



Motilal Oswal Financial Services

ConCall Summary & Earnings Release

Quarter ended September 2008

14 October 2008

Motilal Oswal Financial Services Limited (MOFSL) has posted 2% degrowth QoQ in revenues for the quarter ended September 2008 to Rs1.4 billion. Net profit has grown 3% QoQ to Rs271 million. The company's non-broking activities continued to drive overall growth. Investment banking advisory fees grew 66% YoY to Rs165 million, fund-based income was up 215% YoY to Rs201 million and asset management fees grew 51% YoY to Rs51 million.

For 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 September 2008. This presentation is available at www.motilaloswal.com.

Corporate Participants

Mr Motilal Oswal

Chairman & Managing Director

Mr Raamdeo Agrawal

Director and Co-founder

Mr Navin Agarwal

Director

Mr Sameer Kamath

Sr. VP & Head, Corporate Planning & Investor Relations

This document includes forward looking statements, including discussions about 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 afternoon, ladies and gentlemen. I am Manjula, the moderator for this conference. Welcome to the Motilal Oswal Financial Services Limited Conference Call. For the duration of the presentation, all participants' lines will be in listen-only mode. I will be standing by for the question and answer session. We have Mr Motilal Oswal, Chairman and Managing Director; Mr Raamdeo Agrawal, Director and Co-founder; Mr Navin Agarwal, Director; Mr Sameer Kamath, Senior VP and Head, Corporate Planning and Investor Relations. I would like to hand over to Mr Navin Agarwal. Thank you and over to you sir.

Good afternoon, everybody. It is my pleasure to welcome you all to the second quarter earnings conference call of Motilal Oswal Financial Services Limited. I will start by giving you an overview of how the volumes have behaved in this quarter versus the same quarter in the previous year and versus the immediately preceding quarter. I will also talk about segment-wise performance, few balance sheet line items and market share details.

The average daily market volumes in the second quarter of FY09 were about Rs694 billion – up 4% YoY and 11% QoQ. However, there has been a substantial change in the mix. The contribution of the F&O segment to the average daily volumes increased to 75% versus 69% in the previous quarter. The market mix between the institutional and non-institutional segments has remained fairly stable, with the institutional segment contributing about 46% of the cash volumes and about 14% of the F&O volumes.

CONSOLIDATED FINANCIALS (RS M)

	2QFY09	1QFY09	CHG.	2QFY09	2QFY08	CHG.	1HFY09	1HFY08	CHG.	FY08
	AS ON	AS ON	QOQ	AS ON	AS ON	YOY	AS ON	AS ON	YOY	AS ON
	SEP.08	JUN.08	(%)	SEP.08	SEP.07	(%)	SEP.08	SEP.07	(%)	MAR.08
Total Revenues	1,384	1,413	-2	1,384	1,530	-10	2,796	2,755	2	7,009
Brokerage & operating income	959	1,004	-4	959	1,319	-27	1,963	2,290	-14	5,621
Investment banking fees	165	182	-9	165	100	6	348	262	33	628
Fund based income	201	130	54	201	64	215	331	108	206	365
Asset Management Fees	51	57	-11	51	34	51	108	62	74	284
Other income	8	39	-80	8	13	-41	46	32	45	111
EBIDTA	549	521	5	549	557	-1	1,071	1,021	5	2,696
PBT (before E & EOI)	431	404	7	431	505	-15	836	930	-10	2,398
PAT (before E & EOI)	271	262	3	271	327	-17	534	582	-8	1,561
PAT (after E & EOI)	271	262	3	271	327	-17	534	727	-27	1,706
EPS - Basic (before E & EOI)	1.91	1.85		1.91	2.49		3.76	4.50		11.51
EPS - Diluted (before E & EOI)	1.91	1.84		1.91	2.47		3.75	4.47		11.42
No. of Shares O/s (m)-FV Rs1/Share	142.02	142.02		142.02	142.02		142.02	142.02		142.02

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on September 2008 earnings

Speaking specifically of Motilal Oswal Financial Services, during the quarter, our consolidated revenues were about Rs1.38 billion, down 2% QoQ and down 10% compared to the corresponding quarter of the previous year. Our consolidated net profit was Rs271 million, up 3% over the previous quarter and down 17% as compared to the corresponding quarter of the previous year. Coming to the segmental performance, the broking business revenues declined 27% YoY to Rs959 million and were down 4% quarter-on-quarter. The investment banking business reported revenues of Rs165 million, up 66% YoY but down 9% quarter-on-quarter. The fund-based income was Rs201 million, which is up almost 3x YoY and 54% quarter-on-quarter. Finally, the asset management revenues for the quarter were Rs51 million, up 51% YoY but down 11% quarter-on-quarter. Our market share in the capital market business for the current year is 4.5% compared to 4.7% for FY08.

