

**Independent Auditor’s Review Report on Standalone Unaudited Quarterly and Nine Months Financial Results of Motilal Oswal Financial Services Limited, pursuant to Regulation 33 and Regulation 52 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of  
Motilal Oswal Financial Services Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Motilal Oswal Financial Services Limited** (‘the Company’) for the quarter and nine months ended December 31, 2021 (the Statement’), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and Regulation 52 (2) 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.
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 and Regulation 52 (2) 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.

**Other Matter**

5. Attention is drawn to the fact that the comparative financial results of the Company as stated in statement for the quarter and nine months ended December 31, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion/ opinion on those financial results on January 28, 2021 and April 29, 2021 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter ended December 31, 2020, nine months ended December 31, 2020 and year ended March 31, 2021.

Our conclusion is not modified in respect of this matters.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

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**Nikhil Singhi**  
Partner  
Membership No. 061567  
UDIN: 22061567AAAAAC9534

Place: Pune  
Date: January 27, 2022

**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025  
Tel: +91-22-71934200, Fax: +91-22-50362365 Email:shareholders@motilaloswal.com, Website : www.motilaloswalgroup.com  
CIN: L67190MH2005PLC153397

**Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2021**

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>						
(i) Interest income	8,889	8,200	4,705	23,715	12,660	18,538
(ii) Dividend income	67	6,139	108	6,207	137	2,299
(iii) Rent income	475	478	378	1,422	1,406	1,890
(iv) Fees and commission income						
-Brokerage income	43,620	40,419	30,898	1,21,300	87,537	1,24,161
-Other commission income	6,760	4,163	2,672	14,230	6,777	10,157
(v) Net gain on fair value changes	1,458	19,005	14,092	26,954	36,698	53,748
(vi) Other operating revenue	405	1,362	1,782	2,653	4,125	5,354
<b>(I) Total revenue from operations</b>	<b>61,674</b>	<b>79,766</b>	<b>54,635</b>	<b>1,96,481</b>	<b>1,49,340</b>	<b>2,16,147</b>
<b>(II) Other income</b>	<b>1,204</b>	<b>966</b>	<b>497</b>	<b>2,790</b>	<b>2,021</b>	<b>2,284</b>
<b>(III) Total income (I+II)</b>	<b>62,878</b>	<b>80,732</b>	<b>55,132</b>	<b>1,99,271</b>	<b>1,51,361</b>	<b>2,18,431</b>
<b>Expenses</b>						
(i) Finance cost	4,477	3,486	3,001	11,456	9,086	12,770
(ii) Fees and commission expense	20,291	18,271	12,965	55,294	36,134	52,380
(iii) Impairment on financial instruments	770	670	519	1,944	1,253	1,640
(iv) Employee benefit expenses	14,682	12,189	9,937	37,895	27,243	38,588
(v) Depreciation and amortisation expense	998	1,019	893	2,854	2,550	3,651
(vi) Other expenses	5,898	5,795	4,245	17,690	11,363	16,857
<b>(IV) Total expenses (IV)</b>	<b>47,116</b>	<b>41,430</b>	<b>31,560</b>	<b>1,27,133</b>	<b>87,629</b>	<b>1,25,886</b>
<b>(V) Profit before exceptional items and tax (III-IV)</b>	<b>15,762</b>	<b>39,302</b>	<b>23,572</b>	<b>72,138</b>	<b>63,732</b>	<b>92,545</b>
<b>(VI) Exceptional items (Refer note 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,896</b>	<b>8,810</b>
<b>(VII) Profit before tax (V-VI)</b>	<b>15,762</b>	<b>39,302</b>	<b>23,572</b>	<b>72,138</b>	<b>54,836</b>	<b>83,735</b>
<b>Tax expense/(credit)</b>						
(1) Current tax	3,799	4,720	2,631	11,830	8,938	8,975
(2) Deferred tax/(credit)	(644)	1,175	1,866	1,034	(202)	3,474
(3) (Excess)/ short provision for earlier years	-	-	-	-	47	46
<b>(VIII) Total tax expenses / (credit)</b>	<b>3,155</b>	<b>5,895</b>	<b>4,497</b>	<b>12,864</b>	<b>8,783</b>	<b>12,495</b>
<b>(IX) Profit after tax (VII-VIII)</b>	<b>12,607</b>	<b>33,407</b>	<b>19,075</b>	<b>59,274</b>	<b>46,053</b>	<b>71,240</b>
<b>Other comprehensive income</b>						
(i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the defined employee benefit plans	(108)	97	26	(166)	170	163
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	(3,899)	5,562	7,992	(3,785)	14,442	27,411
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	473	(661)	(921)	475	(1,695)	(3,177)
<b>(X) Other comprehensive income/(loss)</b>	<b>(3,534)</b>	<b>4,998</b>	<b>7,097</b>	<b>(3,476)</b>	<b>12,917</b>	<b>24,397</b>
<b>(XI) Total comprehensive income/(loss) (IX+X)</b>	<b>9,073</b>	<b>38,405</b>	<b>26,172</b>	<b>55,798</b>	<b>58,970</b>	<b>95,637</b>
<b>(XII) (a) Paid-up equity share capital (Face value of Re. 1)</b>	<b>1,472</b>	<b>1,470</b>	<b>1,465</b>	<b>1,472</b>	<b>1,465</b>	<b>1,466</b>
<b>(b) Other equity</b>						<b>3,51,673</b>
<b>Earnings per share (EPS)</b>						
<b>(Face value Re. 1 per equity share) (not annualised)</b>						
Basic (amount in Rs.)	8.57	22.77	13.05	40.37	31.26	48.42
Diluted (amount in Rs.)	8.40	22.39	12.76	39.60	30.58	47.60

