

Earnings Update – Q2 FY10

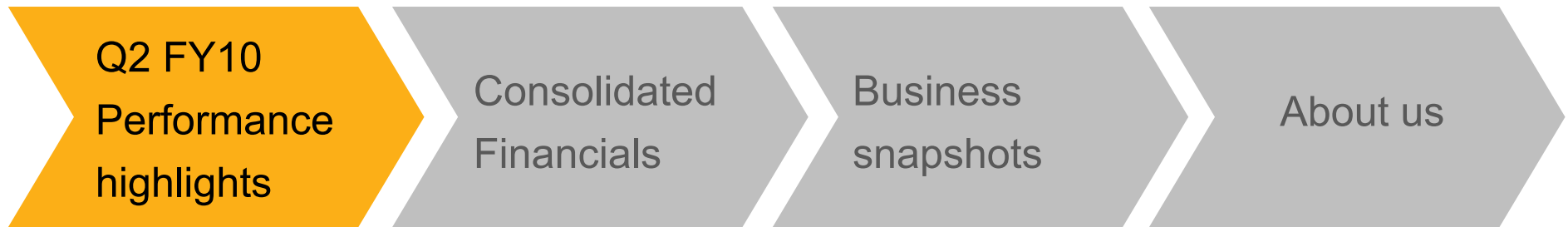
Oct 14, 2009

Motilal Oswal Financial Services Limited

BSE: 532892 • NSE: MOTILALOFS • Bloomberg:MOFS:IN • Reuters: MOFS.BO

www.motilaloswal.com





Highlights – Q2 FY10

- Consolidated Revenue for Q2 FY10 is Rs1,712 million (up 15% QoQ & up 24% YoY)
- Consolidated Adjusted PAT for Q2 FY10 is Rs472 million (up 31% QoQ & up 74% YoY)
- EBIDTA and PAT margins at 44% (Q1 FY10: 41%) and 28% (Q1FY10: 24%) respectively
- Balance sheet size with networth of Rs8,768 million as at Sept'09
- Average daily turnover in secondary equities was ~Rs 32 billion in Q2 FY10
- Retail distribution has its reach through 1,257 outlets across 576 cities.
- Motilal Oswal Securities Ltd (MOSL) increased its total client base to 580,667 as at Sep' 09
- Total Assets under management/advice for the group is at about ~Rs.15 billion, which includes assets under management under our portfolio management services and assets under advice for private equity funds.
- Hosted the 5th Annual Global Investor Conference in Mumbai which was attended by over 400 investors from around the Globe and around 70 leading corporates from India.
- Mr. P. J. Nayak, a financial sector veteran with more than 19 years in the Financial Sector, straddling policy, regulation and managing institutions, across banking and capital markets has joined the mutual fund arm of the Group as its Chairman.
- The Company, jointly with its subsidiary MOSL, has acquired an office building at Prabhadevi in Mumbai for a consideration of for Rs 1.65 billion.
- Effective Q2 FY10, the Company has changed the accounting of derivative transactions related to arbitrage business from scrip-basis to portfolio-basis. The transactions of cash segment are valued on weighted average basis against first-in-first-out followed earlier till last quarter. Pursuant to above change, profit after tax for the six months ended 30th September 2009 (impact considered fully in Q2 FY10) has increased by Rs 71 million and Rs 28 million of this pertains to Q2 FY10



Particulars	Q2 FY10	Q1 FY10	Change (%) Q-o-Q	Q2 FY10	Q2 FY09	Change (%) Y-o-Y	6M FY10	6M FY09	Change (%) Y-o-Y	FY09
	Sept 30,2009	June 30,2009		Sept 30,2009	Sept 30,2008		Sept 30,2009	Sept 30,2008		Mar 31,2009
<i>Rs million</i>										
Total Revenues	1,712	1,492	15%	1,712	1,381	24%	3,204	2,791	15%	4,661
EBIDTA	761	604	26%	761	549	39%	1,366	1,071	28%	1,807
PBT (before E & EOI)	694	546	27%	694	431	61%	1,239	836	48%	1,426
PAT (before E & EOI)	472	359	31%	472	271	74%	831	534	56%	926
PAT (after E & EOI)	475	340	40%	475	271	75%	814	534	53%	896
EPS - Basic (before EOI)	3.33	2.39		3.33	1.91		5.72	3.76		6.31
EPS - Diluted (before EOI)	3.33	2.39		3.33	1.91		5.72	3.75		6.31
No.of shares outstanding (million)-FV Rs 1/share	143.06	142.02		143.06	142.02		143.06	142.02		142.02

E & EOI = Exceptional items & Extraordinary items

EOI = Extraordinary items

Revenue composition

Particulars <i>Rs million</i>	Q2 FY10	Q1 FY10	Change (%) Q-o-Q	Q2 FY10	Q2 FY09	Change (%) Y-o-Y	6M FY10	6M FY09	Change (%) Y-o-Y	FY09
	Sept 30,2009	June 30,2009		Sept 30,2009	Sept 30,2008		Sept 30,2009	Sept 30,2008		Mar 31,2009
Brokerage & operating income	1,253	1,157	8%	1,253	956	31%	2,411	1,958	23%	3,268
Investment banking fees	152	96	58%	152	165	-8%	249	348	-29%	452
Fund based income	163	175	-7%	163	208	-22%	338	343	-1%	658
Asset Management Fees	64	47	38%	64	51	26%	111	108	2%	214
Other income	79	17	360%	79	0	375083%	96	34	183%	68
Total Revenues	1,712	1,492	15%	1,712	1,381	24%	3,204	2,791	15%	4,661

- Broking related revenues were Rs1,253 million for Q2 FY10 as compared to Rs1,157 million for Q1 FY10
- Investment banking advisory fees were Rs152 million for Q2 FY10 and contributed to 9% of total revenues for the group
- Fund based income was Rs163 million for Q2 FY10 and contributed to 10% of total revenues
- Asset management fees was Rs64 million for Q2 FY10 and contributed to 4% of total revenues
- Other income for Q2 FY10 includes profit on sale of investments Rs51 million
- Loan book as on Sept' 09 was ~ Rs 1.7 billion



