

Independent Auditor's Review Report on Standalone Unaudited Financial Results of Motilal Oswal Financial Services Limited, pursuant to Regulation 33 and Regulation 52 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 ended June 30, 2022 (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").
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 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.

Other Matters

5. Share of profit from investment in a limited liability partnership aggregating to Rs. 55 lakhs for the quarter ended June 30, 2022 included in the Statement, is based on the management accounts of such entity. These 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.



Singhi & Co.

Chartered Accountants


6. As mentioned in Note no. 9 of the standalone financial results, figures for the quarter ended June 30, 2021 are the restated figures which have been arrived after giving effect to the scheme of arrangement, which is based on the reviewed/ management accounts of the transferor and transferee Company, which were reviewed by the respective auditors of that period, wherever applicable. Hence, these merged figures are neither audited nor reviewed. The Company has given effect to the scheme of arrangement with effect from the appointed date April 1, 2020. Accordingly, we, do not express any conclusion, as the case may be, on the figures reported in the financial results for the quarter ended June 30, 2021.

Our conclusion is not modified in respect of these matters.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E



Nikhil Singhi

Partner

Membership No. 061567

UDIN: 22061567ANTPZP5402



Place: Mumbai

Date: July 28, 2022

KOLKATA (HO)

NEW DELHI

CHENNAI

MUMBAI

BANGALORE

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@motiloswal.com, Website : www.motiloswalgroup.com
CIN: L67190MH2005PLC153397

Statement of Standalone Financial Results for the quarter ended 30 June 2022

(Rs. in lakhs, unless otherwise stated)

| Particulars | For the quarter ended | | | For the year ended |
|---|-----------------------|---------------|----------------|--------------------|
| | 30 June 2022 | 31 March 2022 | 30 June 2021 | 31 March 2022 |
| | (Unaudited) | (Unaudited)# | (Unaudited) | (Audited) |
| Revenue from operations | | | | |
| (i) Interest income | 9,407 | 9,412 | 6,626 | 33,145 |
| (ii) Dividend income | 24 | 1,181 | - | 7,387 |
| (iii) Rent income | 491 | 469 | 469 | 1,891 |
| (iv) Fees and commission income | | | | |
| -Brokerage income | 40,903 | 44,367 | 37,261 | 1,65,667 |
| -Other commission income | 3,791 | 4,375 | 3,308 | 18,605 |
| (v) Net gain/(loss) on fair value changes | (8,389) | (1,727) | 6,286 | 26,453 |
| (vi) Other operating revenue | 934 | 1,346 | 886 | 4,036 |
| (I) Total revenue from operations | 47,161 | 59,423 | 54,836 | 2,57,184 |
| (II) Other income | 1,021 | 1,169 | 621 | 3,960 |
| (III) Total income (I+II) | 48,182 | 60,592 | 55,457 | 2,61,144 |
| Expenses | | | | |
| (i) Finance cost | 4,597 | 5,102 | 3,492 | 16,558 |
| (ii) Fees and commission expense | 18,226 | 20,166 | 16,733 | 75,461 |
| (iii) Impairment on financial instruments | 351 | 48 | 504 | 1,992 |
| (iv) Employee benefit expenses | 14,341 | 15,022 | 11,291 | 53,768 |
| (v) Depreciation and amortisation expense | 1,099 | 1,021 | 838 | 3,876 |
| (vi) Other expenses | 7,146 | 6,232 | 5,733 | 23,076 |
| (IV) Total expenses (IV) | 45,760 | 47,591 | 38,591 | 1,74,731 |
| (V) Profit before tax (III-IV) | 2,422 | 13,001 | 16,866 | 86,413 |
| Tax expense/(credit) | | | | |
| (1) Current tax | 3,736 | 2,969 | 3,309 | 14,807 |
| (2) Deferred tax/(credit) | (1,750) | (50) | 479 | 1,123 |
| (3) (Excess)/ short provision for earlier years | - | (199) | - | (199) |
| (VI) Total tax expenses / (credit) | 1,986 | 2,720 | 3,788 | 15,731 |
| (VII) Profit after tax (V-VI) | 436 | 10,281 | 13,078 | 70,682 |
| Other comprehensive income | | | | |
| (i) Items that will not be reclassified to profit or loss | | | | |
| (a) Remeasurement of the defined employee benefit plans | (148) | 139 | (155) | (27) |
| (b) Changes in fair value gain/(loss) of FVOCI equity instruments | (3,537) | 6,107 | (5,448) | 2,324 |
| (ii) Deferred tax related to items that will not be reclassified to profit and loss account | 442 | (734) | 662 | (259) |
| (VIII) Other comprehensive income/(loss) | (3,243) | 5,512 | (4,941) | 2,038 |
| (IX) Total comprehensive income/(loss) (VII+VIII) | (2,807) | 15,793 | 8,137 | 72,720 |
| (X) (a) Paid-up equity share capital (Face value of Re. 1) | 1,491 | 1,491 | 1,485 | 1,491 |
| (b) Other equity | | | | 4,22,720 |
| Earnings per share (EPS)* | | | | |
| (Face value Re. 1 per equity share) | | | | |
| Basic (amount in Rs.) | 0.29 | 6.98 | 8.81 | 48.10 |
| Diluted (amount in Rs.) | 0.29 | 6.94 | 8.66 | 47.69 |

