



Motilal Oswal Financial Services

ConCall Summary & Earnings Release

Quarter ended March 2009

12 May 2009

Motilal Oswal Financial Services Limited (MOFSL) posted 5% QoQ degrowth in revenues for the quarter ended March 2009 to Rs910 million. Net profit before exceptional and extraordinary items declined 8% QoQ to Rs188 million. Broking-related revenues declined 11% to Rs618 million from Rs692 million in the previous quarter. Investment banking advisory fees grew 846% QoQ to Rs95 million. Fund-based income declined 32% QoQ to Rs125 million and asset management fees were up 11% QoQ to Rs55 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/year ended March 2009. 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 fourth quarter and financial year '09 earnings conference call for Motilal Oswal Financial Services Limited. We have with us Mr Motilal Oswal, Chairman and Managing Director; Mr Raamdeo Agarwal, Director and Cofounder; Mr Navin Agarwal, Director; and Mr Sameer Kamath, Senior VP and Head, Corporate Planning and Investor Relations. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. Now, I would like to hand over to Mr Navin Agarwal for opening remarks. Over to you sir.

Good afternoon, everybody. It is my pleasure to open the Motilal Oswal Financial Services earnings conference call for the fourth quarter and full year ended March 2009.

I will start by giving a brief backdrop of all our key businesses including Broking and Distribution, Wealth management, Institutional equities, Investment banking, Asset management and Private Equity.

2009 has been a challenging year for the global and Indian capital markets. The BSE Sensex touched a low of around 8,000 in October 2008 from a high of over 21,000 earlier in the year, led by weakness in global financial markets, slowdown in the domestic economy, downgrades in corporate earnings and heavy selling pressure in the markets.

FY09 was the first fiscal in India's history when FIIs were net sellers in Indian equities; secondary market FII outflows for the year were Rs479 billion. However, DIIs continued to be net buyers to the tune of Rs600 billion, a 15% drop from Rs713 billion of net buying in FY08.

CONSOLIDATED FINANCIALS (RS M)

	4QFY09	3QFY09	CHG. QOQ %	4QFY09	4QFY08	CHG. YOY %	FY09	FY08	CHG. YOY %
Total Revenues	910	960	-5	910	1,892	-52	4,661	6,995	-33
EBITDA	369	367	1	369	790	-53	1,807	2,696	-33
PBT (before E & EOI)	294	296	-1	294	661	-56	1,426	2,398	-41
PAT (before E & EOI)	188	204	-8	188	442	-57	926	1,561	-41
PAT (after E & EOI)	158	204	-23	158	442	-64	896	1,706	-47
EPS - Basic (before EOI)	1.11	1.44		1.11	3.11		6.31	11.51	
EPS - Diluted (before EOI)	1.11	1.44		1.11	3.09		6.31	11.42	
No.of Shares O/S (m)-FV Rs 1/share	142.02	142.02		142.02	142.02		142.02	142.02	

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2009 earnings

REVENUE COMPOSITION (RS M)

	4QFY09	3QFY09	CHG. QOQ %	4QFY09	4QFY08	CHG. YOY %	FY09	FY08	CHG. YOY %
Brokerage & Operating Income	618	692	-11	618	1,375	-55	3,268	5,607	-42
Investment Banking Fees	95	10	846	95	204	-54	452	628	-28
Fund Based Income	125	184	-32	125	138	-10	639	365	75
Asset Management Fees	55	50	11	55	147	-62	214	284	-25
Other Income	17	24	-30	17	29	-41	87	111	-22
Total Revenues	910	960	-5	910	1,892	-52	4,661	6,995	-33

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2009 earnings

The average daily equity market volumes for 4QFY09 were Rs554 billion, down 2% as compared to 3QFY09 and down 25% as compared to 4QFY08. The average daily equity market volumes for FY09 were Rs612 billion, down 16% from Rs726 billion in FY08.

The segmental mix of volumes remained in favor of proprietary volumes, whose share in total market volumes increased from 24% in FY08 to 30% in FY09. The contribution of retail volumes declined from 61% in FY08 to 55% FY09, whereas institutional volume contribution was stable at 15% for FY08 and FY09. Index options continued to drive volumes in the derivatives market. Contribution from index options increased from 10% in FY10 to 34% in FY09; in March 2009, the contribution from index options was as high as 43%.

The year 2008 saw a decline in total M&A deal activity in terms of volume and value of deals. The total value of M&A deals announced in 2008 was US\$31 billion, a 40% decline from 2007. The number of deals reduced to 454 in 2008 from 676 in 2007.

In calendar year 2008, private equity (PE) players struck 312 deals totaling about US\$11 billion; as compared to US\$19 billion across 405 deals in 2007. As sentiment improves, one can expect fundamentals to take over and investors to significantly increase their allocation to a long-term growth destination like India.

