

**ConCall Summary & Earnings Release**

Quarter ended Jun 2012

31 Jul 2012

Motilal Oswal Financial Services Limited (MOFSL) posted consolidated revenues of ₹1.1b for the quarter ended 30 Jun 2012, down 15% QoQ and down 2% YoY. Reported PAT decreased by 7% QoQ and 4% YoY to ₹202m. Adjusted PAT at ₹202m was down 32% on a QoQ basis and down 4% YoY. Broking-related revenues was ₹693m, down 22% QoQ and down 10% YoY. Fund-based income at ₹209m was down 7% QoQ and flat on a YoY basis. Asset management fees was up 19% on a QoQ basis and up 50% on a YoY basis to ₹155m. Investment banking fees at ₹27m was down 29% QoQ, but up 25% YoY.

For a deeper insight into the company's performance and the management's expectations, we present extracts from the post-results conference call. We have edited and rearranged the transcript for greater lucidity. We have also included exhibits from the company's presentation on its performance for the quarter ended Jun 2012. This presentation is available at [www.motilaloswal.com](http://www.motilaloswal.com)

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**Corporate Participants**

Mr Motilal Oswal

*Chairman and Managing Director*

Mr Raamdeo Agrawal

*Co Founder and Joint Managing Director*

Mr Navin Agarwal

*Director*

Mr Sameer Kamath

*Chief Financial Officer*

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This document includes forward looking statements, including discussions about the management's plans and objectives and about expected changes in revenues and financial conditions. Forward-looking statements about the financial condition, results of operations, plans and business are subject to various risks and uncertainties that could cause actual results to differ materially from those set forth in this document. You should not construe any of these statements as assurances of financial performance or as promises of particular courses of action.

Good morning, ladies and gentlemen. Welcome to the 1Q FY13 earnings conference call of Motilal Oswal Financial Services Limited. We have with us Mr. Motilal Oswal, Chairman and Managing Director, Mr. Raamdeo Agrawal, Co Founder and Joint Managing Director, Mr. Navin Agarwal, Director and Mr. Sameer Kamath, Chief Financial Officer. For the duration of this presentation, all participants' lines will be in the listen-only mode. I will be standing by for the Q&A session. I would now like to invite Mr. Navin Agarwal to make his opening remarks. Thank you and over to you sir....

#### MOFSL CONSOLIDATED FINANCIALS (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	1,093	1,287	-15%	1,093	1,119	-2%	4,655
EBIDTA	366	406	-10%	366	348	5%	1,562
PBT (before E & EOI)	298	344	-13%	298	312	-5%	1,396
Reported PAT (after E & EOI)	202	217	-7%	202	212	-4%	1,039
Adjusted PAT	202	296	-32%	202	212	-4%	1,028
EPS - Basic	1.39	1.50		1.39	1.47		7.17
EPS - Diluted	1.39	1.50		1.39	1.47		7.17
No. of Shares O/s (Mn) - FV ₹1/share	145	145		145	144		145

*E & EOI = Exceptional & extraordinary items*

*Source: MOFSL's presentation on Jun 2012 earnings*

#### REVENUE COMPOSITION (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Brokerage & operating income	693	894	-22%	693	770	-10%	3,201
Investment banking fees	27	38	-29%	27	22	25%	86
Fund based income	209	225	-7%	209	209	0%	822
Asset management fees	155	130	19%	155	103	50%	504
Other income	10	0	nm	10	15	-38%	42
Total Revenues	1,093	1,287	-15%	1,093	1,119	-2%	4,655

*Source: MOFSL's presentation on Jun 2012 earnings*

### Opening remarks

Good afternoon everybody. It is my pleasure to welcome all of you to the Motilal Oswal Financial Services earnings call for the First Quarter ended June 2012. I am very glad to announce that Motilal Oswal completed 25 years in the journey of wealth creation and celebrated the 25th Foundation Day at our own newly commissioned Corporate Office in Prabhadevi last weekend. I will start by giving a brief backdrop of the broad market, the industry segments, and then run you through our own performance for the quarter.

