

## ConCall Summary & Earnings Release

Quarter ended Jun 2013

29 Jul 2013

Motilal Oswal Financial Services Limited (MOFSL) posted consolidated revenues of ₹1.1b for the quarter ended 30 Jun 2013, down 17% QoQ and up 1% YoY. Reported PAT at ₹185m was down 50% QoQ and down 9% YoY. Broking-related revenues was ₹679m, down 11% QoQ and down 3% YoY. Fund-based income at ₹267m was down 29% QoQ and up 28% on a YoY basis. Asset management fees was down 25% on a QoQ basis and down 18% on a YoY basis to ₹128m. Investment banking fees at ₹8m was up by 2% QoQ and down 69% 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 2013. 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.

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Good morning, ladies and gentlemen. Welcome to the Q1 FY14 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)

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
<b>Total Revenues</b>	<b>1,109</b>	<b>1,341</b>	<b>-17%</b>	<b>1,109</b>	<b>1,103</b>	<b>1%</b>	<b>4,729</b>
EBIDTA	357	570	-37%	357	366	-2%	1,744
PBT (before E & EOI)	290	477	-39%	290	298	-3%	1,437
<b>Reported PAT</b>	<b>185</b>	<b>367</b>	<b>-50%</b>	<b>185</b>	<b>202</b>	<b>-9%</b>	<b>1,091</b>
EPS - Basic	1.3	2.6		1.3	1.4		7.6
EPS - Diluted	1.3	2.6		1.3	1.4		7.6
Shares O/S (mn) - FV Rs 1/share	145	145		145	145		145

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2013 earnings

#### REVENUE COMPOSITION (₹Mn)

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Brokerage & operating income	679	760	-11%	679	702	-3%	2,972
Investment banking fees	8	8	2%	8	27	-69%	78
Fund based income	267	377	-29%	267	209	28%	997
Asset management fees	128	170	-25%	128	155	-18%	599
Other income	28	26	7%	28	11	162%	83
<b>Total Revenues</b>	<b>1,109</b>	<b>1,341</b>	<b>-17%</b>	<b>1,109</b>	<b>1,103</b>	<b>1%</b>	<b>4,729</b>

Source: MOFSL's presentation on Jun 2013 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 2013. 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 ended June 2013.

### Equity markets

The benchmark BSE Sensex closed Q1 FY14 with gains of just 3% after being up by 8% in the first half of the quarter and giving up bulk of the gains in the second half. After seeing robust inflows from FIIs, the month of June saw net outflows of over USD 1.6 bn, in sync with the outflows across EMs. In terms of the broader market, the BSE market cap was flat on a QoQ basis at ₹64.1tn in June 2013 and stood at 64% of FY13 GDP of ₹100tn.

Equity market ADTO reached a high of ₹1.9 trillion in Q1 FY14, led yet again by options. Options now comprise 78% of market volumes, up from 76% in the previous quarter. After seeing a rise in H2 FY13, cash equities volumes declined by 11% QoQ to

₹125 billion during Q1 FY14. It comprised 6.5% of market volumes in Q1 FY14, down from 8% in the previous quarter. Cash delivery, in particular, saw a steeper fall of 16% QoQ to comprise 1.9% of market volumes, down from 2.5% in the previous quarter. In terms of cash segment participation, all segments saw a QoQ decline in their volumes, led by retail and DII. Retail cash volumes dropped 12% QoQ to comprise 46% of overall cash volumes in Q1 FY14, while DII declined 16% QoQ to comprise 9% of cash volumes. FII dipped 8% QoQ and it now comprises 23% of cash volumes.

The month of July has also started on a relatively tough note for the cash segment. July cash ADTO (till July 26) are ₹122b. Its proportion to total volumes has come down further to 5.5%. Options comprise about 80% of total volumes in July.

### **Institutional activity**

FII net inflows into equities were lower at ~US\$3.0b in Q1 FY14, as compared to ~US\$7-10b inflows in each of the preceding 3 qtrs. However, outflows were over USD1.6b in June. FII debt outflows were significantly higher and quite unprecedented at USD5.4b in June, resulting in a sharp correction in INR. DII net outflows continued for the 4th successive quarter. However, the net outflows of ~US\$1.1b in Q1 FY14 were a fourth of the average outflow of over USD4b in the preceding 3 quarters.

