

Independent Auditor's Limited Review Report on the Unaudited Standalone Financial Results of Motilal Oswal Financial Services Limited for the quarter ended June 30, 2023, pursuant to the Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended)

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Motilal Oswal Financial Services Limited** ('the Company') for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), including relevant circulars issued by the SEBI from time to time.
2. This 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 of the Listing Regulations. 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 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. Attention is invited to:

Note 6 of the unaudited standalone financial results of the Company, regarding the Scheme of Arrangement to restructure the business of the Company w.e.f. April 1, 2023, for which subsequent to the approval of its Board, the Company has initiated the process of obtaining necessary statutory and regulatory approvals and approval of its Shareholders. Post receipt of the required approvals and on completion of the related procedural aspects towards the scheme, effect of such scheme will be given in the books of accounts.

Our conclusion is not modified in respect of this matter.



Other Matter

6. Share of profit from investment in a limited liability partnership aggregating to Rs. 144 lakhs for the quarter ended June 30, 2023 included in the Statement, is based on the management accounts of such entity. These accounts have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts, is based solely on the report of such management accounts.

Our conclusion is not modified in respect of this matter.

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



Amit Hundia
Partner
Membership No. 120761
UDIN: 23120761BGYVUV3875



Place: Mumbai
Date: July 27, 2023

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 2023

(Rs. in lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended
	30 June 2023	31 March 2023	30 June 2022	31 March 2023
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
Revenue from operations				
(i) Interest income	16,435	14,236	9,407	47,291
(ii) Dividend income	24	475	24	591
(iii) Rent income	498	469	491	1,900
(iv) Fees and commission income				
-Brokerage income	46,997	42,530	40,903	1,75,649
-Other commission income	4,485	5,378	3,791	18,449
(v) Net gain/(loss) on fair value changes	18,720	(2,400)	(8,389)	17,546
(vi) Other operating revenue	1,359	1,732	1,033	5,200
(I) Total revenue from operations	88,518	62,420	47,260	2,66,626
(II) Other income	3,029	707	667	2,645
(III) Total income (I+II)	91,547	63,127	47,927	2,69,271
Expenses				
(i) Finance cost	7,070	6,223	4,243	21,733
(ii) Fees and commission expense	20,277	19,201	18,325	77,886
(iii) Impairment on financial instruments	519	25	351	1,548
(iv) Employee benefit expenses	19,623	15,753	14,341	61,095
(v) Depreciation and amortisation expense	1,457	1,171	1,099	5,006
(vi) Other expenses	8,111	7,658	7,146	29,473
(IV) Total expenses (IV)	57,057	50,031	45,505	1,96,741
(V) Profit before tax (III-IV)	34,490	13,096	2,422	72,530
Tax expense/(credit)				
(i) Current tax	4,359	3,794	3,736	15,829
(ii) Deferred tax/(credit)	1,427	566	(1,750)	35
(iii) (Excess)/ short provision for earlier years	-	(225)	-	(225)
(VI) Total tax expenses / (credit)	5,786	4,135	1,986	15,639
(VII) Profit after tax (V-VI)	28,704	8,961	436	56,891
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss:				
(a) Remeasurement of the defined employee benefit plans	(168)	68	(148)	64
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	13,040	(4,080)	(3,537)	(3,976)
(c) Tax related to items that will not be reclassified to profit and loss account	495	520	442	446
(VIII) Other comprehensive income/(loss)	13,367	(3,492)	(3,243)	(3,466)
(IX) Total comprehensive income/(loss) (VII+VIII)	42,071	5,469	(2,807)	53,425
(X) (a) Paid-up equity share capital (Face value of Re. 1)	1,480	1,479	1,491	1,479
(b) Other equity				4,45,354
Earnings per share (EPS)*				
(Face value Re. 1 per equity share)				
Basic (amount in Rs.)	19.40	6.17	0.29	38.40
Diluted (amount in Rs.)	19.37	6.15	0.29	38.26

See Note 9

* EPS for the quarters is not annualized

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Statement of Standalone Financial Results for the quarter ended 30 June 2023