### Equity markets

Equity market performance and investor sentiments remained weak this quarter. Despite the pick-up seen in 4Q FY12, the benchmark Sensex ended 1Q FY13 on a flat note, on a QoQ basis. BSE market cap declined 11% QoQ to US\$1.1t at the end of the quarter. Concerns over interest rates, currency depreciation and policy making impacted the markets, along with worries over regulations related to foreign investments. While inflation eased to ~7.3% in June, food inflation continued to remain high.

Increasing risks to global and Indian food production on the back of poor monsoons has reduced flexibility of the monetary policy as well. We just saw that RBI presented the latest policy where the policy rates were left unchanged once again and the tone of the policy continue to remain quiet hawkish.

Average daily market volumes grew 6% QoQ to ₹1.59t in 1Q FY13. The key number to focus on here, is the ADTO in the cash segment which was at ₹0.12t in 1Q FY13, down 26% QoQ and down 16% YoY. Cash delivery and intraday segments declined by similar proportions on a QoQ basis. As a result, the proportion of cash to market volumes declined to a low of 7% this quarter. ADTO in F&O segment was ₹1.47t in 1Q FY13, up 10% QoQ and up 24% YoY. Options grew by 20% QoQ to comprise 75% of overall market volumes in 1Q FY13, as compared to 67% in the previous quarter. Yields on option continue to decline to negligible levels. In terms of proportions, while volumes of each participant segment within the cash market declined, their proportions remained largely unchanged on a QoQ basis.

The month of July also remained tough for the cash segment. July cash volumes (till data of the last available day) continued to languish at ₹0.12t. The cash segment drives the core broking business and clearly continues to remain under duress impacting the profitability of incumbents adversely and pushing most new entrants and higher cost organizations in the red.

### **Institutional activity**

After a pick-up in FII net inflows into equities in 4Q FY12, the first quarter of FY13 saw net outflows of ~US\$0.4b, largely a result of the muted market performance and worries over GAAR regulations during the quarter.

DII's saw net inflows of ~US\$0.5b in 1Q FY13 although 4Q FY12 had seen massive net outflows of almost ~US\$4.4b.

### **Investment banking and private equity**

M&A deal value in 1H CY12 was US\$25b. While this was down 19% on a YoY basis, it was higher as compared to 2H CY11 mainly owing to the Sesa-Sterlite merger transaction during the first quarter of the calendar year.

Equity raising activities remained sluggish owing to the economic and policy uncertainties, as well as poor market performance. QIPs, Right issues and IPOs largely dried up during the quarter.

Debt raising picked up slightly this quarter on the back of higher INR loans, possibly a result of the rate cut in April.

Private equity deal value at US\$1.9b in 1Q FY13 was slightly down from US\$2.0b in 4Q FY12. Sectors like ITES, BFSI and healthcare/life sciences dominated in terms of deal value and also deal count, hence their average deal size were low.

### Asset management

Assets under management of mutual funds were ₹6.9t as on June 2012, up from ₹5.9t in Mar 2012. The increase is largely attributable to liquid funds, possibly due to a slight easing in liquidity following RBI's rate cut in April as well as Gilt purchases from the open market. Equity funds AUM reflected the weak equity market sentiments.

Indian ETF assets continued its uptick to reach US\$2.2b as of June 2012, from US\$1.7b in Dec 2011. Their proportion to global ETF assets continues to increase, reaffirming the potential of this nascent segment in India.