Mutual funds had assets under management of Rs4.17 trillion as on 31 March 2009, compared to Rs5.05 trillion on 31 March 2008. Equity funds constituted 28% of the total AUM as at March 2009, i.e. Rs1.2 trillion.

Coming to our financials, our consolidated revenue for 4QFY09 is Rs910 million (down 5% compared to 3QFY09). Consolidated revenue for FY09 is Rs4,661 million (down 33% as compared to FY08).

Consolidated adjusted PAT for 4QFY09 is Rs188 million (down 12% compared to 3QFY09). Consolidated adjusted PAT for FY09 is Rs926 million (down 41% as compared to FY08).

Let me now take you through our segment-wise business performance.

- **Broking-related revenues** were Rs3,268 million for FY09 as compared to Rs5,607 million for FY08.
 - Our equity market share in FY09 was 4.2%, which is lower than 4.7% in FY08.
 - As of March 2009, our customer base increased to 541,372 and our retail distribution stands at 1,289 outlets across 548 cities. We continue to grow our reach Pan India. Our reach has increased to 548 cities and towns as compared to 432 cities last year. However, it has been a conscious strategy to optimize resources by consolidating multiple outlets within the same city.
 - We have been actively conducting investor education seminars across the country and during 2008-09 we have conducted more than 100 such seminars, covering various aspects of investing.

Our endeavor to diversify our revenue streams resulted in 30% of our revenue coming from non-broking businesses vis-à-vis 20% in the previous year.

- **Investment banking advisory** fees were Rs452 million for FY09 and contributed 10% of the group's total revenues.
- **Fund-based income** (i.e. income from our margin funding and principal strategies business) was Rs639 million for FY09 and contributed 14% of total revenues.
- **Asset management** fees (from portfolio management and private equity business) was Rs214 million for FY09 and contributed 5% of total revenues. The domestic real estate fund i.e. India Realty Excellence Fund ("IREF"), which is advised by our private equity subsidiary, successfully completed its first closing with commitments at Rs1 billion.

Despite the fluctuations in market volumes and revenues, our margins continue to be stable, with EBITDA and PAT margins at 39% (FY08: 39%) and 20% (FY08: 22%), respectively. This is a result of creating a robust business model that can withstand the cyclical fluctuations in business volumes and simultaneously capture the opportunities provided by the structural growth of India.

At the quarter end, cash and cash equivalents stood at Rs5,428 million (68% of total net worth of Rs7,960 million) as compared to Rs3,427 million in the previous quarter. We have an unleveraged balance sheet, with net worth of Rs7,939 million as at March 2009.

Exceptional item represents Rs30 million booked in 4QFY09 as provision made for diminution in value of long-term investments.

Some of the important accolades and awards we received in FY09 are:

- In the Starmine India Broker Rankings 2009 rankings from Thomson Reuters, we won awards in 3 out of 4 categories
- Motilal Oswal Securities Limited (MOSL) entered the 'Limca Book of Records' for creating India's largest dealing room in Mumbai
- MOSL was also awarded 'The Best Franchisor in Financial Services' by The Franchising World Magazine for the second year in succession

In terms of outlook, FY10 has started on a positive note for the equity markets, with the Sensex gaining 50% to around 12,000 from lows of around 8,000 in March 2009. The daily equity volumes have averaged at Rs882 billion in April 2009 versus Rs554b in 4QFY09 and 612b in FY09. The sustainability of these volumes will be a function of the political outcome over the coming days and other domestic and global developments over the coming quarters. 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 seasoned business models and a strong unleveraged balance sheet.

With these remarks, I would like to open the floor for Q&A. Thank you.

What was your income from principal strategies? Would it be right to assume that it was much higher in FY09 compared to the previous year, given that your margin funding book has declined?

Income from principal strategies is part of our total fund-based income. Total revenues for the fund-based business were about Rs639 million in FY09, which includes income from principal strategies and margin-funding business.

Income from principal strategies is not disclosed as a separate line item, as it forms part of our overall treasury function operations. Having said that, the principal strategies unit was created only in FY09; hence, there would have been a YoY increase in income from principal strategies. The proportion of income from liquid funds or other forms of investments in the last year would have come down.

What will be your target for the principal strategies group? What is your allocation strategy? How do you account for mark-to-market losses on this operation?

The setting up of principal strategies, which is an extension of the treasury function, permits us to do future agency business and fund management business around it.

There is no preset target for the principal strategies group.