Broking & Distribution, Wealth Management & Institutional Equities

Particulars	Q2 FY10	Q1 FY10	Change (%) Q-o-Q	Q2 FY10	Q2 FY09	Change (%) Y-o-Y	6M FY10	6M FY09	Change (%) Y-o-Y	FY09
	Sept 30,2009	June 30,2009		Sept 30,2009	Sept 30,2008		Sept 30,2009	Sept 30,2008		Mar 31,2009
Total Revenues	1,382	1,230	12%	1,382	1,017	36%	2,612	2,097	25%	3,551
EBIDTA	524	432	21%	524	269	95%	955	567	68%	977
PBT (before E & EOI)	472	380	24%	472	190	149%	852	398	114%	675
PAT (before E & EOI)	328	254	29%	328	123	166%	582	265	120%	454
PAT (after E & EOI)	331	235	41%	331	123	168%	566	265	113%	424

E & EOI = Exceptional items & Extraordinary items

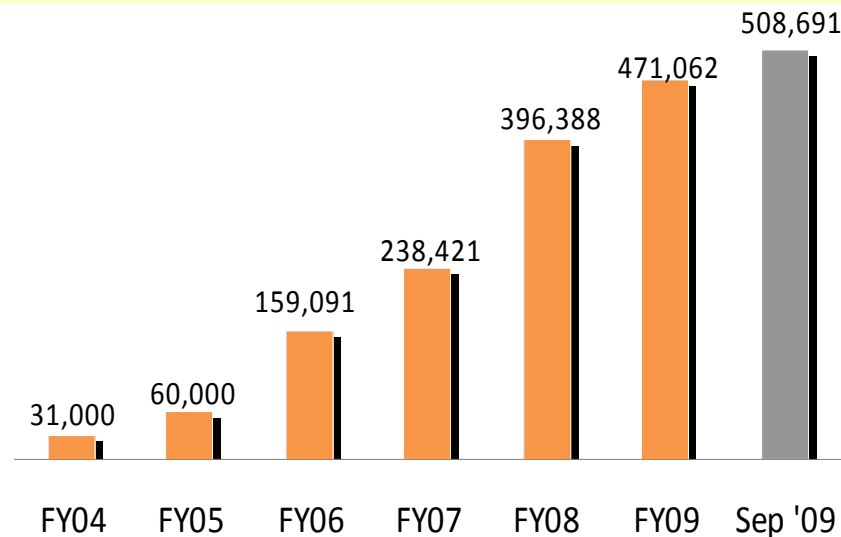
- Revenues were Rs1,382 million for Q2 FY10 as compared to Rs1,230 million for Q1 FY10
- PAT was Rs328 million for Q2 FY10 as compared to Rs254 million for Q1 FY10
- Average daily turnover in secondary equities was ~Rs 32 billion in Q2 FY10
- Total client base increased to 580,667 as on Sep 2009
- Total number of outlets at 1,257 across 576 cities
- PMS AUM was Rs 8.1 billion as on Sep 2009

- MOFSL offers customized investment management services to its retail customers.
- The 'customer first' philosophy is executed through strategic focus on:
 - Increasing distribution reach in terms of number of cities and number of customers
 - Customer segmentation based on understanding of individual needs
 - 26,500 sq feet state of the art centralised advisory desk based in Mumbai
 - Wide bouquet of product offering (Direct equity, PMS, Mutual funds, Commodities).

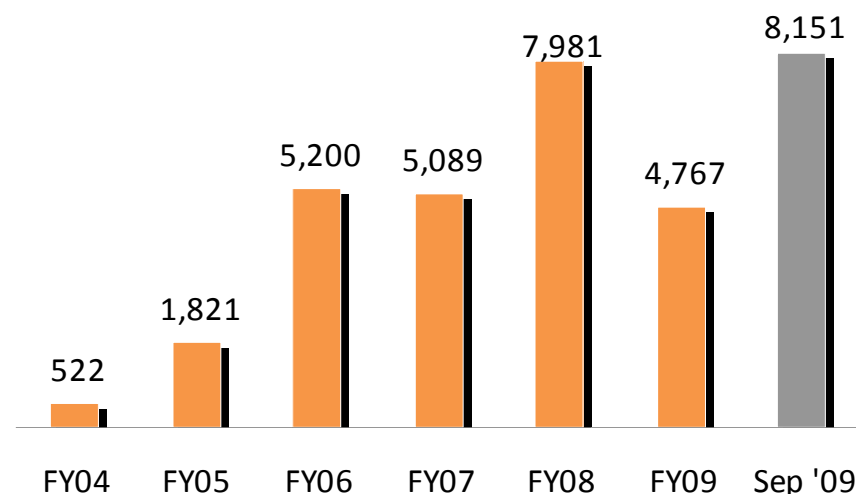
CAD - Largest dealing room in India



Retail Equity Broking Clients



Portfolio Management Services AUM (Rs. in mn.)



- Offers cash and derivatives broking services through MOSL to a large number of institutional clients.
- Strong Corporate Access group.

Mutual Funds

Banks

Financial Institutions

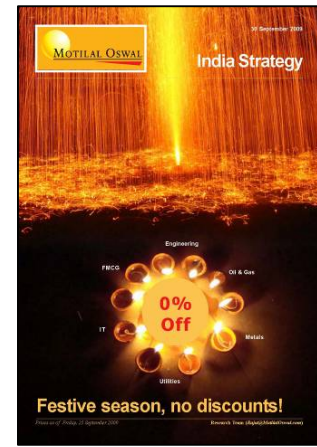
Insurance Companies

FII

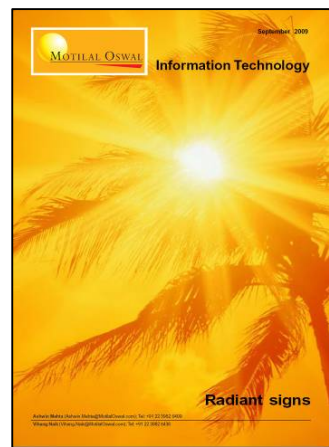
Empannelled with more than 300 Institutional Clients, including ~ 200 FII Clients

Complemented by Strong Research & Sales Team

Research Offerings



Quarterly India Strategy



Detailed Sector...