The cash and cash equivalents on the balance sheet as of September 2008 were Rs3.3 billion, about 44% of the total net worth of Rs7.7 billion at the end of the quarter. In the preceding quarter, cash and cash equivalents were Rs4.2 billion. Debt as of September 2008 was Rs1.4 billion compared to Rs2.7 billion in the preceding quarter. As a result, the net cash in the balance sheet is Rs1.9 billion compared to Rs1.5 billion in the preceding quarter. The customer base of the firm increased to over half a million customers as of September 2008 and our retail distribution expanded its reach to 1,533 outlets across 487 cities.

We believe that every slowdown is an opportunity to strengthen businesses through greater emphasis on processes, productivity, and cost optimization. The non-broking business initiatives seeded by us in the past few years have helped us immensely in diversifying our revenue streams and delivered steady results quarter after quarter. During the current year itself, the contribution of the non-broking businesses has increased to 30% from 20% in FY08. With these remarks, I would like to open the floor for questions and answers. Thank you.

Good set of numbers. Your debt has declined significantly during the quarter.
Yes.

How is it that there is no decrease in your interest cost?

Old debts in our balance sheet have been repaid and partly replaced by new debts. The repayment has happened throughout the quarter and hence it is lower than the debt balance outstanding as of last quarter on closing basis. Further, the cost of new debt is higher at around 14% as against old debts which were in the range of 9 - 10%. This has resulted in the interest cost being slightly higher on a quarter-on-quarter basis.

You have a debt of Rs1.4 billion on the balance sheet. Is this sustainable debt? Is this the quantum that will be required for the whole year or can it come down further?

The quantum of debt on our balance sheet is partly a function of the volumes in the market and the margin that we have to keep with the exchanges, and the size of the margin funding book. This would definitely increase if the capital market volumes were to go up because that would also result in a bigger margin funding book.

What is your debtors balance?

Debtors balance is about Rs2.8 billion against about Rs3.4 billion reported last quarter.

Just wanted to confirm – Rs2.8 billion is debt on the balance sheet or debtors?

Rs2.8 billion is the debtors balance. Debt on the balance sheet is Rs1.4 billion.

But the revenue for the quarter is just about Rs1.4 billion. How do you explain debtors of Rs2.8 billion?

Debtors cannot be directly compared with revenue. Debtors is a function of the total position of buying and selling that the clients do while revenue represents the brokerage earned by the company.

You have fixed deposits, which are under lien of NSE and BSE. Your FY08 balance sheet indicates that an amount of Rs2 billion was in such FDs as at March 2008. You also had other FDs with banks that amounted to Rs3.5 billion. Where is the interest on these FDs shown? Is it part of your fund-based income?

Whatever is the broking-related interest income, we classify as a part of the broking business. Whatever is the interest on corporate treasury related FDs, we show separately as other income.

You have reported fund-based income of Rs201 million this quarter compared with Rs130 million last quarter. But if I look at your PMS AUMs and your margin funding book, I find that they have remained more or less stable. How have you achieved the impressive growth in your fund-based income?

PMS fees are shown separately under Asset Management fees and do not form part of fund based income. The increase in Fund based income is because of the contribution of the Principal Strategies Group. It was operational only for a part of the previous quarter but was operational for the whole of this quarter.

Could you tell us more about your Principal Strategies Group?

Basically, the cash surpluses of the firm are being deployed in this business and the mandate to the team is to principally adopt risk-free strategies to generate a return higher than bank deposits or liquid funds. They have just started in the first quarter of the current fiscal year. The second quarter was the full quarter of operations for them.

Your margin funding book is about Rs3.3 billion. The annualized yield works out to 15-16%; is that right?

Yes, it would be between 15% and 17%.

Doesn't that sound a little low in the current environment?

Yes. But you see, interest rates have begun looking up only in the last two months or so. We have also increased our rates on the funded amount.

Did you have to make any provisions this quarter?

Not a significant amount.

Has there been a change in your overall employee headcount during the quarter?

The total headcount has declined by about 300 people. This is largely the result of normal attrition and non-confirmation of non-performers. While we have lost some people, we have also been recruiting for critical positions.