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 July 2023. The results for the quarter ended 30 June 2023 have been reviewed by the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants.
- 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) 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 10 August 2021 to the extent applicable to Commercial Papers, information as required for quarter ended 30 June 2023 in respect of Non-convertible Debentures and Commercial Papers of the Company is enclosed as Annexure A.
- 4) Pursuant to Regulation 54 of Listing Regulations, we state that all secured Market Linked Debentures (MLDs) issued by the Company and outstanding as on 30 June 2023 are fully secured by first pari passu charge created over all present and future trade receivables and Margin Trading Facility receivables of the Company (with a minimum cover of 1 times of MLDs outstanding and interest due on MLDs). Accordingly, the Company is maintaining the asset cover of 1x or such higher asset cover required as per the terms & conditions given in the offer document/information memorandum. The Details of security cover as per prescribed format under Regulation 54(3) of Listing Regulation is enclosed as Annexure B.
- 5) CRISIL Limited has reaffirmed its ratings at CRISIL AA/Stable for Non-Convertible Debentures and CRISIL A1+ to the Commercial Paper Programme of the Company. ICRA Limited through its latest rating has reaffirmed [ICRA]AA (Stable) on Non-Convertible Debentures and [ICRA]AA (Stable) on Bank Lines of the Company and PP-MLD[ICRA]AA (Stable) on Principal Protected Market Linked Debentures of the Company. The ICRA Limited also assigned/reaffirmed [ICRA]A1+ to the Commercial Paper Programme of the Company. Further, India Ratings & Research Private Limited has assigned and affirmed credit rating of IND A1+ on Commercial Paper Programme of the Company. India Ratings & Research Private Limited has also assigned and affirmed IND AA/Stable on Non-Convertible Debentures and Bank Lines of the Company and IND PP-MLD AA/Stable on Principal Protected Market Linked Debentures of the Company.
- 6) The Board of Directors of the Company at its Meeting held on July 27, 2023 has, inter-alia, subject to approval of Shareholders of the Company and other applicable statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench, approved the Scheme of Arrangement between Motilal Oswal Financial Services Limited ("the Transferor Company" or "the Resulting Company" or "MOFSL") and Glide Tech Investment Advisory Private Limited ("the Transferee Company" or "Glide") and Motilal Oswal Wealth Limited ("the Demerged Company" or "MOWL") and their respective shareholders ("the Scheme"), under Sections 230-232 of the Companies Act, 2013. Pursuant to this scheme, the Broking and Distribution business will get transferred by way of Slump Sale from MOFSL to Glide and demerger of Wealth Business Undertaking of MOWL into MOFSL. Appointed date of the Scheme is April 1, 2023. Post receipt of the required approvals and on completion of the related procedural aspects towards the scheme, effect of such scheme will be given in the books of accounts.
- 7) 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.
- 8) Pursuant to the exercise of Employee Stock Options under Motilal Oswal Financial Services Limited – Employees' Stock Option Scheme – V, the Company has allotted 4,000 Equity Shares to the employee during the quarter ended June 30, 2023.
- 9) The figures for the quarter ended 31 March 2023 represents the balance between audited financials in respect of the full financial year and those reviewed financials which were published till the third quarter of the respective financial years.
- 10) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 11) The previous quarter/year figures have been regrouped/reclassified wherever necessary to confirm to the current quarter/year presentation.



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

[Signature]

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

Place: Mumbai,
Date: 27 July 2023

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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 the quarter ended June 30, 2023 in respect of Non-convertible Debentures and Commercial Papers of the Company is as mentioned below:

Key Financial Information

Particulars	Quarter ended 30 June 2023	Quarter ended 30 June 2022
Debt Equity Ratio ¹	0.76	0.55
Debt Service Coverage Ratio ²	0.06	0.17
Interest Services Coverage Ratio ³	3.70	8.09
Net Worth ⁴ (Rs.in Lakhs)	4,88,065	4,20,760
Net Profit after tax (Rs.in Lakhs)	28,704	436
Earnings per share (Basic)	19.40	0.29
Earnings per share (Diluted)	19.37	0.29
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital Redemption Reserve (Rs.in Lakhs)	104	90
Debenture Redemption Reserve	Nil	Nil
Current Ratio	1.01	1.07
Long Term Debt to Working Capital Ratio ⁵	0.52	0.98
Bad Debts to Accounts Receivables Ratio ⁶	0.16%	0.26%
Current Liability Ratio	0.98	0.92
Total Debts to Total Assets	0.21	0.22
Debtors Turnover Ratio ⁷	0.44	0.78
Inventory Turnover Ratio	Not Applicable	Not Applicable
Operating Margin (%) ⁸	38.96%	5.14%
Net Profit Margin (%) ⁹	32.43%	0.92%

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

² 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)

³ 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)

⁴ Net Worth = Equity + Other Equity

⁵ Long Term Debt to Working Capital Ratio = Long Term Borrowing / Working Capital

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

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

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

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



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