...and Company Updates

Special

- Grid discipline to impact cash flows of distribution utilities
- CRIC: new guidelines for Medium/Low term coal access
- Progress on captive power development slow

Statistical Review

- Capacity addition: 8,750W vs Target of 1,20W
- Power generation: 62,800 (up 4% YoY)
- PLP: 81.3% (down 23% YoY)
- Base Deficit: 8.2% (down 23% YoY)
- Peak Deficit: 12.8% (down 23% YoY)
- Coal term price: \$43.5/ton for week ended 18th August, 2009 vs \$43.6/ton week ended 20th July 2009

Company

Adani Power (31) Issue

- MFPC IPO Issue
- Reliance Retail: Annual Report Analysis (Sept 10)
- CRIC: IPO FY10 higher than estimates
- MFPC: IPO is largely ahead of schedule

News and Events

- Power off-shoots: Maharashtra government against issuing a mining license to Adani Power
- ISF: 100 days to 10 days to 4% under 10% of production
- Planning Commission to take up review of RUP
- ISGEC: 100 days to 10 days to 4% under 10% of production
- CRIC: reviewing power trading margin cap to assess if it is impacting viability of trading business in India

ValueLine

We remain bullish on the sector given risk reduction and project association data.

Comparative Valuation

Company	2008-09		2009-10		2010-11		2011-12		2012-13	
	P/E	P/B	P/E	P/B	P/E	P/B	P/E	P/B	P/E	P/B
ADANI	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5
POWER	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5
INDIA	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5	15.0	1.5

Informative Periodicals

Pradesh Ibrahim - Revisiting rural India

As the 2008-09 food-recession comes to an end, one by one and across the country, farm income and the fallow on consumer demand. Over the past one month, we visited three major crop producing states - Uttar Pradesh, Andhra Pradesh and Madhya Pradesh - to gauge the ground reality. Our visit included insightful interactions with farmers (small and large, self-dependent and otherwise), input-output dealers, fertilizer dealers and FPOs (distribution of every FPOC company in our coverage and several other unlisted players). Following are the key takeaways:

High variations in monsoon impact: Irrigation facilities the key differentiator

We observed huge variations in standing crop not only among various districts but also within the same village due to differences in irrigation facilities. The fields which were close to canal/subsurface ground irrigation facilities have seen very little impact. We note that places where over-irrigation has failed would see sharp declines in output.

Monsoon and FPOC viability to get impacted

The estimated 2% increase in monsoon (and 6-7% decline in real agri GDP in FY10, Late monsoon in August have significantly improved the prospects of the kharif crop. Also, CoG has increased allocation to HRECC (National Rural Employment Guarantee Scheme) by Rs.60000, which would provide much needed relief to landless laborers/irrigation farmers. We expect medium and large farmers (4+ hectares of land) to be better off due to higher crop prices.

Small marginal farmers to feel consequences of over-irrigation

Marginal and small farmers, who are likely to witness income erosion, would not consume/produce/produce in categories like crops and dairies. They would struggle to get up to speed like marginal and drab. Sales of pulses, oilseeds and other non-cereals have suffered in some areas within the regions that we visited. However, we expect higher prices on oilseeds, pulses and housing for medium to large farmers, who would gain from higher crop prices.

Water stress persists, strong rebound likely in FY11

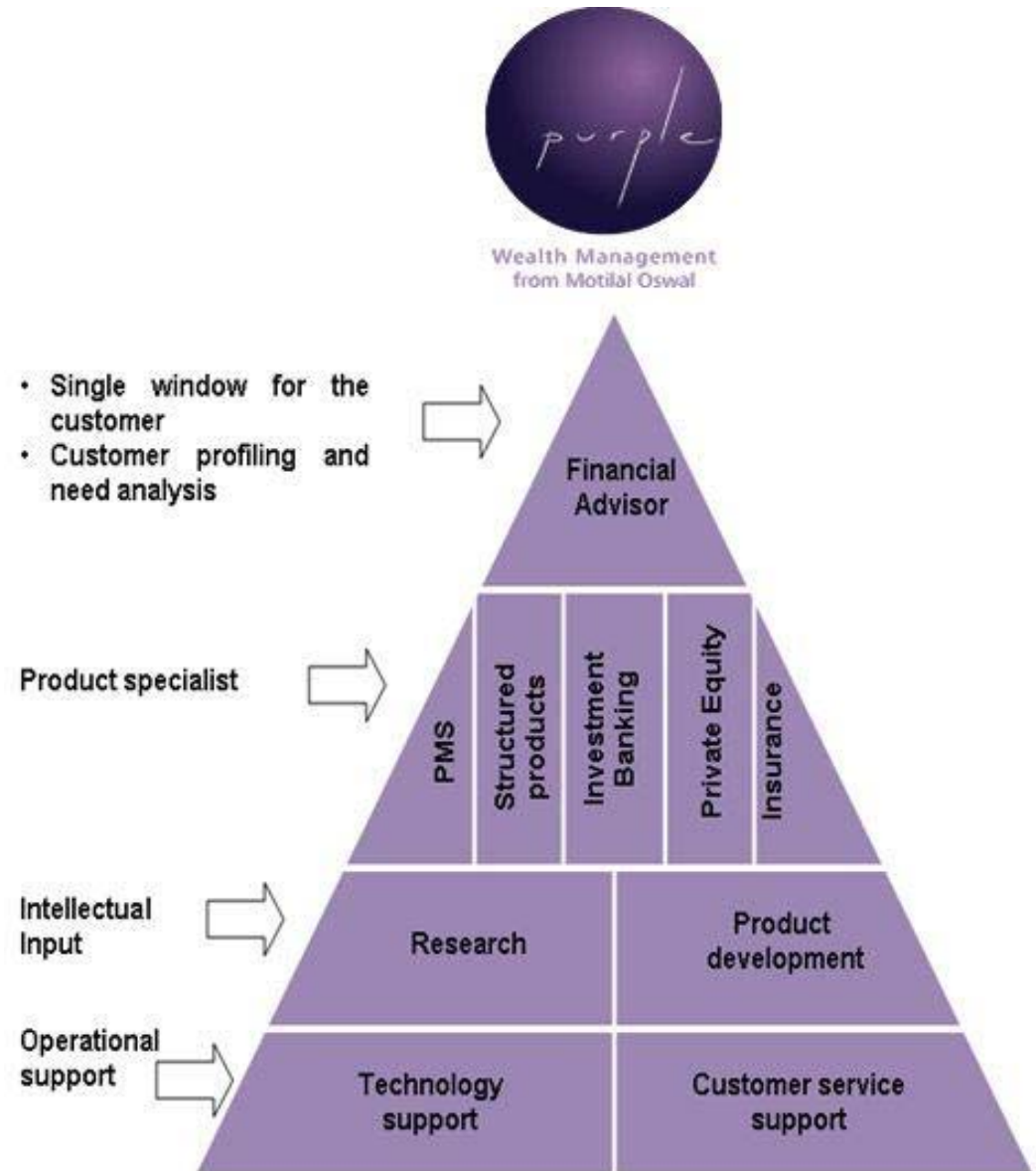
Drought stress in the past has seen good rainfall in the following year, as El Niño is followed by La Niña, which boosts rainfall and crop output. History of droughts in the past 30 years suggests that overall GDP growth in the year following the drought year is 1.70-5.00% higher. A normal monsoon in FY11 would result in bountiful crops and increase in demand.