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

M&A activity remained stressed due to the prevailing economic uncertainties. M&A deal value was US\$2.1b in Q1 FY14, down from US\$5.3b in Q4 FY13 and USD3.8b in Q1FY13. Cross-border transaction segment suffered the major brunt of deal slowdown. Activity in both the IPO and Additional segments (FPOs/OFS etc) remained muted this quarter. In the current environment, QIPs continued as a favoured route for fund-raising – raising ₹28.3b in the month of May alone.

Debt raising volumes showed signs of moderation, especially in the loans segment as many companies deferred their capital raising plans given the uncertain outlook. Private equity deal value was US\$2.3b in Q1 FY14, up from US\$1.1b in Q4 FY13, but this spike was solely due to the US\$1.3bn Bharti Airtel-Qatar Foundation deal. If this were excluded, then PE deal values remained largely flattish comparable to the previous quarter.

### **Asset management**

Assets under management of mutual funds were ₹8.1t as on Jun 2013, up from ₹7.0t as on Mar 2013. This increase is mainly attributable to the Liquid fund segment, and also to some extent to the Income fund segment. Equity segment assets remained muted. Indian ETF assets were US\$2.0b as of Jun 2013, lower than the US\$2.5b as of Mar 2013. This drop is attributable to the decline in Gold ETF assets in recent months.

## MOFSL's Performance

- Revenues in Q1 FY14 were ₹1.1 billion (up 1% YoY)
- Reported PAT in Q1 FY14 was ₹185 million (down 9% YoY). PAT for Q4 FY13 had included total amount of ₹39 million (post-tax) representing profit from sale of fixed assets and provision for doubtful advances / write offs
- EBITDA & Reported PAT margins for Q1 FY14 were 32% (42% in Q4 FY13) and 17% (27% in Q4 FY13) respectively
- Net worth is ₹12.4 billion and net cash is ₹1.3 billion as of June 30, 2013
- The Board of Directors at its meeting held on April 27, 2013 proposed the buyback of shares of the company. The Shareholders of the Company vide special resolution accorded their consent for the buyback, by way of postal ballot, the results of which were declared on June 21, 2013. The Company made a public announcement on June 25, 2013 for the buyback of maximum of 7.5 million fully paid-up Equity Shares of ₹1 each, upto buyback amount of ₹650 million, at a price not exceeding ₹90/- per share. The company has commenced buyback of shares from open market through stock exchange from July 8, 2013. MOFS has already bought 4.7 million shares till last week representing 63% of the committed buyback program of 7.5 million shares

### Segment-wise business performance:

- Broking and related revenues were ₹679 million in Q1 FY14, down 11% on a QoQ basis and down 3% on a YoY basis. Despite the market challenges, our overall equity market share held at 1.7% on a QoQ basis. We maintained our market share in the cash segment, including the delivery segment, which are our focus segments. However, the adverse change in the market mix towards F&O has resulted in our blended yield coming down to 3.4 bps in Q1 FY14, from 4.0 bps in Q4 FY13
- Fund based income was ₹267 million, down 29% from Q4 FY13 and up 28% from Q1 FY13. Q4 FY13 had included profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. The loan book was ₹4.4 billion, as of Jun 2013
- Asset Management fee were ₹128 million for Q1 FY14, down 25% QoQ and down 18% YoY. Q4 FY13 had included fees related to the closing of the new IBEF-II fund as well as PMS performance fee of ₹6.2 million. Total Assets under Management for the Group were ~₹31.2 billion as of Jun 2013. Within this, mutual fund AUM was ₹4.6 billion, PE AUA was ₹13.8 billion and PMS AUM was ₹12.9 billion
- Investment banking fees at ₹8 million was marginally up 2% from Q4 FY13, but down 69% YoY. Transaction closures remained impacted as multiple macro concerns continue to affect the investment mood in the economy
- Other income was ₹28 million in Q1 FY14

## MOFSL General Highlights

- Wealth Management managed assets of ~₹23.2 billion, as of Jun 2013
- Following the fourth close of its 2nd growth capital PE fund - India Business

Excellence Fund-II, Motilal Oswal Private Equity has received total commitments of ₹6.3 billion till date from both domestic and offshore investors. We continue to see good traction in commitments towards final closing