### MOFSL's Performance

- Revenues for 1Q FY13 was ₹1.1b, down 15% QoQ and down 2% YoY
- Reported PAT for 1Q FY13 at ₹202m is down 7% QoQ and down 4% YoY
- Adjusted PAT for 1Q FY13 at ₹202m is down 32% as compared to 4Q FY12 and down 4% from 1Q FY12
- EBITDA and Reported PAT margins were 34% (32% in 4Q FY12) and 19% (17% in 4Q FY12) respectively. Margins remain in line with long term trends
- These results factor in the full impact of incremental costs incurred after moving into Motilal Oswal Tower at Prabhadevi. We are also actively looking to monetize office space owned by the company in South Mumbai and lease out the excess space built in the new corporate headquarters in Central Mumbai.
- Balance sheet continues to be very robust and strong with net worth of ₹11.6b, net cash of ₹1.7b and zero debt, as of June 2012

### Segment-wise business performance:

- Broking and related revenues at ₹693m were down 22% from 4Q FY12 and down 10% from 1Q FY12. The drop in broking revenues largely mirrors the 26% decline in cash market volumes this quarter. The continued disproportionate growth of options in the equity markets impacted our market share, which fell from 2.0% in 4QFY12 to 1.5% in 1Q FY13. The drop in market is largely led by a sharp increase in F&O volumes on BSE which contributed to ~20% of total F&O volumes in the market and where we have a negligible market share. Importantly, our market share in the high-yield cash segment, our main focus area, has held firm. Our blended yield actually increased marginally from 4.7 bps to 4.8 bps on a QoQ basis, divergent with the rest of the industry which has seen a decline in yields. As of June 2012, total client base reached 749,745, which includes 659,274 retail broking and distribution clients. The distribution reach stood at 1,565 business locations across 548 cities
- Fund based income were ₹209m, down 7% QoQ and flat on a YoY basis. It contributed 19% of total group revenues. The loan book was ₹3b as of June 2012 vs ₹3.5b in the previous quarter.
- Asset Management fees at ₹155m was up quite strongly by 19% QoQ and up 50% YoY. The higher revenues this quarter are attributable to the fees earned on the second closing of the new PE fund - IBEF-II. Total Assets under Management for the Group were ~₹31.0b as of June 2012 vs ₹29b in the previous quarter. Within this,

mutual fund AUM was ₹4.8b, PE AUA was ₹12.4b (vs ₹11b in previous quarter) and PMS AUM was ₹13.9b. Assets of PE business have expanded due to further inflows in our IBEF 2 which we expect to close by the end of the year.

- Investment banking fees remained muted at ₹27m, down 29% from 4Q FY12, but up by 25% from 1Q FY12. Corporate fund-raising and deal activities continued to remain sluggish due to the global slowdown, uncertainties regarding government policies, poor performance of the equity markets, as well as high borrowing costs
- Other income was ₹10min 1Q FY13. This was higher on a QoQ basis owing to the impact of loss on disposal of fixed assets in the previous quarter
- Wealth Management managed assets of ~₹15.6b, as of June 2012. The wealth management business has been strengthened with the joining of A.V. Srikanth as CEO. He has earlier played a significant role in building WM platforms and has won several accolades for its product and advisory delivery. He also developed India's first Multi-Manager platform in partnership with external service providers.

### **MOFSL General Highlights**

- MOAMC organized the 2nd edition of Motilal Oswal MOST Shares ETF Conclave 2012 in Mumbai in June 2012. The keynote speaker for the event was James Norris, Managing Director, Vanguard International
- Motilal Oswal Private Equity has achieved commitments of ₹4.9 billion from both domestic and offshore investors following the second closing of its 2nd growth capital PE fund, India Business Excellence Fund-II
- MOFSL won the 'Best Employer Brand' Award at the IPE Banking, Financial Services & Insurance Awards 2012
- Nasdaq 100 ETF won 'Most Innovative ETF Asia Pacific 2011' award at 8th Annual Global ETF Awards 2012 in USA
- Mr Motilal Oswal received the Samaj Ratna award from the then-President Smt Pratibha Patil in July 2012, under the banner of Cancer Foundation

### **Thematic initiative**

The July issue of our thematic article series 'Fin-Sight', studies the topic – "ETFs, the next game changer, Learnings from the global experience". The article is available on our website - in the Investor Relations section.

### **Outlook**

While the Indian markets continue to witness significant headwinds, there are some hopes rekindled with a change of guard at the Union Finance Ministry. Kick starting of the policy engine will eventually help give the markets better visibility and encourage participation of investors. Easing of global commodity prices can be a potential catalyst, especially with regards to monetary policy and currency movements.