**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

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**CIN: L67190MH2005PLC153397**

**Notes to Statement of Standalone Financial Results for the quarter and nine months ended 31 December 2021**

**Standalone Notes:-**

- 1) The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Thursday 27 January 2022. The results for the quarter and nine months ended 31 December 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. Client's appeal has been dismissed vide order October 25, 2021. The client has filed an application u/s 34 of Arbitration Act to challenge the Award of appellate arbitral tribunal and the same is currently pending. 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 the next date of hearing.
- 4) Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for nine months ended December 31, 2021 in respect of Non-convertible Debentures and Commercial Papers of the Company is enclosed as Annexure A. Details given in annexure A have been prepared by the management, which has not been reviewed by the auditor.
- 5) Pursuant to Regulation 54 of Listing Regulations, we would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on December 31, 2021 are fully secured by first pari passu charge created over all present and future trade receivables and Margin Trading Facility receivables of the Company. Accordingly, the Company is maintaining the asset cover of 1x or such higher asset cover required as per the terms of offer document/information memorandum.
- 6) During the quarter, CRISIL Limited has reaffirmed its ratings at CRISIL A1+ on the Commercial Paper of the Company and ICRA Limited has reaffirmed [ICRA]AA (Stable) on Non-Convertible Debentures and assigned [ICRA]AA (Stable) on Unallocated Bank Lines of the Company. Further, on October 7, 2021, India Ratings & Research Private Limited, has affirmed credit rating of IND A1+ on Commercial Paper and assigned IND AA/Stable on Non-Convertible Debentures and IND PP-MLD AAemr/Stable on Principal Protected Market Linked Debentures of the Company.
- 7) 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 had filed an application with National Company Law Tribunal (NCLT), Mumbai Bench and accordingly, pursuant to the directions issued by NCLT, the Meeting of Equity Shareholders was scheduled on December 16, 2021 and the Scheme was approved by shareholders with requisite majority. Consequently, the Company has filed the petition with NCLT on December 22, 2021 and the petition was admitted for hearing by NCLT on January 20, 2022. The appointed date subject to approval of NCLT is 1 April 2020.
- 8) The Board of Directors at its meeting held on 27 January 2022 has declared an interim dividend of Rs.7/- per equity share (on face value of Rs.1/- per equity share) for the financial year 2021-22.
- 9) 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.
- 10) As per IndAS 109 the Company has unrealised gain of Rs 70 lakhs and Rs 16,742 lakhs for the quarter ended 31 December 2021 and nine months ended 31 December 2021 which has been classified under head 'Net gain on fair value changes'. Further, unrealised gain/(loss) on investment in financial instruments designated as 'Fair value through other comprehensive income' is amounting to Rs. (3,899) lakhs and Rs.(3,785) lakhs for the quarter ended 31 December 2021 and nine months ended 31 December 2021.
- 11) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 1,84,850 and 5,55,700 equity shares to the employees during the quarter ended 31 December 2021 and nine months ended 31 December 2021 respectively.
- 12) The figures for the quarter ended 31 December 2021 represents the balance between unaudited financial in respect of the half year ended 30 September 2021 and unaudited year-to-date figures upto 31 December 2021 which were subjected to limited review.
- 13) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 14) Previous quarter/nine months and year ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/nine months ended presentation.