- Motilal Oswal Private Equity appointed Sharad Mittal as Head - Real Estate business. He brings with him rich experience in real estate investments and fund raising
- Motilal Oswal Asset Management conducted the 3rd MOST Shares ETF Conclave in June 2013, which included a panel discussion on 'Making Most of ETFs' and a presentation of global ETF trends by Deborah Fuhr (Partner and Co-Founder, ETFGI)
- Motilal Oswal Insurance Brokers has received in-principal approval for insurance broking license from IRDA

### **Outlook**

While WPI inflation showed some signs of moderation with the cooling of global commodity prices, current account deficit problems remain grim concerns. RBI has announced temporary measures to stabilize INR and this could have an adverse impact on the already fragile economic growth and muted corporate profitability. While the government has shown some commitment towards reforms by addressing FDI needs in various sectors to bring in supply of foreign capital, a lot yet needs to be done.

We believe that despite the several headwinds, the long-term Indian growth story is still intact, and it would present several growth opportunities for financial services companies. We are focused on this opportunity and are methodically building a customer focused organization with low financial leverage to garner a meaningful market share in the profitable parts of the capital markets space.

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)

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Total Revenues	775	883	-12%	775	792	-2%	3,369
EBIDTA	233	286	-18%	233	259	-10%	1,076
PBT (before E & EOI)	195	233	-17%	195	214	-9%	887
Reported PAT	124	288	-57%	124	144	-14%	821

*E & EOI = Exceptional & extraordinary items*

*Source: MOFSL's presentation on Jun 2013 earnings*

### The market share was 1.7% as of 1QFY14. Where would the company be in the pecking order and how much would the largest player be controlling in the market?

The market-share numbers of all the players are not in the public domain, hence one can only perceptively estimate based on various opinion polls. What is more important is that the overall market share in today's context may not hold the right spirit because option volumes, which are more than 90% of the market volumes, give very little brokerage yield. We look at our own market-share from the cash segment perspective because we are focused on that segment as it is a profitable segment for us. In the cash segment, we command a good market share, which is much higher than what we report as an overall market share. We would be amongst the top brokers in that segment.

### Why is there a difference between the brokerage income in the segmental report and the broking income in the presentation?

In the segmental accounts, the numbers are according to legal entity as per the accounting standard formats, which is MOSL in this case. In our quarterly presentation, we classify broking income which is related to pure broking activities. The difference is due to that. But we do report MOSL separately in our quarterly presentation as well.

### How are the yields shaping up now for the broking segment?

In the institutional side, the yield from the domestic mutual fund segment did come down after SEBI's cap on yields. Also, there is a general tendency for yields to be softer in this environment when the market volumes are weak. Other than these couple of trends, we have not seen any significant changes to report this quarter. Yields have generally been softer because of poorer market volumes, but have not seen any great fall.

### Have you seen any material shift happening on account of DMA? With increased usage of DMA by the investor community, is the need to engage more staff adding to their costs?

A large part of the shift in market volumes over the last several quarters has been in favour of DMA. A lot of the cash volumes related to the derivative business uses that route. A lot of the ETF volumes uses that route. This, in turn, has impacted yields as the

yields in that part of the business is lower, and that, in turn, has also had an impact on the overall commission pie. We have also seen active managers increasing their usage to drive down costs, and that too had an adverse impact on the overall commission pie. So the actual impact on the commission has been higher than the impact on the volumes.

In terms of adding to the cost due to staff needs, this does not really mean much addition to staff for the buy-sides. In fact, the amount of monitoring that they may have to do because of this may be much slower than what they would do otherwise.

## Asset Management

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

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Total Revenues	72	88	-19%	72	95	-24%	348
EBIDTA	(12)	11	nm	(12)	15	nm	58
PBT	(13)	10	nm	(13)	14	nm	53
Reported PAT	(13)	10	nm	(13)	14	nm	53

Source: MOFSL's presentation on Jun 2013 earnings

## Private Equity

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

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Total Revenues	60	90	-34%	60	62	-4%	274
EBIDTA	22	31	-29%	22	5	313%	82
PBT	21	30	-30%	21	5	366%	78
Reported PAT	14	21	-31%	14	3	365%	53

Source: MOFSL's presentation on Jun 2013 earnings

## Fund Based Income

### MOFSL STANDALONE FINANCIALS (₹Mn)

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Total Revenues	176	292	-40%	176	139	26%	949
EBIDTA	133	270	-51%	133	104	28%	836
PBT (before E & EOI)	77	190	-59%	77	64	21%	618
Reported PAT	53	48	11%	53	42	26%	387