We continue to believe in the long-term India growth story of India which should provide growth opportunities for financial services players like us. We remain focused on building our businesses towards that objective. With these remarks, I would now like to open the floor for Q&A. Thank you.

## Broking & Distribution, Wealth Management and Institutional Broking

### KEY FINANCIALS: BROKING & DISTRIBUTION, WEALTH MANAGEMENT & INSTITUTIONAL BROKING (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	783	1,014	-23%	783	863	-9%	3,577
EBIDTA	259	346	-25%	259	260	0%	1,182
PBT (before E & EOI)	214	294	-27%	214	226	-5%	1,031
PAT (before E & EOI)	144	210	-31%	144	154	-7%	727
PAT (after E & EOI)	144	210	-31%	144	154	-7%	815

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2012 earnings

## Asset Management

### KEY FINANCIALS: ASSET MANAGEMENT (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	95	90	5%	95	76	25%	318
EBIDTA	15	(9)	nm	15	(4)	nm	(9)
PBT	14	(10)	nm	14	(4)	nm	(11)
PAT	14	(30)	nm	14	(4)	nm	(31)

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2012 earnings

### Does the asset management revenues of ₹95mn for this quarter include both the PMS and the mutual fund segments? Would the bulk of this be PMS related?

This ₹95mn amount includes only the mutual fund and PMS businesses. Once the private equity piece is added to this, it becomes the ₹155mn asset management fees that is reported in the segmental revenues of the company. Major portion of this ₹95mn would be PMS related.

## Private Equity

### KEY FINANCIALS: PRIVATE EQUITY (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	62	42	49%	62	29	116%	194
EBIDTA	5	11	-50%	5	4	53%	31
PBT	5	10	-56%	5	3	37%	30
PAT	3	7	-56%	3	2	36%	20

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2012 earnings

### In private equity, what kind of revenues should one assume on an ongoing basis. Would it be 2% of assets? Is the new PE fund closed at ₹4.9bn?

That is correct. ~2% would be the management fees earned on the PE AUM. There has not been any carry booked in this. The new PE fund had its second closing. We expect to close this fund at a much higher amount by December of this year.

## Fund Based Income

### MOFSL STANDALONE FINANCIALS (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	139	251	-45%	139	331	-58%	819
EBIDTA	104	225	-54%	104	272	-62%	680
PBT	64	208	-69%	64	271	-76%	662
PAT	42	188	-77%	42	249	-83%	563

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2012 earnings

## Investment Banking

### KEY FINANCIALS: INVESTMENT BANKING (₹ Mn)

	1Q FY13	4Q FY12	CHG. QOQ	1Q FY13	1Q FY12	CHG. YOY	FY12
Total Revenues	29	41	-31%	29	36	-21%	116
EBIDTA	(23)	(20)	nm	(23)	(0)	nm	(45)
PBT	(25)	(20)	nm	(25)	(0)	nm	(47)
PAT	(17)	(14)	nm	(17)	0	nm	(31)

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2012 earnings

## Overall

### Is this depreciation the normalized depreciation amount which is likely to remain?

Yes, this quarter includes the full depreciation impact of our new property.

### Employee expenses were down YoY on a similar revenue base. Were there any one-off items here or this is a normal trend? What was the employee count this quarter and in the corresponding quarter of last year?

This is a normal trend. We have fixed and variable components which vary based on the economic performance of each of the SBUs. At an overall basis, it is pretty much steady state as a percentage of the top line. The company had about 1,000 employees as of this quarter and about 1,200 employees as of June of last year.

### In the balance sheet, the cash and bank balance declined about ₹1bn between March and June, while the stock in trade increased by about ₹1bn. Why has this difference occurred and is the stock in trade a proprietary book?