We would continue to allocate capital to principal strategies as long as returns are higher than cost of capital. The allocation is dynamic within treasury operations either in liquid funds, margins with exchanges to be used for principal strategies or other deposits, margin funding, etc. with the objective to generate returns above cost of capital and with minimal risk to the balance sheet.

The losses and gains from principal strategies are entirely marked-to-market. There could be some profit, which spills over to the next period due to accounting standards but losses are marked-to-market in the same period.

Does the principal strategies group trade on purely risk-free arbitrage? Is there any client money deployed under principal strategies?

It is predominantly risk-free arbitrage, including cash futures arbitrage.

The money deployed is from our company's books. No client money is deployed.

It is commendable that you have maintained your EBITDA margins at FY08 levels. For other brokerage firms, this ratio has declined very sharply. How have you been able to maintain such cost structures?

There are two parts to this result of maintained EBITDA margins. Firstly, at the MOSL level, there is a slight decline in EBITDA margins. However, our retail broking business has significant variability of cost because of the adoption of the franchise model. Due to the advantage of this operating leverage, MOSL has shown a lower drop in EBITDA margins compared to its peers.

Our non-broking business, which has higher EBITDA margins, contributed 30% to topline in FY09 from 20% in FY08. The increase in contribution from non-broking business with increased topline contribution has offset the slight decline in EBITDA margins of MOSL. Hence, the net effect of this has helped us to maintain overall margins for both the years i.e. FY08 and FY09 at the consolidated level.

Is the salary cost as percentage of revenues sustainable, going forward?

There is a significant variable component in the employee cost number, which is linked to the market activity levels, whereas the fixed cost remains stable. Hence, employee cost as a percentage of revenue may not change with market movements, but the absolute employee cost numbers will vary in line with the topline.

What is the employee count as on 31 March 2009? How many employees did you add in FY09?

The number of employees was 1,232 as on 31 March 2009 and 1,357 as on 31 December 2008. There was net reduction in the number of employees during FY09.

Could you explain the Rs30 million exceptional item provided in the last quarter?

We have about Rs250 million worth of long-term equity investments on our balance sheet as on 31 March 2009. The exceptional item provided in the income statement in the last quarter pertains to the diminution in value of these investments because of the fall in markets and investment value. Most of these investments were made in the earlier years and no fresh investments were made during FY09.

What would be your debt and debtors book as on 31 March 2009?

The amount of debt as on 31 March 2009 is less than Rs1 million. The debtors balance as on 31 March 2009 is Rs2.31 billion compared to Rs2.42 billion as on 31 December 2008.

What would be the cash on your books as on 31 March 2009? How is your net worth deployed across assets including cash?

The cash on books was Rs5.43 billion as on 31 March 2009. A large part of the amount mentioned under cash and bank balances is kept as margin with exchanges. As on 31 March 2009, we had ~Rs6 billion as margin with exchanges - this included bank guarantees, cash, shares and fixed deposits. These margins are cumulatively used for both our broking and principal strategy operations. The cash and bank balances do not sit idle; these are largely used for margins with exchanges and their requirement increases with an increase in market activity.

We have fixed assets of about Rs745 million and investments of about Rs514 million. The balance figures are the stock-in-trade and working capital. Both of our funds advised by our private equity subsidiary have been seeded through the capital of the parent company, which is part of our investments. There would be more funds needed to seed further launches, though the proportion of the seed capital would be lesser going forward.

What is your loan book size? How much of this amount is for margin funding and promoter financing? What are your current yields and plans for this business?

The loan book as on 31 March 2009 is about Rs1.5 billion. The major portion of the loan book is for margin funding to clients.

The yields on margin funding range between 14% and 17%.

The size of the margin funding loan book depends on market condition, which is stagnant now. As market condition improves, we would see suitable growth in the loan book.

Broking & distribution, wealth management and institutional broking

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

	4QFY09	3QFY09	CHG. QOQ %	4QFY09	4QFY08	CHG. YOY %	FY09	FY08	CHG. YOY %
Total Revenues	678	776	-13	678	1,547	-56	3,551	5,993	-41
EBITDA	179	231	-23	179	587	-70	977	2,108	-54
PBT (before E & EOI)	106	172	-39	106	474	-78	675	1,849	-63
PAT (before E & EOI)	69	120	-42	69	328	-79	454	1,236	-63
PAT (after E & EOI)	39	120	-67	39	328	-88	424	1,382	-69

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2009 earnings

What was your average yield on the broking business for the last quarter and the full year?

Our average yield on broking business for 4QFY09 was 5bp, which is marginally lower than the 5.3bp yield for the full-year.

What is the reason for the drop in yields?

Though, we have not faced yield pressures in individual segments of the market but the market mix has changed significantly in favor of options volume. For the full year FY09, options volumes were about 32% of the total derivatives market but at the end of year, i.e. in 4QFY09 they were about 43%. The business mix is changing in favor of a low-yield product i.e. options. Hence, the average blended yield for our business too has been affected to some extent.