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on Jun 2013 earnings

## Investment Banking

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

	Q1 FY14	Q4 FY13	CHG. QOQ	Q1 FY14	Q1 FY13	CHG. YOY	FY13
Total Revenues	9	8	7%	9	29	-70%	80
EBIDTA	(22)	(21)	nm	(22)	(23)	nm	(60)
PBT	(25)	(24)	nm	(25)	(25)	nm	(68)
Reported PAT	(17)	(20)	nm	(17)	(17)	nm	(52)

Source: MOFSL's presentation on Jun 2013 earnings





## **INVESTOR UPDATE**

### **Motilal Oswal Financial Services reports Q1 FY14 Consolidated Revenues of ₹1.1 billion; Reported PAT of ₹185 million**

**Mumbai, July 27, 2013:** Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended June 30, 2013 post approval by the Board of Directors at a meeting held in Mumbai on July 27, 2013.

#### **Performance Highlights**

₹Million	Q1 FY14	Comparison (Q1 FY13)
Total Revenues	1,109	↑1%
EBIDTA	357	↓ 2%
Reported PAT	185	↓ 9%
EPS- ₹(FV of ₹1)	1.3	

#### **Performance for the Quarter ended June 30, 2013**

- Revenues in Q1 FY14 were ₹1.1 billion (down 17% QoQ and up 1% YoY)
- Reported PAT in Q1 FY14 was ₹185 million (down 50% QoQ and down 9% YoY). PAT for Q4 FY13 had included total amount of ₹39 million (post-tax) representing profit from sale of fixed assets and provision for doubtful advances / write offs
- EBITDA & Reported PAT margins for Q1 FY14 were 32% (42% in Q4 FY13) and 17% (27% in Q4 FY13) respectively
- The balance sheet had net worth of ₹12.4 billion and net cash of ₹1.3 billion as of June 30, 2013
- The Board of Directors at its meeting held on April 27, 2013 proposed the buyback of shares of the company. The Shareholders of the Company vide special resolution accorded their consent for the buyback, by way of postal ballot, the results of which were declared on June 21, 2013. The Company made a public announcement on June 25, 2013 for the buyback of maximum of 7.5 million fully paid-up Equity Shares of ₹1 each, upto buyback amount of ₹650 million, at a price not exceeding ₹90/- per share. The company has commenced buyback of shares from open market through stock exchange from July 8, 2013.

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

*After seeing positive returns in April, the markets saw significant stress in the last 2 months of the quarter on the back of currency and current account deficit worries which impacted investor interest in equities. Volumes in the high-yield cash delivery segment remained depressed, while*

*the low-yield options segment continued to push up equity market volumes this quarter. While April and May saw continued net inflows from FIIs, June saw net outflows on the back of certain newsflow. DIIs continued to see net outflows, although it was lower than that in earlier quarters. Primary market activities remained largely muted and growth in new investor accounts slowed down. Equity mutual funds remained out of investors' radar. Despite these challenging conditions, we continue to make sustained investments in people, technology and processes which we believe will lay the foundation for growth as market activity picks up."*

#### **Segment results for Q1 FY14:**

- **Broking and related revenues** were ₹679 million in Q1 FY14, down 11% on a QoQ basis and down 3% on a YoY basis. Daily volumes in the equity markets reached a high of ₹1.9 trillion in Q1 FY14, led yet again by options which now comprise 78% of market volumes, up from 76% in the previous quarter. Cash volumes declined by 11% QoQ to ₹125 billion. It comprised 6.5% of market volumes in Q1 FY14, down from 8% in the previous quarter. Cash delivery, in particular, saw a steeper fall of 16% QoQ to comprise 1.9% of market volumes, down from 2.5% in the previous quarter. Despite the market challenges, our overall equity market share held at 1.7% on a QoQ basis. We maintained our market share in the cash segment, including the delivery segment, which are our focus segments. However, the adverse change in the market mix towards F&O has resulted in our blended yield coming down to 3.4 bps in Q1 FY14, from 4.0 bps in Q4 FY13
- **Fund based income** was ₹267 million, down 29% from Q4 FY13 and up 28% from Q1 FY13. Q4 FY13 had included profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. The loan book was ₹4.4 billion, as of Jun 2013
- **Asset Management fee** were ₹128 million for Q1 FY14, down 25% QoQ and down 18% YoY. Q4 FY13 had included fees related to the closing of the new IBEF-II fund as well as PMS performance fee of ₹6.2 million
- **Investment banking fees** at ₹8 million was marginally up 2% from Q4 FY13, but down 69% YoY. Transaction closures remained impacted as multiple macro concerns continue to affect the investment mood in the economy
- **Other income** was ₹28 million in Q1 FY14