EQP/PI is expanded

If investments, which are 5% for Pradesh

Not Just Desk Research...

- Addresses the wealth management needs of mass affluent and HNI customer base.
- Focus on advisory and product mix that leads to Client Profitability.
- Representative office in Dubai to tap offshore business.
- Multi-disciplinary approach involving various elements of investment banking alongside private banking disciplines.
- 3D Focal engagement strategy thereby consolidating clients needs across personal, family and business arena.
- Diversified solution management to cater to unique needs of clients.



Particulars <i>Rs million</i>	Q2 FY10	Q1 FY10	Change (%) Q-o-Q	Q2 FY10	Q2 FY09	Change (%) Y-o-Y	6M FY10	6M FY09	Change (%) Y-o-Y	FY09
	Sept 30,2009	June 30,2009		Sept 30,2009	Sept 30,2008		Sept 30,2009	Sept 30,2008		Mar 31,2009
Total Revenues	31	24	30%	31	22	40%	55	44	25%	107
EBIDTA	8	3	170%	8	6	34%	11	12	-5%	23
PBT (before E & EOI)	8	3	185%	8	6	35%	11	11	-5%	21
PAT (before E & EOI)	5	2	178%	5	4	33%	7	7	0%	13
PAT (after E & EOI)	5	2	178%	5	4	33%	7	7	0%	13

E & EOI = Exceptional items & Extraordinary items

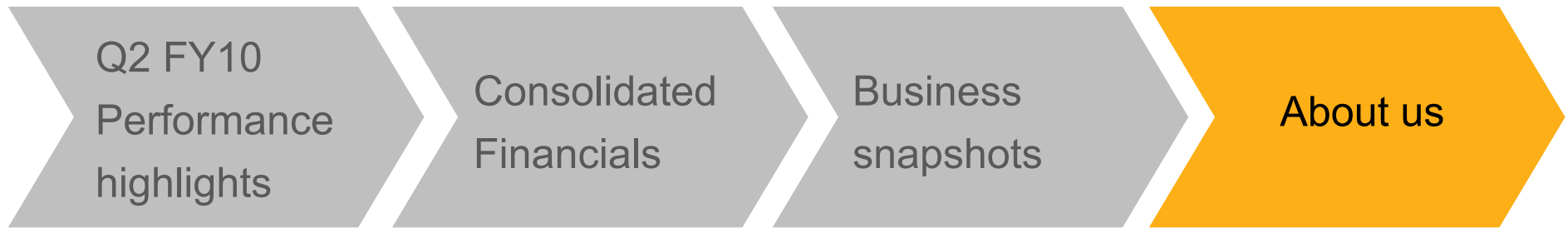
- MOPE has a unique positioning in every aspect of the private equity process, drawing upon the strengths of the group in both research and its pan-India network. MOPE also acts as an advisor and mentor to investee companies and leverages the relationships of the Motilal Oswal group for the benefit of these companies.
- “India Business Excellence Fund” has deployed / committed ~45% of the corpus of USD 125 million across 8 deals.
- The domestic real estate fund i.e. India Realty Excellence Fund (“IREF”) has commitments of Rs1 billion. MOPE has built a strong deal pipeline for IREF, and is evaluating several investment opportunities.

Particulars <i>Rs million</i>	Q2 FY10	Q1 FY10	Change (%) Q-o-Q	Q2 FY10	Q2 FY09	Change (%) Y-o-Y	6M FY10	6M FY09	Change (%) Y-o-Y	FY09
	Sept 30,2009	June 30,2009		Sept 30,2009	Sept 30,2008		Sept 30,2009	Sept 30,2008		Mar 31,2009
Total Revenues	151	100	52%	151	169	-10%	251	358	-30%	468
EBIDTA	97	39	148%	97	90	8%	136	185	-26%	221
PBT (before E & EOI)	97	39	148%	97	89	8%	135	184	-27%	220
PAT (before E & EOI)	64	23	183%	64	60	7%	86	125	-31%	149
PAT (after E & EOI)	64	23	183%	64	60	7%	86	125	-31%	149

E & EOI = Exceptional items & Extraordinary items

- Management team comprising 29 professionals having substantial experience in investment banking, corporate banking and advisory work.
- Presence in 3 cities – Mumbai, Delhi and Hyderabad.