Stock in trade includes investments into liquid funds which was about ₹1.5bn. Due to requirements of classification, liquid fund investments in mutual funds are treated as stock in trade. There were no liquid fund investments in March, but it was there in June as mentioned above. Hence, if this is aggregated with cash, then the cash balances would be slightly higher. Apart from this, some of this stock in trade would also be our fully hedged stock positions, which is our principle strategy group. So this would basically include both the spread position as well as the liquid fund amount.

**Regarding the new office space, what is the plan on letting out or capitalizing the surplus space? Has anything happened this quarter? How much is the space?**

So far nothing has happened. We are actively pursuing plans to lease out the extra space with a number of parties. But it may take some time. The space would be about 100,000 square feet. The total area of the building would be about 300,000 square feet, of which we are occupying two-thirds.





## **INVESTOR UPDATE**

### **Motilal Oswal Financial Services reports Q1 FY13 topline of ₹1,093 million, Reported PAT of ₹202 million**

**Mumbai, July 28, 2012:** Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended June 30, 2012 post approval by the Board of Directors at a meeting held in Mumbai on July 28, 2012.

#### **Performance Highlights**

₹Million	Q1 FY13	Comparison (Q4 FY12)	Comparison (Q1 FY12)
<b>Total Revenues</b>	1,093	↓15%	↓2%
<b>EBIDTA</b>	366	↓10%	↑5%
<b>Reported PAT</b>	202	↓7%	↓4%
<b>Adjusted PAT</b>	202	↓32%	↓4%
<b>EPS- ₹(FV of ₹1)</b>	1.4		

#### **Performance for the Quarter ended June 30, 2012**

- Revenues for the quarter at ₹1,093 million is down 15% on a QoQ basis and down 2% on a YoY basis
- Reported PAT for Q1 FY13 at ₹202 million is down 7% on a QoQ basis and down 4% on a YoY basis
- Adjusted PAT for Q1 FY13 at ₹202 million is down 32% as compared to Q4 FY12 and down 4% from Q1 FY12
- EBITDA and Reported PAT margins were 34% (32% in Q4 FY12) and 19% (17% in Q4 FY12) respectively
- Strong balance sheet with net worth of ₹11.6 billion, net cash of ₹1.7 billion and zero debt, as of June 2012

#### **Speaking on the performance of the company, Mr. Motilal Oswal, CMD said.**

*The Indian capital markets faced yet another challenging quarter. Macro-economic and policy worries, muted benchmark performance as well as concerns over corporate profitability and regulations like GAAR impacted investor sentiments this quarter. High-yield cash dipped within market volumes, while low-yield options surged further. Primary market activities remained sluggish. The markets have built up hope with a change of guard at the Union Finance Ministry. With expectations of some reforms in the anvil, it should eventually give the markets better visibility and encourage participation. We continue to believe in the long-term India growth story of India and remain focused on building our businesses towards that objective. Our 2<sup>nd</sup> growth capital PE fund, aimed at pursuing such upcoming growth opportunities in the Indian economy, received good response from both domestic and offshore investors during its second closing.*

### **Segment results for Q1 FY13**

- **Broking and related revenues** at ₹693 million were down 22% from Q4 FY12 and down 10% from Q1 FY12. Daily market volumes grew 6% QoQ to ₹1.6 trillion in Q1 FY13. The thrust behind market volumes continued to be low-yield options, which have grown to comprise 75% of market volumes in Q1 FY13 vs. 67% in the previous quarter. Cash delivery and intraday declined by ~25% each on a QoQ basis. As a result, the proportion of cash to market volumes declined from 11% to 7% in the same period. This impacted our equity market share, which fell from 2.0% in Q4FY12 to 1.5% in Q1 FY13. Nevertheless, our market share in the high-yield cash segment, our main focus area, held firm as compared to the previous quarter. Our blended yield marginally increased from 4.7 bps to 4.8 bps on a QoQ basis
- **Fund based income** were ₹209 million, down 7% QoQ and flat on a YoY basis. It contributed 19% of total group revenues. The loan book was ₹3 billion as of June 2012.
- **Asset Management fees** at ₹155 million was up 19% QoQ and up 50% YoY. The higher revenues this quarter are attributable to the fees earned on the second closing of the new PE fund - IBEF-II
- **Investment banking fees** at ₹27 million were down 29% from Q4 FY12, though up by 25% from Q1 FY12. Corporate fund-raising and deal activities continued to remain sluggish due to the global slowdown, uncertainties regarding government policies, poor performance of the equity markets, as well as high borrowing costs
- **Other income** was ₹10 million in Q1 FY13. This was higher on a QoQ basis owing to the impact of loss on disposal of fixed assets in the previous quarter