#### **Business Highlights for Q1 FY14**

- Total client base increased to 781,663 which includes 685,022 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,490 business locations across 501 cities
- Total Assets under Management for the Group were ~₹31.2 billion as of Jun 2013. Within this, mutual fund AUM was ₹4.6 billion, PE AUA was ₹13.8 billion and PMS AUM was ₹12.9 billion
- Wealth Management managed assets of ~₹23.2 billion, as of Jun 2013
- Depository assets were ₹112.5 billion, as of Jun 2013
- Following the fourth close of its 2nd growth capital PE fund - India Business Excellence Fund-II, Motilal Oswal Private Equity has received total commitments of ₹6.3 billion till date from both domestic and offshore investors. We continue to see good traction in commitments towards

final closing

- Motilal Oswal Private Equity appointed Sharad Mittal as Head - Real Estate business. He brings with him rich experience in real estate investments and fund raising
- Motilal Oswal Asset Management conducted the 3rd MOST Shares ETF Conclave in June 2013, which included a panel discussion on 'Making Most of ETFs' and a presentation of global ETF trends by Deborah Fuhr (Partner and Co-Founder, ETFGI)
- Motilal Oswal Insurance Brokers has received in-principal approval for insurance broking license from IRDA

### **About Motilal Oswal Financial Services Limited**

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFSL, 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 1,490 business locations spread across 501 cities and the online channel to over 781,663 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 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 2nd year in a row. MOSL 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. Motilal Oswal Private Equity won 'Best Growth Capital Investor-2012' award at the Awards for Private Equity Excellence 2013. MOSL was adjudged amongst the Top 20 innovators in BFSI for 'Leveraging on technology in enhancing customer experience' at the Banking Frontiers Finnovity Awards 2012, and won the 'Quality Excellence for Best Customer Service Result' award at National Quality Excellence Awards 2013

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Tel: +91-22-30801000, Fax: +91-22-28449092 Email:shareholders@motiloswal.com				
<b>CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2013</b>				
(Rs. in Lacs)				
Particulars	Quarter Ended			Year Ended
	30.06.2013	31.03.2013	30.06.2012	31.03.2013
<b>1. Income from Operations</b>				
(a) Income from Operations	10,100	11,595	10,080	42,471
(b) Other Operating Income	717	1,557	842	3,992
<b>Total Income</b>	<b>10,817</b>	<b>13,152</b>	<b>10,922</b>	<b>46,463</b>
<b>2. Expenditure</b>				
a. Operating expense	2,413	2,855	2,779	11,061
b. Employees' benefit expense	2,975	2,944	2,535	10,796
c. Depreciation and amortisation expenses	590	654	626	2,586
d. Other expenditure	2,132	1,914	2,049	7,991
<b>Total expenses</b>	<b>8,110</b>	<b>8,367</b>	<b>7,989</b>	<b>32,434</b>
<b>3. Profit from Operations before Other Income, Finance Cost &amp; Exceptional Items (1-2)</b>	<b>2,707</b>	<b>4,785</b>	<b>2,933</b>	<b>14,029</b>
4. Other Income	277	259	106	825
5. Profit from Ordinary Activities before Finance Cost & Exceptional Items (3+4)	2,984	5,044	3,039	14,854
6. Finance Cost	87	272	56	480
7. Profit from Ordinary Activities after Finance Cost but before Exceptional Items (5-6)	2,897	4,772	2,983	14,374
8. Exceptional Items - (Expense)/Income	-	583	-	1,808
<b>9. Profit from Ordinary Activities before Tax (7-8)</b>	<b>2,897</b>	<b>5,355</b>	<b>2,983</b>	<b>16,182</b>
10. Tax expense	1,020	1,646	960	5,184
11. Net Profit from Ordinary Activities after Tax but before Minority Interests (9-10)	1,877	3,709	2,023	10,998
12. Share of Minority Interests in (Profits)/ Loss	(28)	(37)	0	(90)
<b>13. Net Profit after Tax and Minority Interests (11-12)</b>	<b>1,849</b>	<b>3,672</b>	<b>2,023</b>	<b>10,908</b>
14. Paid-up equity share capital (Face Value of Re. 1/- Per Share )	1,452	1,452	1,452	1,452
15. Reserves excluding Revaluation Reserves	-	-	-	120,334
<b>16. i. Earnings Per Share (EPS) (before Extraordinary items) ( of Re. 1/- each)</b>				
a) Basic EPS	1.29	2.55	1.39	7.57
b) Diluted EPS	1.29	2.55	1.39	7.57
<b>16. ii. Earnings Per Share (EPS) (after Extraordinary items) (of Re. 1/- each)</b>				
c) Basic EPS	1.29	2.55	1.39	7.57
d) Diluted EPS	1.29	2.55	1.39	7.57
<b>Particulars of Shareholding</b>				
17. Public shareholding				
- Number of shares	42,805,084	43,143,928	43,301,689	43,143,928
- Percentage of shareholding	29.47%	29.71%	29.84%	29.71%
18. Promoters' and promoter group Shareholding				
a) Pledged/Encumbered				
- Number of shares	NIL	NIL	8,500,000	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	8.35%	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	5.86%	NIL
b) Non-encumbered				
- Number of shares	102,430,692	102,091,848	93,321,180	102,091,848
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	91.65%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	70.53%	70.29%	64.30%	70.29%
19. Investors' Complaints				
Pending at the beginning of the period	NIL	NIL	1	1
Received during the period	NIL	3	2	11
Disposed off during the period	NIL	3	3	12
Remaining unresolved at the end of the period	NIL	NIL	NIL	NIL