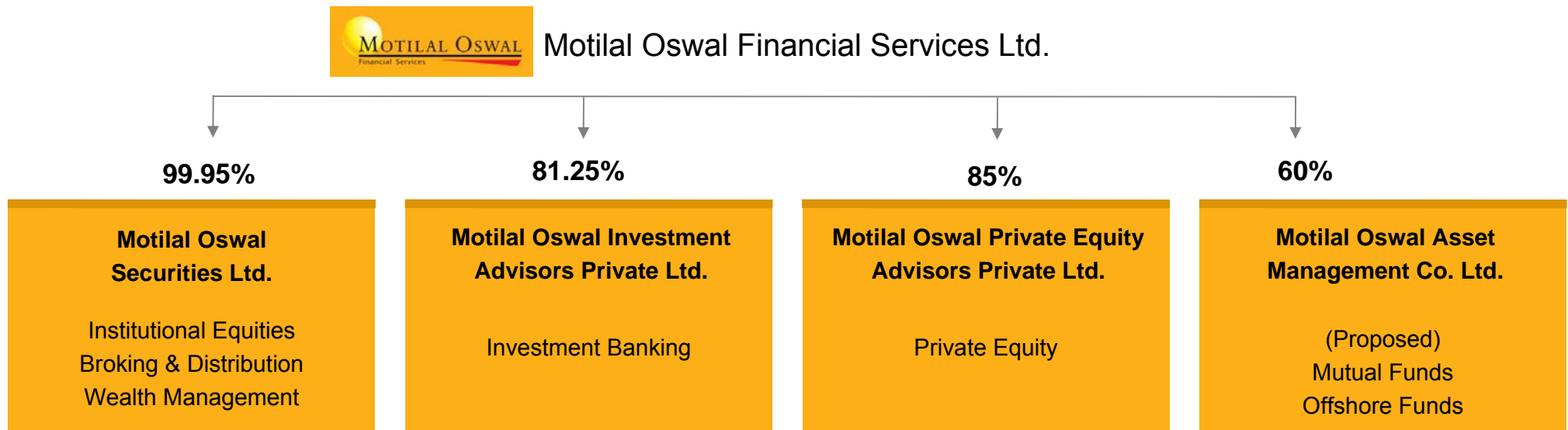




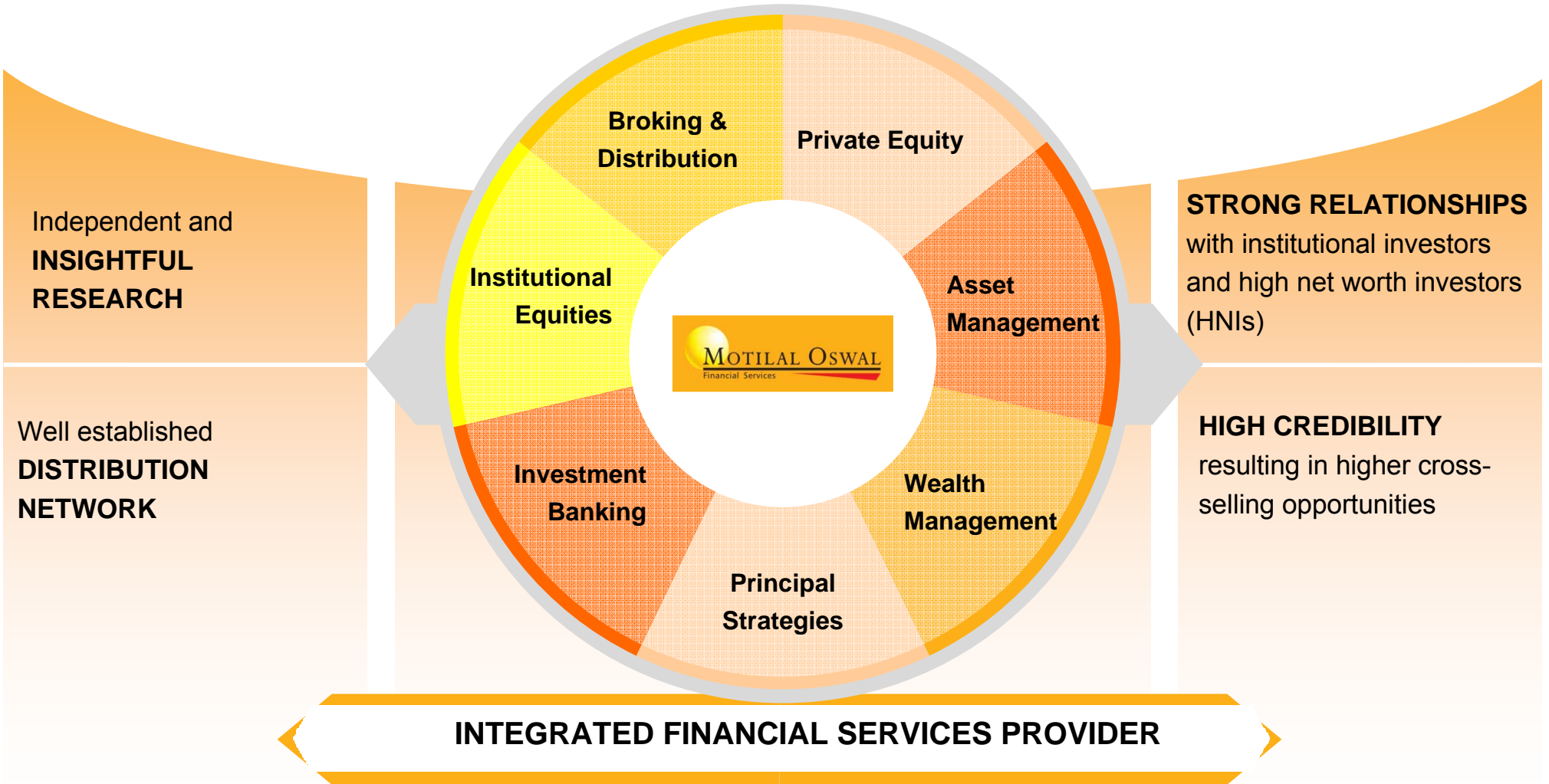
Group Profile and Structure



- Well-diversified, financial services company offering a range of financial products and services, focused on wealth creation for all its customers, such as institutional and corporate clients, HNI and retail customers.
- Network spread over 576 cities and towns comprising 1,257 Business Locations operated by our Business Partners and us with 5, 80,667 registered customers.



* Data as on Sept 30th, 2009



Time bound results within the framework of the company's value system

A company honoring commitment with highest ethical and business practices



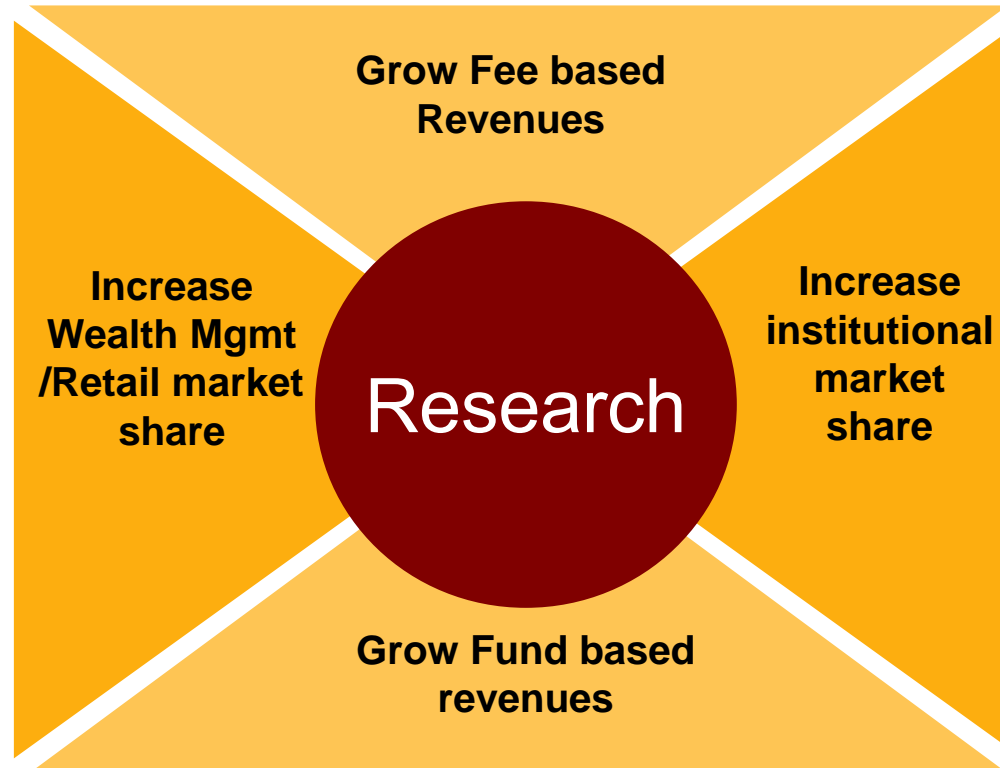
High energy and self-motivated with a “do it” attitude and entrepreneurial spirit