### **Business highlights for Q1 FY13**

- Total client base increased to 749,745, which includes 659,274 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,565 business locations across 548 cities
- Total Assets under Management for the Group were ~₹31.0 billion as of June 2012. Within this, mutual fund AUM was ₹4.8 billion, PE AUA was ₹12.4 billion and PMS AUM was ₹13.9 billion
- Wealth Management managed assets of ~₹15.6 billion, as of June 2012. The wealth management business has been strengthened with the joining of A.V. Srikanth as CEO. Prior to this, he was with Anand Rathi Private Wealth Management, where he played a significant role in growing the vertical. He was an integral part of the team that won several accolades for its product and advisory delivery. He also developed India's first Multi-Manager platform in partnership with external service providers
- Depository assets were ₹114.0 billion, as of June 2012
- MOAMC organized the 2nd edition of Motilal Oswal MOST Shares ETF Conclave 2012 in June 2012. The keynote speaker for the event was James Norris, Managing Director, Vanguard International
- Motilal Oswal Private Equity has achieved commitments of ₹4.9 billion from both domestic and offshore investors following the second closing of its 2nd growth capital PE fund, India Business Excellence Fund-II
- MOFSL won the 'Best Employer Brand' Award at the IPE Banking, Financial Services & Insurance Awards 2012
- Mr Motilal Oswal received the Samaj Ratna award from Her Excellency President Smt Pratibha Patil in July 2012, under the banner of Cancer Foundation

## About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFS, BSE: 532892, BLOOMBERG: MOFS IN) is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail. Its services and product offerings include wealth management, retail broking and distribution, institutional broking, asset management, investment banking, private equity, commodity broking and principal strategies. The company distributes these products through 1,565 business locations spread across 548 cities and the online channel to over 749,745 registered customers. MOFSL has strong research capabilities, which enables them to identify market trends and stocks with high growth potential, facilitating clients to take well-informed and timely decisions. MOFSL has been ranked by various polls such as the Best Local Brokerage 2005, Most Independent Research - Local Brokerage 2006 and Best Overall Country Research - Local Brokerage 2007 in the Asia Money Brokerage Polls for India. MOSL won 4 awards in the ET-Now Starmine Analyst Awards 2010-11, placing it amongst the Top-3 award winning brokers, was ranked No. 2 by AsiaMoney Brokers Poll 2010 in the Best Local Brokerage Category and won the 'Best Market Analyst' Award for 2 sectors at the India's Best Market Analyst Awards 2011. MOFSL won the 'Best Capital Markets and Related NBFC' award at the CNBC TV18 Best Banks and Financial Institutions Awards 2011. MOSL also won the 'Best Equity Broking House' award for FY11 at the Dun & Bradstreet Equity Broking Awards 2011. MOSL won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards 2012, for the second year in a row. MOSL also won 'Best Equity Broker' award at Bloomberg UTV Financial Leadership Awards 2012, 'Retailer of the Year (Banking & Financial Services) award at Retail Excellence Awards 2012, and was ranked 2nd in the "Best Overall Brokerage" category by Asia Money in 2011. MOFSL won the 'Best Employer Brand' Award at the IPE Banking, Financial Services & Insurance Awards 2012.