<b>6) CONSOLIDATED UNAUDITED SEGMENT RESULTS FOR THE QUARTER ENDED 30TH JUNE 2013</b>				
<b>Particulars</b>	<b>Quarter Ended</b>			<b>Year Ended</b>
	<b>30.06.2013</b>	<b>31.03.2013</b>	<b>30.06.2012</b>	<b>31.03.2013</b>
<b>1. Segment Revenue</b>				
(a) Broking & Other related activities	8,035	10,900	8,327	38,383
(b) Financing & Other activities	1,760	2,918	1,395	7,315
(c) Asset Management & Advisory	1,582	2,129	1,565	6,665
(d) Investment Banking	87	81	270	780
(e) Unallocated	444	641	303	1,936
<b>Total</b>	<b>11,908</b>	<b>16,669</b>	<b>11,860</b>	<b>55,079</b>
Less: Inter Segment Revenue	814	1,335	833	3,897
<b>Income From Operations, Other Operating Income &amp; Other Income</b>	<b>11,094</b>	<b>15,334</b>	<b>11,027</b>	<b>51,182</b>
<b>2. Segment Results Profit / (Loss) before Tax and Interest from Each segment</b>				
(a) Broking & Other related activities	1,943	4,235	2,354	12,322
(b) Financing & Other activities	775	561	639	2,365
(c) Asset Management & Advisory	20	499	162	1,196
(d) Investment Banking	(233)	(222)	(259)	(660)
(e) Unallocated	446	626	298	1,935
<b>Total</b>	<b>2,951</b>	<b>5,699</b>	<b>3,194</b>	<b>17,158</b>
Less: (i) Interest	54	344	211	976
<b>Profit/(Loss) from Ordinary Activities before Tax</b>	<b>2,897</b>	<b>5,355</b>	<b>2,983</b>	<b>16,182</b>
<b>3. Capital Employed</b>				
<b>(Segment Assets – Segment Liabilities)</b>				
(a) Broking & Other related activities	44,892	48,212	51,918	48,212
(b) Financing & Other activities	59,487	58,852	57,829	58,852
(c) Asset Management & Advisory	662	791	1,131	791
(d) Investment Banking	426	746	504	746
(e) Unallocated	18,202	13,185	4,951	13,185
<b>Total</b>	<b>123,669</b>	<b>121,786</b>	<b>116,333</b>	<b>121,786</b>
<b>Notes:</b>				
7. 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.				
8. 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, 27th July, 2013 <a href="mailto:shareholders@motilaloswal.com">shareholders@motilaloswal.com</a>				