Any specific department where you have been facing attrition?

It is mostly distribution.

Could you explain how your costs – mainly employee costs – would move for the next two quarters and also for the full year as compared to the last year?

A good part of the employee cost is variable. In absolute terms, employee cost is a function of the topline. If there is a substantial pick-up quarter-on-quarter in the topline, then you will see a corresponding increase in the employee cost, as well. As far as the other costs are concerned, you should assume that they will be fairly stable on a quarter-on-quarter basis, going forward.

This quarter, your employee cost works out to about 26% of your revenues. Should we expect this to continue for the next two quarters, as well?

Yes, you could assume that employee cost as a percentage of revenues would be in that region.

Last year, for the quarter ended December, there was a sudden jump in the employee cost. Should we expect that this year as well?

No, sometimes, the quarter-on-quarter changes may be due to the provisioning that we may do and may not necessarily be an indication of a change in trend in the employee cost to revenue numbers. It would be best for you to assume the full year number as a guidance for the next year.

Sir, what is your net worth as on date?

Our net worth as on September 2008 is Rs7.7 billion.

Could you give us some sense as to what is happening to the EBITDA margins?

The EBITDA margin for the current quarter is about 40%. That compares with 38% for the whole of the last year. This is partly because of the rising proportion of fund-based income and falling proportion of broking revenues. The non-broking businesses yield higher margins than the broking business. The change in overall business mix in favor of non-broking businesses is enabling margin expansion.

Broking & distribution, wealth management and institutional broking

KEY FINANCIALS: BROKING & DISTRIBUTION, WEALTH MANAGEMENT & INSTITUTIONAL BROKING (RS M)

	2QFY09	1QFY09	CHG.	2QFY09	2QFY08	CHG.	1HFY09	1HFY08	CHG.	FY08
	AS ON	AS ON	QOQ	AS ON	AS ON	YOY	AS ON	AS ON	YOY	AS ON
	SEP.08	JUN.08	(%)	SEP.08	SEP.07	(%)	SEP.08	SEP.07	(%)	MAR.08
Total Revenues	1,019	1,083	-6	1,019	1,359	-25	2,103	2,365	-11	6,006
EBIDTA	269	298	-10	269	462	-42	567	788	-28	2,108
PBT (before E & EOI)	190	208	-9	190	417	-54	398	705	-44	1,849
PAT (before E & EOI)	123	142	-13	123	277	-55	265	456	-42	1,236
PAT (after E & EOI)	123	142	-13	123	277	-55	265	601	-56	1,382

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on September 2008 earnings

How many retail outlets have you added during the quarter? How many of these new outlets are owned outlets?

Well, our total outlet count is 1,533 as against 1,496 reported last quarter. The growth of outlets has happened only through the franchisee route.

What has been your average broking yield during the quarter?

The average broking yield is about 5 basis points.

You mentioned that F&O contribution in total volumes in the market has increased from 69% in the preceding quarter to 75% this quarter. Could you share this data for last year? If you look at the whole of last year, F&O contributed about 72% of the total turnover, 28% was cash.

Your average broking yields this quarter have been higher on a YoY basis. F&O volumes have remained more-or-less steady at 72-75%. So, is there a change in the mix of intra-day and delivery volumes?

The average broking yields have in fact been lower on YoY basis. This is largely due to the drop in delivery-based business. In the cash segment, more of intra-day volumes are happening. In that sense, the yield has changed according to business mix

I believe, last quarter you had collected insurance premium of about Rs20 million. How much was it this quarter?

It was about Rs5 million. Right now, we are offering insurance products only as part of our Wealth Management suite. We are not yet in the retail distribution side of the business. Since inception, we have collected about Rs25 million of insurance premium.

Investment banking

KEY FINANCIALS: INVESTMENT BANKING (RS M)

	2QFY09	1QFY09	CHG.	2QFY09	2QFY08	CHG.	1HFY09	1HFY08	CHG.	FY08
	AS ON	AS ON	QOQ	AS ON	AS ON	YOY	AS ON	AS ON	YOY	AS ON
	SEP.08	JUN.08	(%)	SEP.08	SEP.07	(%)	SEP.08	SEP.07	(%)	MAR.08
Total Revenues	169	189	-11	169	100	69	358	265	35	637
EBIDTA	90	95	-6	90	55	62	185	147	25	274
PBT (before E & EOI)	89	95	-6	89	55	63	184	147	25	273
PAT (before E & EOI)	60	65	-8	60	35	70	125	97	29	182
PAT (after E & EOI)	60	65	-8	60	35	70	125	97	29	182

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on September 2008 earnings

Your I-banking revenues appeared to be very strong, this quarter. Do you see this trend continuing or was this a one-off case?