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2012				
(Rs in Laacs)				
Particulars	Quarter Ended			Year Ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
<b>1. Income from Operations</b>				
(a) Income from Operations	10,427	12,399	10,622	44,366
(b) Other Operating Income	411	494	419	1,777
<b>Total Income</b>	<b>10,838</b>	<b>12,893</b>	<b>11,041</b>	<b>46,143</b>
<b>2. Expenditure</b>				
a. Operating expense	2,692	3,444	2,699	11,643
b. Employees benefits expense	2,509	3,168	2,793	11,386
c. Depreciation and amortisation expenses	626	483	275	1,297
d. Other expenditure	2,068	2,194	2,224	7,916
<b>Total expenses</b>	<b>7,895</b>	<b>9,289</b>	<b>7,991</b>	<b>32,242</b>
<b>3. Profit from Operations before Other Income, finance cost &amp; Exceptional Items (1-2)</b>	<b>2,943</b>	<b>3,604</b>	<b>3,050</b>	<b>13,902</b>
4. Other Income	94	(25)	154	421
5. Profit from Ordinary Activities before finance cost & Exceptional Items (3+4)	3,039	3,578	3,203	14,323
6. Finance Cost	56	143	78	360
7. Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	2,983	3,435	3,125	13,963
8. Exceptional Items - (Expense)/Income	-	-	-	1,299
<b>9. Profit from Ordinary Activities before tax (7-8)</b>	<b>2,983</b>	<b>3,435</b>	<b>3,125</b>	<b>15,262</b>
10. Tax expense	960	1,255	999	4,844
11. Net Profit from Ordinary Activities after tax but before minority interests (9-10)	2,023	2,181	2,126	10,417
12. Share of minority interests in (profits)/ loss	0	(8)	(7)	(29)
<b>13. Net Profit after tax and Minority Interests (11-12)</b>	<b>2,023</b>	<b>2,173</b>	<b>2,119</b>	<b>10,389</b>
14. Paid-up equity share capital (Face Value of Re. 1/- Per Share )	1,451	1,451	1,444	1,451
15. Reserves excluding Revaluation Reserves				112,642
<b>16. i. Earnings Per Share (EPS) (before Extraordinary items) ( of Rs. 1/- each)</b>				
a) Basic EPS	1.39	1.50	1.47	7.17
b) Diluted EPS	1.39	1.50	1.47	7.17
<b>16. ii. Earnings Per Share (EPS) (after Extraordinary items) (of Rs. 1/- each)</b>				
c) Basic EPS	1.39	1.50	1.47	7.17
d) Diluted EPS	1.39	1.50	1.47	7.17
<b>Particulars of Shareholding</b>				
17. Public shareholding				
- Number of shares	43,301,689	43,282,882	44,409,645	43,282,882
- Percentage of shareholding	29.84%	29.82%	30.75%	29.82%
18. Promoters and promoter group Shareholding				
a) Pledged/Encumbered				
- Number of shares	8,500,000	8,500,000	8,500,000	8,500,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	8.35%	8.35%	8.50%	8.35%
- Percentage of shares (as a % of the total share capital of the company)	5.86%	5.86%	5.89%	5.86%
b) Non-encumbered				
- Number of shares	93,321,180	93,339,987	91,509,584	93,339,987
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	91.65%	91.65%	91.50%	91.65%
- Percentage of shares (as a % of the total share capital of the company)	64.30%	64.32%	63.36%	64.32%
19. Investors Complaints				
Pending at the beginning of the period	1	NIL	NIL	NIL
Received during the period	2	3	2	14
Disposed of during the period	3	2	2	13
Remaining unresolved at the end of the period	NIL	1	NIL	1
<b>Notes</b>				
1) The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its Meeting held on Saturday, 28th July, 2012. The results for the quarter ended 30th June, 2012 have been reviewed by the Statutory Auditors of the Company.				
2) The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (99.95%), Motilal Oswal Investment Advisors Private Limited (93.75%), Motilal Oswal Private Equity Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (97.55%), Motilal Oswal Capital Markets Private Limited (99.95%), Motilal Oswal Wealth Management Private Limited (99.95%), Motilal Oswal Insurance Brokers Private Limited (99%), Motilal Oswal Asset Management Company Limited (99.95%), Motilal Oswal Trustee Company Limited (99.95%), Motilal Oswal Securities International Private Limited (99.95%), Motilal Oswal Capital Markets (Singapore ) Pte Ltd (99.95%) & Motilal Oswal Capital Markets (Hong kong ) Private Limited (99.95%).				
3) The previous financial quarter / year figures have been regrouped/rearranged wherever necessary to make them comparable.				
4) Management Certified accounts of two foreign subsidiaries have been considered for consolidation.				
5) The figures of March'12 quarter are the balancing figures between audited figures in respect of the full financial year 2011-12 and the published year to date reviewed figures up to the third quarter i.e December'11 of the financial year 2011-12.				
6) Standalone financial results are summarised below and also available on the Company's website: www.motilaloswal.com.				
Particulars	Quarter Ended			Year Ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Gross Revenue	1,395	2,513	3,314	8,195
Profit Before Tax	639	2,085	2,709	6,622
Profit After Tax	423	1,875	2,487	5,630

