YoY. The 1st growth fund (IBEF 1) has delivered an XIRR of 28%, and alpha of 10% and is expected to return nearly 6x MoC (Multiple of Cost). Strong performance and positioning has also aided new fund raise. We have launched IBEF-3 in FY18 and received phenomenal response by garnering Rs 23 bn. We have launched IREF IV in FY19 with a target size of Rs. 15 bn has achieved 1st close at ~Rs. 5.6 bn.

  - **Wealth Management** business AUM grew by 7% YoY at Rs 164 bn in 9MFY19 with net sales of Rs 21 bn. In 9MFY19, revenues grew 21% YoY at Rs 829 mn and PAT excluding impact of ESOP cost under Ind-AS and intergroup transfer pricing was Rs 187 mn, +27% YoY despite higher RM addition during the period. RM count of this business has reached 135 in Q3FY19, +27% YoY. As ratio of new adds to opening RM falls and the vintage of RM improve, both productivity and profitability of the business will scale up.
  - Overall **Asset and Wealth Management** revenues were Rs 6 bn in 9MFY19, +4% YoY and contributed 30% of consolidated revenues. Profits were Rs 1.47 bn and contribute 50% of consolidated profits, with highest scalability and with least capital employed among our portfolio of businesses.

- **Housing finance business**
  - Loan book stood at Rs 44 bn. NII remain flat in 9MFY19 on YoY basis, despite reduction in loan book led by higher write offs and lower disbursements.

- Margins stood at 4.85% in 9MFY19 on YoY basis. This was on account of lower borrowings and higher equity infusion during the period.
- Asset quality deterioration in 9MFY19 was on account of seasoning of legacy portfolio. However, proactive clean-up of the legacy book, expected positive trends in disbursements in coming quarters along with improvement in collection efficiency from Dec-18 augur well for future asset quality and profitability outlook.
- Provisions of Rs 1.78 bn on account of higher write offs in Q3FY19 to clean up the legacy book. Provisions including write offs stands at 69% as of Q3FY19. Strong support from parent with capital infusion of Rs 2 bn in Q3FY19 taking total capital infusion to Rs 8.5 bn. Gearing remains conservative at 4.5x and our net-worth improves to Rs 8.3 bn vs 7.75 bn as of FY18 despite higher credit cost.
- Limited borrowing repayments till March 2019, equity infusion, strong undrawn borrowing lines, calibrated pace of growth, places us in comfortable liquidity situation.

- **Fund based business** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
    - **Fund Based** activities 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.
    - Total quoted equity investment including unrealised gains was Rs 14 bn as of Q3FY19. MTM on these gains are now part of reported earnings under Ind-AS reporting. Cumulative XIRR of these investments is ~17%, which is the see-through RoE.

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.