In the conference call following our results for the fourth quarter of FY08, we had guided a growth of about 30% in FY09 investment banking revenues, based on the strong pipeline of deals that we had. We had also highlighted that a large proportion of the pipeline constitutes non equity capital market transactions. That is what has been the driver of the strong growth in the first half of the current year. We see the growth continuing based on the visibility of the pipeline that we have as of now. Our investment banking team is currently engaged in about 10 mandates, of which just one mandate is equity market related and all the other mandates are non equity capital market related.

You are essentially saying that it is reasonable to expect this sort of trend continuing and that it is not as bleak as some of the other data points in the industry are indicating.

Yes. As of now, we do not see any reason to change the guidance that we gave at the end of the previous year.

You said that non-ECM transactions constitute a large proportion of your pipeline. Could you indicate the exact break-up?

We have one ECM and nine non-ECM transactions in the pipeline.

You mentioned that your investment banking business posted revenues of Rs165 million during the quarter. What proportion of this came from the non-ECM business?

A very large proportion of the quarter's revenues came from non-ECM business.

Private equity

KEY FINANCIALS: PRIVATE EQUITY (RS M)

	2QFY09	1QFY09	CHG.	2QFY09	2QFY08	CHG.	1HFY09	1HFY08	CHG.	FY08
	AS ON	AS ON	QOQ	AS ON	AS ON	YOY	AS ON	AS ON	YOY	AS ON
	SEP.08	JUN.08	(%)	SEP.08	SEP.07	(%)	SEP.08	SEP.07	(%)	MAR.08
Total Revenues	22.28	22.03	1	22.28	6.24	NA	44.31	14.31	210	86
EBIDTA	6.12	5.68	8	6.12	0.57	NA	11.80	4.40	168	36
PBT (before E & EOI)	5.87	5.44	8	5.87	0.13	NA	11.32	3.93	188	35
PAT (before E & EOI)	3.97	3.20	24	3.97	0.05	NA	7.16	2.52	185	23
PAT (after E & EOI)	3.97	3.20	24	3.97	0.05	NA	7.16	2.52	185	23

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on September 2008 earnings

In your private equity business, revenues have increased 1% quarter-on-quarter but profits have risen 22%. Have you made any exits or closed any fund?

No, there have been no exits. We are currently building this business and have closed the India Business Excellence Fund at US\$125 million. We are in the process of raising another fund, the India Real Estate Fund. What comes into the P&L is only the 2% management fee that we accrue pro rata every quarter.

Ladies and gentlemen, that concludes this conference call. Thank you for your participation. You may disconnect your lines now. Thank you and have a nice day.



INVESTOR UPDATE

Motilal Oswal Financial Services records 3% growth in net profits at Rs 271 million as compared to previous quarter

Mumbai, October, 2008: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its quarterly results for Q2 FY 2009 post approval by the Board of Directors at a meeting held in Mumbai on October 10, 2008.

MOFSL got listed on Indian stock exchanges following its IPO in August 2007.

Performance Highlights

Rs. Million	Q2 FY 2009	Growth (Q1 FY2009)	Growth (Q2 FY2008)	H1 FY 2009	Growth (H1 FY2008)
Total Revenues	1,384	↓ 2%	↓ 10%	2,796	↑ 2%
EBIDTA	549	↑ 5%	↓ 1%	1,071	↑ 5%
PAT	271	↑ 3%	↓ 17%	534	↓ 8%
EPS- Rs (FV Re 1)	1.9			3.8	

Results for the Q2 FY 2009

For Q2 ended September 2008, the company achieved an income of Rs 1,384 million, a decline of 2% over the previous quarter and a decline of 10% over the corresponding period of the previous year. Profit after tax increased by 3% to Rs 271 million as compared to previous quarter and a decline of 17% as compared to the corresponding period of the previous year.

Speaking on the performance of the company, Mr. Motilal Oswal, CMD said. "In CY08 YTD, India is amongst the worst performing markets, globally. The BSE Sensex has corrected by 46% from its peak. With this fall, the valuations of Indian markets have seen significant premium erosion. The global financial meltdown and liquidity concerns have resulted in pressure on the capital markets. US financial crisis has certainly led to FII outflows during past few months. FIIs have been net sellers in Indian equities to the extent of \$8.3 billion since January 2008.

