
Walker Chandiok & Co LLP

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

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Motilal Oswal Financial Services Limited** ('the Company') for the quarter ended **30 June 2021** ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Motilal Oswal Financial Services Limited

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

Murad D. Daruwalla

Partner

Membership No:043334

UDIN:21043334AAAAFB1976

Place: Mumbai

Date: 29 July 2021

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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

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

CIN: L67190MH2005PLC153397

Statement of Standalone Financial Results for the quarter ended 30 June 2021

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	(Unaudited)	(Unaudited)*	(Unaudited)	(Audited)
Revenue from operations				
(i) Interest income	6,626	5,877	3,545	18,538
(ii) Dividend income	-	2,162	0	2,299
(iii) Rent income	469	483	514	1,890
(iv) Fees and commission income				
-Brokerage income	37,261	36,624	25,104	1,24,161
-Other commission income	3,308	3,380	1,662	10,157
(v) Net gain on fair value changes	6,491	17,050	11,080	53,748
(vi) Other operating revenue	886	1,228	1,161	5,354
(I) Total revenue from operations	55,041	66,804	43,066	2,16,147
(II) Other income	621	263	882	2,284
(III) Total income (I+II)	55,662	67,067	43,948	2,18,431
Expenses				
(i) Finance cost	3,492	3,684	3,165	12,770
(ii) Fees and commission expense	16,733	16,245	9,839	52,380
(iii) Impairment on financial instruments	504	387	316	1,640
(iv) Employee benefit expenses	11,025	11,346	8,322	38,588
(v) Depreciation and amortisation expense	838	1,100	806	3,651
(vi) Other expenses	5,997	5,494	3,210	16,857
(IV) Total expenses	38,589	38,256	25,658	1,25,886
(V) Profit before exceptional items and tax (III-IV)	17,073	28,811	18,290	92,545
(VI) Exceptional items (Refer note 3)	-	(86)	8,896	8,810
(VII) Profit before tax (V-VI)	17,073	28,897	9,394	83,735
Tax expense/(credit)				
(1) Current tax	3,310	37	2,337	8,975
(2) Deferred tax/(credit)	502	3,677	(1,952)	3,474
(3) (Excess)/ short provision for earlier years	-	(1)	-	46
(VIII) Total tax expenses / (credit)	3,812	3,713	385	12,495
(IX) Profit for the quarter/year (VII-VIII)	13,261	25,184	9,009	71,240
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined employee benefit plans	(155)	(7)	90	163
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	(5,448)	12,969	2,072	27,411
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	662	(1,482)	(260)	(3,177)
(X) Other comprehensive income/(loss)	(4,941)	11,480	1,902	24,397
(XI) Total comprehensive income/(loss) (IX+X)	8,320	36,664	10,911	95,637
(XII) (a) Paid-up equity share capital (Face value of Re. 1)	1,467	1,466	1,479	1,466
(b) Other equity				3,51,673
Earnings per share (EPS)				
(Face value Re. 1 per equity share) (not annualised)				
Basic (amount in Rs.)	9.04	17.18	6.09	48.42
Diluted (amount in Rs.)	8.90	16.91	5.96	47.60

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Notes to Statement of Standalone Financial Results for the quarter ended 30 June 2021
Standalone Notes:-

1) The standalone financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 29 July 2021. The results for the quarter ended 30 June 2021 have been reviewed by the Statutory Auditors of the Company.

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

3) Exceptional item comprises of bad debts of Rs.8,810 lakhs on account of outstanding dues from client towards settlement obligation. MCX vide its circular dated 21 April 2020, has Considered the negative price for settlement of futures contract on expiry. Thus the customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering into the contract, the customers were required to pay only the margin as was required by the exchange including mark to market losses. Since MCX has effected the settlement of such contract upon expiry at negative price, the client's account was debited with above amount as settlement obligation on account of negative price settlement in respect of its outstanding Contract. Since the client have defaulted to honour the settlement obligation required by MCX, Company has paid the said amount to MCX on behalf of its clients. For recovering the said amount from client, Company has filed an arbitration claim for recovery of outstanding dues, against the clients before Arbitral Tribunal of MCX, and the company has received arbitration awards amounting to Rs.8,676 lakhs in its favour. However the clients have filed an appellate arbitrations before Appellate Arbitral Tribunal of MCX, challenging the awards passed in favour of the Company. Further, the Company has filed petition u/s 9 of Arbitration Act before the courts and the courts have directed the clients not to dispose of their assets till further orders.