See Note 10

* EPS for the quarters is not annualized

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[Signature]

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

Notes to Statement of Standalone Financial Results for the quarter ended 30 June 2022

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 28 July 2022. The results for the quarter ended 30 June 2022 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) 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 quarter ended June 30, 2022 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 would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on June 30, 2022 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.
- 5) 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.
- 6) As per IndAS 109 the Company has unrealised gain/(loss) of Rs.(27,074) lakhs for the quarter ended 30 June 2022 which has been classified under head 'Net gain/(loss) 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.(3,537) lakhs for the quarter ended 30 June 2022.
- 7) During the quarter ended 30 June 2022, the Company has allotted 284 Market Linked Listed debentures of face value of Rs.10 lakhs each aggregating to Rs. 2840 lakhs, on Private Placement basis on 13 May 2022.
- 8) The Company has approved Buyback Offer of up to Rs.16,000 lakhs i.e. 14,54,545 Equity Shares @ Rs. 1,100/- per Equity Share, on 17 May 2022. Accordingly, the Company has bought back 14,54,545 Equity Shares under Tender Offer on July 18, 2022 (i.e. settlement date) and the said shares have been extinguished on 22 July 2022.
- 9) Figures for the quarter ended 30 June 2021 has been restated so as to give the effect of Scheme of Arrangement whose appointed date is 01 April 2020 and it became effective from 30 March 2022.
- 10) The figures for the quarter ended 31 March 2022 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.
- 11) The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 12) The previous quarter/year figures have been regrouped/reclassified wherever necessary to confirm to the current quarter/year presentation.



Mumbai,
28 July 2022



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

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

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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 quarter ended 30 June 2022 in respect of Non-convertible Debentures and Commercial Papers of the Company is as mentioned below:

Key Financial Information

| Particulars | Quarter ended 30 June 2022 | Quarter ended 30 June 2021 |
|--|-------------------------------|-------------------------------|
| Debt Equity Ratio ¹ | 0.55 | 0.41 |
| Debt Service Coverage Ratio ² | 0.17 | 0.13 |
| Interest Services Coverage Ratio ³ | 8.09 | 4.86 |
| Net Worth ⁴ (Rs.in Lakhs) | 4,20,760 | 3,62,341 |
| Net Profit after tax (Rs.in Lakhs) | 436 | 13,078 |
| Earnings per share (Basic) | 0.29 | 9.04 |
| Earnings per share (Diluted) | 0.29 | 8.90 |
| Outstanding redeemable preference shares | Not Applicable | Not Applicable |
| Capital Redemption Reserve (Rs.in Lakhs) | 90 | 90 |
| Debenture Redemption Reserve | Nil | Nil |
| Current Ratio | 1.07 | 1.06 |
| Long Term Debt to Working Capital Ratio ⁵ | 0.98 | 1.00 |
| Bad Debts to Accounts Receivables Ratio ⁶ | 0.26% | 0.37% |
| Current Liability Ratio | 0.92 | 0.93 |
| Total Debts to Total Assets | 0.22 | 0.17 |
| Debtors Turnover Ratio ⁷ | 0.78 | 0.65 |
| Inventory Turnover Ratio | Not Applicable | Not Applicable |
| Operating Margin (%) ⁸ | 5.14% | 30.76% |
| Net Profit Margin (%) ⁹ | 0.92% | 23.85% |

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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