Attaining goals collectively and collaboratively

Performance gets differentiated, recognised and rewarded in an apolitical environment

- Grow Investment banking business
- Build Asset management and Private equity business

- Further grow distribution network across India
- Leverage research and advisory capability
- Focus on wealth management solutions and new product offerings
- Increase distribution of mutual funds and insurance products



- Build stronger institutional relationships through wider and quality research
- Increase research support
- Grow institutional derivatives business

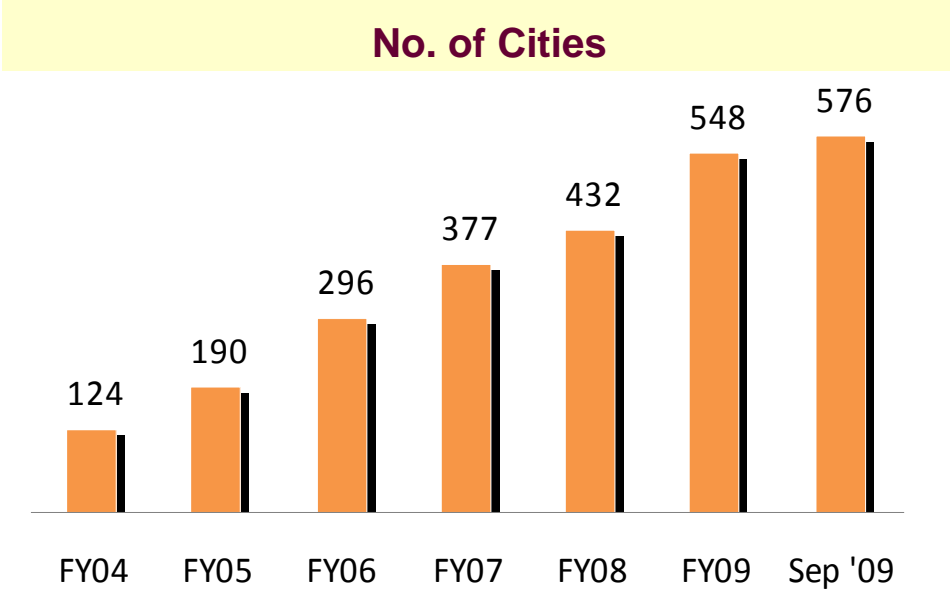
- Build Principal Strategies Group to maximise returns using risk free arbitrage strategies
- Grow margin funding book size

Strong Distribution Network – Physical and Online

- PAN India network with presence in over 576 cities/ towns comprising 1,257 business locations (own as well as franchisees) complemented by robust online channel.
- Extensive distribution network providing opportunities to cross-sell products and services, particularly as we diversify into new business streams.



• Cities / Towns where Motilal Oswal Securities is present.



Strategic Alliances



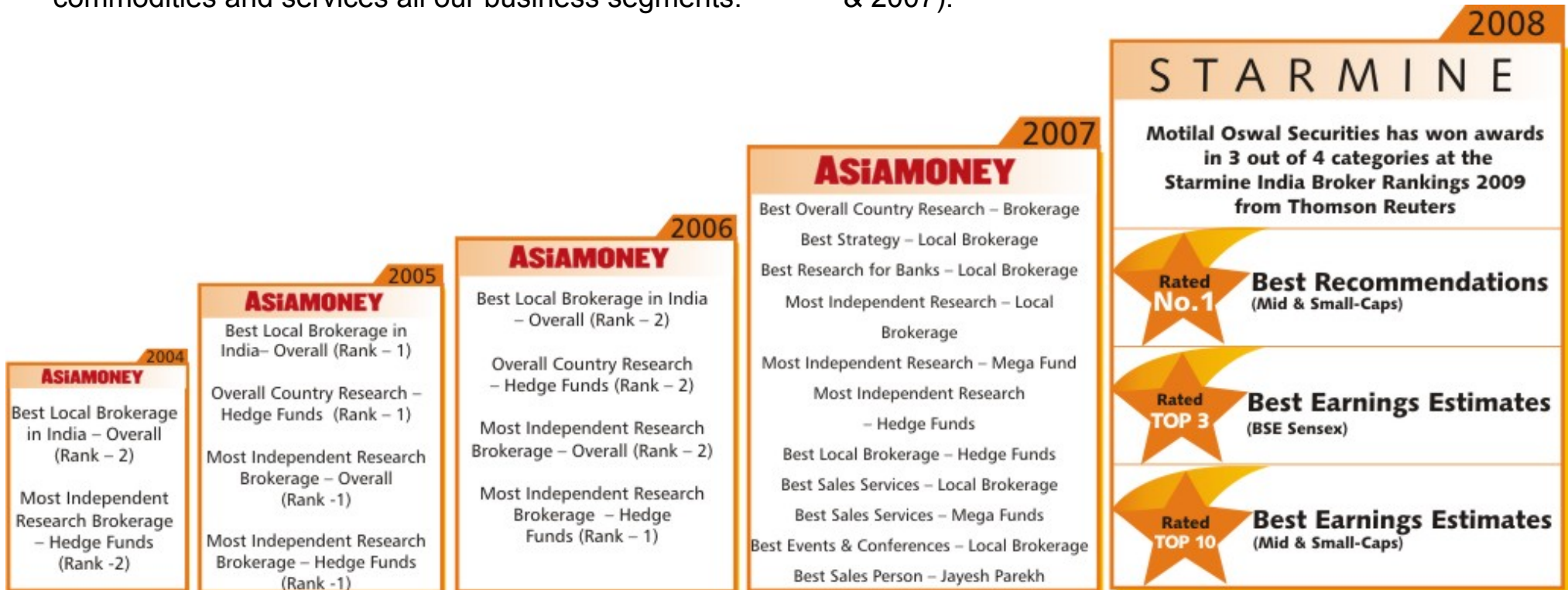
Strategic alliance with State Bank of India (SBI), IDBI Bank and Axis Bank, to offer online brokerage services to retail banking clients.