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

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

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

Sr No.	Commercial Paper Date of Issue	Redemption Amount	Previous due date (01 April 2021 to 30 June 2021)	Whether paid or not	Next due date
		(Rs. in lakhs)	Principal & Interest		Principal & Interest
1	17-Feb-21	30,000	18-May-21	Yes	NA
2	18-Mar-21	1,000	11-Jun-21	Yes	NA
3	18-Mar-21	20,000	NA	-	15-Sep-21
4	18-Mar-21	9,000	11-Jun-21	Yes	NA
5	17-Mar-21	30,000	16-Jun-21	Yes	NA
6	18-Mar-21	6,500	11-Jun-21	Yes	NA
7	18-Mar-21	10,000	16-Jun-21	Yes	NA
8	19-Mar-21	20,000	NA	-	08-Sep-21
9	18-Mar-21	1,000	11-Jun-21	Yes	NA
10	19-Mar-21	5,000	NA	-	08-Sep-21
11	21-May-21	30,000	25-Jun-21	Yes	NA
12	16-Jun-21	10,000	NA	-	14-Sep-21
13	16-Jun-21	500	NA	-	14-Sep-21
14	16-Jun-21	9,500	NA	-	14-Sep-21
15	11-Jun-21	20,000	NA	-	09-Sep-21
16	16-Jun-21	5,000	NA	-	14-Sep-21

c) Key Financial Ratios :

Particulars	Quarter ended			Year Ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
Debt Equity Ratio	0.41	0.59	0.45	0.59
Debt Service Coverage Ratio	0.13	0.10	0.10	0.33
Interest Service Coverage Ratio	4.86	5.52	4.96	5.56

d) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the quarter ended 30 June 2021 is Rs.3,62,341 lakhs.

5) The Board of Directors of the Company at its Meeting held on December 24, 2020 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Passionate Investment Management Private Limited ("PIMPL" or "the Transferor Company 1") and MOPE Investment Advisors Private Limited ("MOPE" or "the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3") and Motilal Oswal Real Estate Investment Advisors Private Limited ("MORE" or "the Transferor Company 2") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("MORE II" or "the Demerged Company 2" or "the Transferor Company 4") and MO Alternate Investment Advisors Private Limited (erstwhile Motilal Oswal Fincap Private Limited) ("MO Alternate" or "the Resulting Company") and Motilal Oswal Financial Services Limited ("MOFSL" or "the Transferee Company 1" or "the Holding Company of the Resulting Company" or "the Company") and their respective shareholders ("the Scheme") under Sections 230-232 of the Companies Act, 2013. Further, pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received No Objection Certificate from Stock Exchanges. Subsequently, the Company has filed an application with National Company Law Tribunal (NCLT), Mumbai Bench and application is pending for hearing before NCLT.

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

7) As per IndAS 109 the Company has unrealised gain of Rs.4,997 lakhs for the quarter ended 30 June 2021 which has been classified under head 'Net gain on fair value changes'. Further, the Company has investment in financial instruments designated as 'Fair value through other comprehensive income' amounting to Rs.(5,448) lakhs for the quarter ended 30 June 2021.

8) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 1,10,500 equity shares to the employees during the quarter ended 30 June 2021 respectively.

9) The figures of the quarter ended 31 March 2021 are the balancing figures in respect of the full financial year ended 31 March 2021 and unaudited year to- date figures upto 31 December 2020 which were subjected to limited review.

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

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

For and on behalf of the Board of

Motilal Oswal Financial Services Limited

Motilal
Gopilal
Oswal

Digitally signed
by Motilal
Gopilal Oswal
Date: 2021.07.29
16:46:30 +05'30'

Motilal Oswal

Managing Director and Chief executive officer
(DIN 00024503)

Mumbai,
29 July 2021