We believe that every slowdown is an opportunity to strengthen businesses through greater emphasis on processes, productivity and cost optimization. Our strategy to grow the network through the franchisee route has yielded us good results. Our customer base has crossed 500,000 and our presence is now across 1,533 outlets across 487 cities pan India. The non-broking business initiatives seeded in the past few years have helped us diversify our revenue streams. Our Investment Banking business delivered robust performance in challenging times contributing about 12% of revenues. Fund based business like Principal Strategies and Margin funding have also contributed 14% of our overall group revenues."

Segment results

- Investment banking advisory fees was up 66% to Rs 165 million as compared to Rs 100 million last year.
- Fund based income was up by 215% to Rs 201 million as compared to Rs 64 million last year.
- Asset management fees recorded a 51% rise to Rs 51 million as compared to Rs 34 million last year.
- Broking related revenues were down 27% at Rs 959 million as compared to Rs 1,319 million last year.

Business highlights for Q2 FY 2009

- For the period ended Sept 2008, the customer base increased to 509,400.
- Retail distribution expanded its reach to 1,533 outlets across 487 cities.
- Motilal Oswal Venture Capital Advisors Private Limited (MOVC) launched a domestic Real Estate Fund "India Realty Excellence Fund"
- In-principal approval from SEBI for proposed AMC received in August 2008.
- Motilal Oswal Securities Limited launched an innovative franchising model called "Motilal Oswal – Exclusive" which is positioned to provide customized financial solutions to customers across a wide array of products such as Equities, Derivatives, Mutual funds, IPO, PMS, Margin Funding, Gold, Silver, Insurance and Real estate investments.

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 1,533 business locations spread across 487 cities and the online channel to over 509,400 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 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.

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MOTILAL OSWAL FINANCIAL SERVICES LTD Registered Office: Palm Spring Centre, Palm Court Complex, 2nd Floor, Link Road, Malad (W), Mumbai - 400 064 Tel: +91-22-30801000, Fax: +91-22-28449044 Email: investors@motilaloswal.com Website: www.motilaloswal.com CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2008						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	Unaudited 30.09.2008	Unaudited 30.09.2007	Unaudited 30.06.2008	Unaudited 30.09.2008	Unaudited 30.09.2007	Audited 31.03.2008
1. (a) Income from Operations	13,176	14,805	13,022	26,198	26,545	66,967
(b) Other Operating Income	602	349	721	1,323	683	2,018
2. Expenditure						
a. Operating Cost	2,822	3,750	3,013	5,835	6,266	17,691
b. Employees cost	3,632	4,373	4,144	7,776	8,179	17,640
c. Depreciation	446	324	481	932	594	1,485
d. Other expenditure	1,898	1,608	1,761	3,644	2,889	7,801
e. Total	8,798	10,055	9,399	18,187	17,928	44,617
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	4,980	5,099	4,344	9,334	9,300	24,368
4. Other Income	60	144	384	444	317	1,105
5. Profit before Interest & Exceptional Items (3+4)	5,040	5,243	4,728	9,778	9,617	25,473
6. Interest	727	193	684	1,419	323	1,490
7. Profit after Interest but before Exceptional Items (5-6)	4,313	5,050	4,044	8,359	9,294	23,983
8. Exceptional Items	-	-	-	-	-	-
9. Profit / (Loss) from Ordinary Activities before tax (7+8)	4,313	5,050	4,044	8,359	9,294	23,983
10. Tax expense	1,445	1,693	1,254	2,699	3,233	7,880
11. Net Profit / (Loss) from Ordinary Activities after tax but before minority interests (9-10)	2,868	3,357	2,790	5,660	6,061	16,103
12. Share of minority interests in profits	(157)	(88)	(168)	(325)	(245)	(495)
13. Net Profit from Ordinary Activities after tax and Minority Interests (11-12)	2,711	3,269	2,622	5,335	5,816	15,608
14. Extraordinary Items - Income/(Expenditure) (net of tax)	-	(1)	-	-	1,454	1,454
15. Net Profit After Extraordinary items & Tax (PAT) (13-14)	2,711	3,268	2,622	5,335	7,270	17,062
16. Paid-up equity share capital (Face Value of Re. 1/- Per Share)	1,420	1,420	1,420	1,420	1,420	1,420
17. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						69,482
18. Earnings Per Share (EPS)						
a) Basic EPS before Extraordinary items	1.91	2.49	1.85	3.76	4.50	11.51
b) Diluted EPS before Extraordinary items	1.91	2.47	1.84	3.75	4.47	11.42
c) Basic EPS after Extraordinary items	1.91	2.49	1.85	3.76	5.63	12.58
d) Diluted EPS after Extraordinary items	1.91	2.47	1.84	3.75	5.59	12.48
19. Dividend Per Share (Face Value Rs. 5 each)	-	-	-	-	-	4.00
20. Public shareholding						
- Number of shares	42,080,500	42,080,500	42,080,500	42,080,500	42,080,500	42,080,500
- Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%