Focused Research Team

- Strong research team comprising 22 research analysts covering 229 companies in 27 sectors and 24 commodities.
- Most analysts have three years or more of research experience.
- Focused on cash equities, equity derivatives and commodities and services all our business segments.

Strong Sales and Dealing Team

- Research supported by an extremely strong sales trading team comprising of qualified professionals.
- Each member of institutional sales team has significant research experience.
- One of our institutional sales persons was rated as the best sales person for Indian equities (Asiamoney 2006 & 2007).



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Thank You

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INVESTOR UPDATE

Motilal Oswal Financial Services reports 74% growth in net profit at Rs. 472 million for Q2 FY 2010

Mumbai, Oct 14, 2009: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its quarterly results for Q2 FY 2010 post approval by the Board of Directors at a meeting held in Mumbai on Oct 14, 2009.

Performance Highlights

Rs. Million	Q2 FY10	Comparison (Q1 FY10)	Comparison (Q2 FY09)	6M FY10	Comparison (6M FY09)
Total Revenues	1,712	↑ 15%	↑ 24%	3,204	↑ 15%
EBIDTA	761	↑ 26%	↑ 39%	1,366	↑ 28%
PAT (before E & EOI)	472	↑ 31%	↑ 74%	831	↑ 56%
PAT (after E & EOI)	475	↑ 40%	↑ 75%	814	↑ 53%
EPS- Rs (FV Re 1)	3.33				

[^] E & EOI = Exceptional items & Extraordinary items

Performance for the Quarter ended Sept 30, 2009

- Revenues for the quarter at Rs.1,712 million, up 15% as compared to previous quarter and up 24% as compared to same quarter of previous year.
- PAT for the quarter at Rs.472 million, up 31% as compared to previous quarter and up 74% as compared to same quarter of previous year.
- Strong balance sheet size with networth of Rs. 8,768 million. Total debt as on 30 June 2009 was Rs. 1,600 million

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

“Robust liquidity, strong corporate performance, emergence of markets like India and China as favorable investment destination amongst global asset allocators and the overall positive sentiment in the backdrop of visible signs of global economic recovery have helped the capital markets favorably. The Sensex logged its third consecutive quarterly gain with the Sensex breaking the 17,000 level. The average daily volumes sustained the high levels during second quarter at Rs. 934 billion.

A focused approach, strong balance sheet, consistent margins, a successful time-tested business model and well diversified income streams have enabled us to deliver sound results.

Sustained improvement in the economy and capital markets augur well for all our key businesses. We are confident of capturing the resulting opportunities through our all season business model and a strong balance sheet.”

Segment results

- Broking and related revenues was up 8% to Rs.1,253 million as compared to Rs.1,157 million in the previous quarter and up 31% as compared to Rs.956 million in the same quarter of previous year.

- Investment Banking fees was up 58% to Rs.152 million as compared to Rs.96 million in the previous quarter and down 8% as compared to Rs.165 million in the same quarter of previous year.
- Fund based income was down 7% to Rs.163 million as compared to Rs.175 million in the previous quarter and down 22% as compared to Rs.208 million in the same quarter of previous year.
- Asset Management fees was up 38% to Rs.64 million as compared to Rs.47 million in the previous quarter and up 26% as compared to Rs.51 million in the same quarter of previous year.

Business highlights for Q2 FY 2010

- For the period ended Sep 2009, the customer base increased to 580,667.
- Retail distribution expanded its reach to 1,257 outlets across 576 cities.
- Total Assets under management/advice for the group is at about ~Rs.15 billion, which includes assets under management under our portfolio management services and assets under advice for private equity funds.
- Effective Q2 FY10, the Company has changed the accounting of derivative transactions related to arbitrage business from scrip-basis to portfolio-basis. The transactions of cash segment are valued on weighted average basis against first-in-first-out followed earlier till last quarter. Pursuant to above change, profit after tax for the six months ended 30th September 2009 (impact considered fully in Q2 FY10) has increased by Rs 71 million and Rs 28 million of this pertains to Q2 FY10
- Hosted the 5th Annual Global Investor Conference in Mumbai which was attended by over 400 investors from around the Globe and around 70 leading corporates from India.
- Mr. P. J. Nayak, a financial sector veteran with more than 19 years in the Financial Sector, straddling policy, regulation and managing institutions, across banking and capital markets has joined the mutual fund arm of MOFS as its Chairman.
- The Company, jointly with its subsidiary MOSL, has acquired an office building at Prabhadevi in Mumbai for a consideration of for Rs 1.65 billion.

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 1,257 business locations spread across 576 cities and the online channel to over 580,667 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. In the Starmine India Broker Rankings 2009 from Thomson Reuters, we won awards in 3 out of 4 categories for our research pedigree.

