
Walker Chandiook & Co LLP

16th floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699

F +91 22 6626 2601

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the 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

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 2020 ('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/CIR/P/2019/115 dated 22 October 2019, 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 accounting 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. 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 accounting 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 circulars, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiok & Co LLP

Motilal Oswal Financial Services Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the 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

5. We draw attention to Note 3 in the accompanying Statement relating to carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to Rs. 50,984 lakhs as at 30 June, 2020. As described in the aforesaid note, the carrying value of such investments is subject to the uncertainties related to the impact of the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

Murad D. Daruwalla

Partner

Membership No:043334

UDIN No:20043334AAAAAE2938

Place: Mumbai

Date: 31 July 2020

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 2020

(Rs. in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2020 (Unaudited)	31 March 2020 (Unaudited)*	30 June 2019 (Unaudited)	31 March 2020 (Audited)
Revenue from operations				
(i) Interest income	3,545	4,465	4,192	17,291
(ii) Dividend income	0	8,706	-	13,986
(iii) Rent income	514	539	510	2,084
(iv) Fees and commission income				
-Brokerage income	25,104	23,001	17,473	79,538
-Other commission income	1,662	2,634	2,165	10,937
(v) Net gain on fair value changes	11,080	-	3,028	-
(vi) Other operating revenue	1,161	415	1,007	3,113
(I) Total Revenue from operations	43,066	39,760	28,375	1,26,949
(II) Other income	882	813	885	3,690
(III) Total Income (I+II)	43,948	40,573	29,260	1,30,639
Expenses				
(i) Finance cost	3,165	3,887	2,788	12,924
(ii) Fees and commission expense	9,839	9,528	7,474	33,310
(iii) Impairment on financial instruments	316	497	173	1,439
(iv) Net loss on fair value changes	-	25,190	-	15,849
(v) Employee benefit expenses	8,322	7,747	7,489	31,171
(vi) Depreciation and amortisation expense	806	815	725	2,984
(vii) Other expenses	3,210	3,905	2,878	13,552
(IV) Total Expenses (IV)	25,658	51,569	21,527	1,11,229
(V) Profit/(loss) before exceptional items and tax (III-IV)	18,290	(10,996)	7,733	19,410
(VI) Exceptional items (Refer note 4)	8,896	-	-	-
(VII) Profit/(loss) before tax (V-VI)	9,394	(10,996)	7,733	19,410
Tax expense/(credit)				
(1) Current tax	2,337	1,355	2,891	7,056
(2) Deferred tax/(credit)	(1,952)	(1,430)	(1,468)	(7,326)
(VIII) Total tax expenses / (credit)	385	(75)	1,423	(270)
(IX) Profit/(loss) for the quarter/year (VII-VIII)	9,009	(10,921)	6,310	19,680
Other Comprehensive income				
A(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined employee benefit plans	90	(63)	(200)	57
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	2,072	(11,874)	3,692	(4,489)
(ii) Deferred tax related to items that will not be reclassified to profit and loss account	(260)	1,374	(389)	499
(X) Other Comprehensive Income/(loss)	1,902	(10,563)	3,103	(3,933)
(XI) Total Comprehensive Income/(loss) for the quarter/year (IX+X)	10,911	(21,484)	9,413	15,747
(XII) (a) Paid-up Equity Share Capital (Face value of Re. 1)	1,479	1,481	1,460	1,481
(b) Other Equity				2,74,933
Earnings/(loss) Per Share (EPS) (Face value Re. 1 per equity share) (not annualised)				
Basic (amount in Rs.)	6.09	(7.38)	4.33	13.39
Diluted (amount in Rs.)	5.96	(7.23)	4.22	13.09

*See Note 9

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered office:- Motilal Oswal Tower, Rahimullah 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

Notes to Statement of Standalone Financial Results for the quarter ended 30 June 2020

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 Friday 31 July 2020. The results for the quarter ended 30 June 2020 have been reviewed by the Statutory Auditors of the Company.

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

3) 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. On 24th March 2020 the Indian Government had announced nationwide lockdown which was further extended till 31 May 2020 to contain the spread of virus. Further, In June month as well there was region specific lockdown implemented by states, thereby resulting in entire Q1 in lockdown. However, a gradual and calibrated easing of lockdown measures has started from June 2020. During this unprecedented time, the Company has successfully migrated all its employees to work from home. The Company recalibrated the management methodology for each of the businesses and processes including Sales, Technology, Operations, Collections, Liquidity etc.

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.50,984 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 June 2020, may be affected by the severity and duration of the outbreak.

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.

4) Exceptional item comprises of provision made by the Company of Rs.8,896 lakhs (post tax Rs.6,657 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, the Company has conservatively provided for the full outstanding amount in respect of its client positions in quarter ended 30 June 2020.

5) 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. 1,30,000 lakhs, India Ratings & Research has affirmed the rating of "IND A1+" to the Commercial Paper Programme of the Company for Rs. 1,30,000 lakhs. 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 2020 to 30 June 2020)	Whether paid or not	Next due date
		(Rs. in lakhs)	Principal & Interest		Principal & Interest
1	28-Jan-20	30,000	28-Apr-20	Yes	NA
2	31-Jan-20	17,500	30-Apr-20	Yes	NA
3	28-Feb-20	20,000	28-May-20	Yes	NA
4	06-Mar-20	25,000	04-Jun-20	Yes	NA
5	29-Apr-20	5,000	26-Jun-20	Yes	NA
6	29-Apr-20	10,000	26-Jun-20	Yes	NA
7	28-May-20	2,500	NA	-	21-Aug-20
8	22-May-20	40,000	NA	-	21-Aug-20
9	10-Jun-20	20,000	NA	-	28-Aug-20
10	19-Jun-20	15,000	NA	-	17-Sep-20

c) Financial Key Ratios :

Particulars	Quarter ended			Year Ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
Debt Equity Ratio	0.45	0.52	0.44	0.52
Debt Service Coverage Ratio	0.10	0.13	0.12	0.40
Interest Service Coverage Ratio	4.96	5.37	4.64	5.04

d) Net worth of the Company (As per section 2 (57) of the Companies Act,2013) for the quarter ended 30 June 2020 is Rs.2,86,801 lakhs.

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

7) As per IndAS 109 the Company has unrealised gain of Rs.7,754 lakhs for the quarter ended 30 June 2020 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. 2,072 lakhs for the quarter ended 30 June 2020.

8) The Board of Directors of the Company at its Meeting held on March 21, 2020, had approved the proposal of Buy-back of Equity Shares of the Company for a total amount not exceeding Rs. 15,000 lakhs at a price not exceeding Rs. 650 per share. Accordingly, the Company commenced Buy-back on April 01, 2020 and has bought-back 1,58,276 equity shares and extinguished 88,626 equity shares during the quarter ended June 30, 2020 and cumulative amount utilised for Buy-back of said equity shares is Rs. 842 lakhs.

9) The figures for quarter ended 31 March 2020 represents the balance between audited financials in respect of full financials year and those published till the third quarter of the respective financials years.

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

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

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

MOTILAL
 GOPILAL
 OSWAL

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

Mumbai,
 31 July 2020