Mumbai,  
27 January 2022

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

Motilal  
Gopilal  
Oswal

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

## Annexure A

Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021 /613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for nine months ended December 31, 2021 in respect of Non-convertible Debentures and Commercial Papers of the Company is as mentioned below:

### Key Financial Information

Particulars	Period ended 31 December 2021
Debt Equity Ratio <sup>1</sup>	0.63
Debt Service Coverage Ratio <sup>2</sup>	0.27
Interest Services Coverage Ratio <sup>3</sup>	6.44
Net Worth <sup>4</sup> (Rs.in Lakhs)	4,06,256
Net Profit after tax (Rs.in Lakhs)	59,275
Earnings per share (Basic)	40.37
Earnings per share (Diluted)	39.60
Outstanding redeemable preference shares	Not Applicable
Capital Redemption Reserve (Rs.in Lakhs)	90
Debenture Redemption Reserve	Nil
Current Ratio	1.06
Long Term Debt to Working Capital Ratio <sup>5</sup>	0.94
Bad Debts to Accounts Receivables Ratio <sup>6</sup>	1.06%
Current Liability Ratio	0.94
Total Debts to Total Assets	0.25
Debtors Turnover Ratio <sup>7</sup>	1.91
Inventory Turnover Ratio	Not Applicable
Operating Margin (%) <sup>8</sup>	36.71%
Net Profit Margin (%) <sup>9</sup>	30.17%

<sup>1</sup> Debt Equity Ratio = Debt (Borrowings + Accrued interest) / Equity (Equity share capital + Other Equity)

<sup>2</sup> Debt Service Coverage Ratio = Profit/Loss before exceptional items, interest and tax (excludes unrealized gains/losses and interest costs on leases as per IND AS 116 on Leases) / (Interest expenses( excludes interest costs on leases as per IND AS 116 on Leases)+Principal Repayments)

<sup>3</sup> Interest Service Coverage Ratio = Profit/Loss before exceptional items, interest and tax (excludes unrealized gains/losses and interest costs on leases as per IND AS 116 on Leases)/Interest expenses( excludes interest costs on leases as per IND AS 116 on Leases)

<sup>4</sup> Net Worth = Equity + Other Equity

<sup>5</sup> Long Term Debt to Working Capital Ratio = Long Term Borrowing/Working Capital

<sup>6</sup> Bad debt includes provision made on doubtful debts. Accounts receivable includes trade receivables and MTF

<sup>7</sup> Debtors Turnover Ratio = Fee and Commission Income / Average Trade Receivables

<sup>8</sup> Operating Margin = Profit before tax / Total Revenue from operations

<sup>9</sup> Net Profit Margin= Profit after tax / Total Revenue from operations