7) CONSOLIDATED UNAUDITED SEGMENT RESULTS FOR THE QUARTER ENDED 30TH JUNE 2012				
Particulars	Quarter Ended			
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
<b>1. Segment Revenue</b>				
(a) Broking & Other related activities	8,241	10,550	8,942	38,749
(b) Financing & Other activities	1,395	2,513	3,314	8,195
(c) Asset Management & Advisory	1,565	1,312	1,048	5,098
(d) Investment Banking	270	412	346	1,147
(e) Unallocated	295	176	99	576
<b>Total</b>	<b>11,766</b>	<b>14,964</b>	<b>13,748</b>	<b>53,765</b>
Less: Inter Segment Revenue	833	2,097	2,553	5,901
<b>Income From Operations, Other Operating income &amp; Other Income</b>	<b>10,933</b>	<b>12,867</b>	<b>11,195</b>	<b>47,864</b>
<b>2. Segment Results Profit / (Loss) before tax and interest from Each segment</b>				
(a) Broking & Other related activities	2,354	3,104	2,441	12,396
(b) Financing & Other activities	639	2,173	2,709	3,157
(c) Asset Management & Advisory	162	(10)	(13)	150
(d) Investment Banking	(259)	(204)	(20)	(492)
(e) Unallocated	298	(1,361)	(1,913)	588
<b>Total</b>	<b>3,194</b>	<b>3,703</b>	<b>3,205</b>	<b>15,799</b>
Less: Interest	211	267	80	537
(ii) Other Un-allocable Expenditure net off				
(iii) Un-allocable income				
<b>Profit/(Loss) from Ordinary Activities before Tax</b>	<b>2,983</b>	<b>3,435</b>	<b>3,124</b>	<b>15,262</b>
<b>3. Capital Employed</b>				
<b>(Segment assets – Segment Liabilities)</b>				
(a) Broking & Other related activities	51,918	56,153	43,455	56,153
(b) Financing & Other activities	57,829	57,313	48,005	57,313
(c) Asset Management & Advisory	1,131	2,137	1,451	2,137
(d) Investment Banking	504	354	964	354
(e) Unallocated	4,951	(1,863)	14,521	(1,863)
<b>Total</b>	<b>116,333</b>	<b>114,093</b>	<b>108,396</b>	<b>114,093</b>
<b>Notes:</b>				
1. The above Segment information is presented on the basis of the unaudited consolidated financial statements. The company's operations predominantly relate to Broking and other related activities, Financing and other activities, Asset Management & Advisory and Investment banking. In accordance with Accounting Standard -17 on Segment reporting, Broking and other related activities, Financing and other activities, Asset Management & Advisory and Investment banking are classified as reportable segments. The balance is shown as unallocated items.				
2. The previous financial quarter / year figures have been regrouped/rearranged wherever necessary to make them comparable.				
On behalf of the Board of Directors Motilal Oswal Financial Services Limited				
Motilal Oswal Chairman & Managing Director				
Mumbai, 28th July, 2012 <a href="mailto:shareholders@motilaloswal.com">shareholders@motilaloswal.com</a>				



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