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 Friday, 10th October, 2008. The results for the quarter and half year ended 30th September, 2008 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.
- Out of the issue proceeds of Rs. 24,607 lacs, the Company has utilized an amount of Rs. 22,756 lacs as per the Objects of the Issue and the unutilised amount is invested in Mutual Funds.
- The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (99.95%), Motilal Oswal Investment Advisors Private Limited (75%), Motilal Oswal Venture Capital Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (97.55%), Motilal Oswal Capital Markets Private Limited (100%) and Antop Traders Private Limited (100%)
- Net Profit After extraordinary items & Tax (PAT) of the corresponding previous half year is not comparable with the current half year to the extent of extraordinary gains of Rs. 1467 lacs (net of tax) on sale of shares of Bombay Stock Exchange Ltd & non-compete fees paid of Rs. 13 lacs (net of tax).
- The members at 3rd Annual General Meeting of the company held on 8th July 2008 had approved the Sub-Division of the Equity Shares of the face value of Rs. 5 each into face value of Re.1 each. Per share data for current and all previous periods is calculated at the face value of Re 1 each.
- The previous financial quarter /half-year/year figures have been regrouped/rearranged wherever necessary to make them comparable.
- Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September, 2008.
- As per Clause 41 of the Listing Agreement, the standalone results will be available on the Company's website www.motilaloswal.com.

	Opening balance	Additions	Disposal	Closing balance
Number of complaints	NIL	24	24	NIL

CONSOLIDATED UNAUDITED SEGMENT REPORTING FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2008

Particulars	Quarter Ended			Half Year Ended		Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	30.09.2008	30.09.2007	30.06.2008	30.09.2008	30.09.2007	31.03.2008
1. Segment Revenue						
(a) Equity Broking & Other related activities	10,251	13,511	10,662	20,912	23,449	59,368
(b) Financing & Other activities	1,918	600	1,359	3,276	1,037	3,558
(c) Investment Banking	1,653	987	1,825	3,478	2,640	6,282
(d) Unallocated	361	265	558	936	622	2,159
Total	14,183	15,363	14,404	28,602	27,748	71,367
Less: Inter Segment Revenue	345	65	277	638	203	1,277
Income From Operations, Other Operating income & Other Income	13,838	15,298	14,127	27,964	27,545	70,090
2. Segment Results Profit / (Loss) before tax and interest from Each segment)						
(a) Equity Broking & Other related activities	2,314	4,224	2,340	4,653	7,099	17,786
(b) Financing & Other activities	1,416	375	956	2,372	775	2,335
(c) Investment Banking	861	540	883	1,744	1,457	3,592
(d) Unallocated	88	63	301	392	235	1,314
Total	4,679	5,202	4,480	9,161	9,566	25,027
Less: (i) Interest	366	152	436	802	272	1,044
(ii) Other Un-allocable Expenditure net off						
(iii) Un-allocable income						
Profit/(Loss) from Ordinary Activities before Tax	4,313	5,050	4,044	8,359	9,294	23,983
3. Capital Employed						
(Segment assets – Segment Liabilities)						
(a) Equity Broking & Other related activities	29,756	21,907	31,728	29,756	21,907	25,893
(b) Financing & Other activities	43,103	40,008	42,226	43,103	40,008	39,854
(c) Investment Banking	2,076	2,057	(330)	2,076	2,057	(1,348)
(d) Unallocated	2,828	607	2,006	2,828	607	7,303
Total	77,763	64,579	75,630	77,763	64,579	71,702

Note on Segment Information

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 related activities, financing and other activities, investment banking, commodities broking & venture capital advisory. In accordance with Accounting Standard -17 / Company (Accounting Standards) Rules, 2006 on segment reporting, the Company has equity broking and related activities, financing and other activities & investment banking as reportable segments. The balance is shown as unallocated Items.

On behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Mumbai, 10th October, 2008
investors@motiloswal.com

Motilal Oswal
Chairman & Managing Director