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2009

(Amounts in Lacs)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1. (a) Income from Operations	15,854	13,216	30,139	26,260	43,401
(b) Other Operating Income	479	602	944	1,323	2,540
2. Expenditure					
a. Operating Cost	4,226	2,822	8,398	5,835	9,705
b. Employees cost	3,596	3,632	6,782	7,760	12,031
c. Depreciation	352	446	688	932	2,027
d. Other expenditure	1,688	1,872	3,208	3,610	6,807
e. Total	9,862	8,772	19,076	18,137	30,570
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	6,471	5,046	12,007	9,446	15,371
4. Other Income	790	(6)	961	332	671
5. Profit before Interest & Exceptional Items (3+4)	7,261	5,040	12,968	9,778	16,042
6. Interest	324	727	574	1,419	1,784
7. Profit after Interest but before Exceptional Items (5-6)	6,937	4,313	12,394	8,359	14,258
8. Exceptional Items - Expense/(Income)	(25)	-	166	-	300
9. Profit / (Loss) from Ordinary Activities before tax (7-8)	6,962	4,313	12,228	8,359	13,958
10. Tax expense	2,094	1,445	3,916	2,699	4,615
11. Net Profit / (Loss) from Ordinary Activities after tax but before minority interests (9-10)	4,868	2,868	8,312	5,660	9,343
12. Share of minority interests in profits	(122)	(157)	(168)	(325)	(383)
13. Net Profit from Ordinary Activities after tax and Minority Interests (11-12)	4,746	2,711	8,144	5,335	8,960
14. Extraordinary Items - Income/(Expenditure) (net of tax expense)	-	-	-	-	-
15. Net Profit After Extraordinary items & Tax (PAT) (13-14)	4,746	2,711	8,144	5,335	8,960
16. Paid-up equity share capital (Face Value of Re. 1/- Per Share)	1,431	1,420	1,431	1,420	1,420
17. Reserves excluding Revaluation Reserves					77,967
18. Earnings Per Share (EPS)					
a) Basic EPS before Extraordinary items	3.33	1.91	5.72	3.76	6.31
b) Diluted EPS before Extraordinary items	3.33	1.91	5.72	3.75	6.31
c) Basic EPS after Extraordinary items	3.33	1.91	5.72	3.76	6.31
d) Diluted EPS after Extraordinary items	3.33	1.91	5.72	3.75	6.31
19. Dividend Per Share (Face Value Re. 1 each)					0.80
20. Public shareholding					
- Number of shares	43,117,637	42,080,500	43,117,637	42,080,500	42,082,800
- Percentage of shareholding	30.14%	29.63%	30.14%	29.63%	29.63%
21. Promoters and promoter group Shareholding					
a) Pledged/Encumbered					
- Number of shares	17,585,000		17,585,000		17,585,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17.60%		17.60%		17.60%
- Percentage of shares (as a% of the total share capital of the company)	12.29%		12.29%		12.38%
b) Non-encumbered					
- Number of shares	82,349,704		82,349,704		82,352,200
- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	82.40%		82.40%		82.40%
- Percentage of shares (as a % of the total share capital of the company)	57.57%		57.57%		57.99%

Notes: -

- 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 Wednesday, 14th October, 2009. The results for the quarter & half year ended 30th September, 2009 have been reviewed by the Statutory Auditors of the Company in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India.
- The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (99.95%), Motilal Oswal Investment Advisors Private Limited (81.25%), Motilal Oswal Private Equity Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (97.55%), Motilal Oswal Capital Markets Private Limited (100%), Antop Traders Private Limited (100%), Motilal Oswal Insurance Brokers Private Limited (99%) and Motilal Oswal Asset Management Company Limited (60%)
- Pursuant to the approval of the members obtained at the 4th Annual General Meeting of the Company held on 1st August, 2009, a Committee of the Board of Directors of the Company at its Meeting held on 14th August, 2009, has allotted 9,89,066 equity shares of the face value of Re.1 each at the rate of Rs. 138.74 per share to certain employees of Motilal Oswal Investment Advisors Private Limited (MOIAPL), a subsidiary of the Company, in discharge of the purchase consideration for acquisition of 62,500 equity shares of Rs. 10 each of MOIAPL acquired by the Company from them.
- During the current quarter 'ESOP Committee' of the Board of Directors of the Company at its meetings held has allotted 43,275 Equity Shares of the face value of Re. 1 each fully paid-up to the Employees on exercise of the Stock Options granted in accordance with the provisions of the 'Motilal Oswal Financial Services Limited - Employees' Stock option Scheme - III.
- Effective this quarter ended Sep-09, the Company has changed the accounting of derivative transactions related to arbitrage business from scrip-basis to portfolio-basis. The transactions of cash segment are valued on weighted average basis against first-in-first-out followed earlier till last quarter. Pursuant to above change, profit after tax for the quarter & six month ended 30th September 2009 has increased by Rs.710.78 Lacs.
- During the current quarter, the Company, jointly with its subsidiary Motilal Oswal Securities Ltd, has acquired an office building at Prabhadevi in Mumbai for a consideration of Rs.164.58 Crores.
- The previous financial quarter/half -year / year figures have been regrouped/rearranged wherever necessary to make them comparable.

	Opening balance	Additions	Disposal	Closing balance
Number of complaints	NIL	9	9	NIL

9) As per Clause 41 of the Listing Agreement, the standalone results will be available on the Company's website www.motilaloswal.com.

CONSOLIDATED UNAUDITED SEGMENT RESULTS FOR QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2009

(Amounts in Lacs)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1. Segment Revenue					
(a) Equity Broking & Other related activities	13,296	10,225	25,526	20,862	35,175
(b) Financing & Other activities	1,460	1,918	2,867	3,276	6,087
(c) Investment Banking	1,523	1,653	2,486	3,478	4,523
(d) Unallocated	992	361	1,501	937	2,134
Total	17,271	14,157	32,380	28,553	47,919
Less: Inter Segment Revenue	148	345	336	638	1,306
Income From Operations, Other Operating income & Other Income	17,123	13,812	32,044	27,915	46,612
2. Segment Results Profit / (Loss) before tax and interest from Each segment					
(a) Equity Broking & Other related activities	4,371	2,314	8,292	4,653	7,463
(b) Financing & Other activities	1,224	1,416	2,475	2,372	4,965
(c) Investment Banking	978	861	1,335	1,744	2,044
(d) Unallocated	543	88	662	392	881
Total	7,116	4,679	12,764	9,161	15,353
Less: (i) Interest	179	366	370	802	1,095
(ii) Other Un-allocable Expenditure net off					
(iii) Un-allocable income					
Profit/(Loss) from Ordinary Activities before Exceptional Items & Tax	6,937	4,313	12,394	8,359	14,258
3. Capital Employed					
(Segment assets – Segment Liabilities)					
(a) Equity Broking & Other related activities	32,228	29,756	32,228	29,756	31,612
(b) Financing & Other activities	47,623	43,103	47,623	43,103	44,652
(c) Investment Banking	1,889	2,076	1,889	2,076	2,277
(d) Unallocated	6,974	2,828	6,974	2,828	1,250
Total	88,714	77,763	88,714	77,763	79,791

Notes:

1. The above Segment information is presented on the basis of the unaudited consolidated financial statements. The company's operations predominantly relate to equity broking and other related activities, financing and other activities, investment banking, commodities broking & venture capital advisory. In accordance with Accounting Standard -17 on segment reporting and Company (Accounting Standards) Rules,2006, the Company has equity broking and other related activities, financing and other activities & investment banking as reportable segments. The balance is shown as unallocated items.

2.The previous financial quarter/half -year / 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, 14th October, 2009
investors@motilaloswal.com.