What is your market share?

Our market share for FY09 was 4.2%; for FY08, it was 4.7%.

Which segment of the broking business have you lost market share?

The market mix in terms of volumes from retail, institutional and proprietary segments has changed. The proportion of proprietary trades has increased from 24% in FY08 to 30% in FY09. Hence, the agency commission base volume, i.e. retail and institutional, has come down.

Our market share in the institutional segment has been impacted because of the hedge fund business as a proportion of the total business coming down and also because of the impact that the recent market conditions have had on the proprietary books. However, our market share in the long-only segment has consistently been improving.

Is the data about the industry segment volumes your own estimates or from a published source?

This data of total segmental volumes is compiled from NSE and the BSE websites. It is public data.

What is the count of your distribution outlets and cities where you have presence as at March 2009, December 2008 and March 2008?

We had 1,289 outlets in 548 cities as on 31 March 2009, 1,428 outlets in 512 cities as on 31 December 2008, and 1,430 outlets in 432 cities as on 31 March 2008.

The number of branches (included in the number of outlets figures) has come down from 45 in December 2008 to 31 in March 2009. In March 2008, we had about 62 branches.

What is the reason for the decrease in the number of outlets? Has this impacted your business?

During FY09, and especially since the last two quarters, it has been our conscious strategy to expand our presence pan India. Our presence has grown from 432 cities in March 2008 to 548 cities in March 2009. However, there has been a reduction in the number of outlets, as we have consciously chosen to optimize resources by consolidating multiple outlets within the same city. Few of our branches have been converted into franchisees, as well. There is no loss of business due to such consolidation, as many of these outlets were non-performing. This exercise of consolidation has, in fact, helped us to optimize resources and at the same time deliver better customer experience.

Is there any change in the business mix between retail and institutional? Also, is there any change in business mix within retail, i.e. between branch and franchisee business?

The business mix between the segments and channels has more-or-less remained same.

What is your online share of volumes?

It is about 15% of our retail volumes.

What is your outlook on market volumes, going forward?

If markets go on an upswing and the Sensex base levels get formed around 12,000, then we could see business mix changing in favor of cash volumes and brokerage income would improve. Also, the mix of trade in favor of cash, not the value of trade, will decide the fortune of the broking business.

The overall volatility level in the market will decide the market activity. Volatility would depend on events such as the results of the general elections in India, global events, etc. Since the outcome of such events is not predictable, it would be difficult to gauge actual volatility and volumes. We are now witnessing higher participation in the market, but if the market indices remain flat, volumes could take a beating. Forward-looking statements about markets and volumes depend on a lot of variables.

Investment banking

KEY FINANCIALS: INVESTMENT BANKING (RS M)

	4QFY09	3QFY09	CHG. QOQ %	4QFY09	4QFY08	CHG. YOY %	FY09	FY08	CHG. YOY %
Total Revenues	97	14	609	97	208	-53	468	637	-27
EBIDTA	44	-8	659	44	66	-33	221	274	-19
PBT (before E & EOI)	44	-8	646	44	66	-33	220	273	-19
PAT (before E & EOI)	29	-5	724	29	44	-35	149	182	-18
PAT (after E & EOI)	29	-5	724	29	44	-35	149	182	-18

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2009 earnings

Could you throw some light on your investment banking business and its pipeline?

We had earlier guided a higher number than we have delivered for FY09 in the investment banking business. We have seen some shift of revenues from 3QFY09 to 4QFY09, and now some of the revenues expected in 4QFY09 would shift to FY10. Though there was good visibility in beginning of last year, the unprecedented market events that unfolded during the year led to the expected business being postponed from one quarter to the next, and eventually to the next financial year.

Our current pipeline is largely in the non-equity capital market stream. Last year, even our business from the non-equity capital market was adversely impacted by poor market conditions.

We believe that in FY10 we will be able to sustain investment banking revenues at FY09 levels partly because of the overflow of the business originally expected in FY09 to FY10. How much growth we would be able to deliver, would depend on the market conditions, going forward.

Private equity

KEY FINANCIALS: PRIVATE EQUITY (RS M)

	4QFY09	3QFY09	CHG. QOQ %	4QFY09	4QFY08	CHG. YOY %	FY09	FY08	CHG. YOY %
Total Revenues	38	24	60	38	47	-19	107	86	24
EBIDTA	12	-1	1,059	12	21	-42	23	36	-38
PBT (before E & EOI)	11	-1	840	11	20	-45	21	35	-40
PAT (before E & EOI)	7	-1	680	7	13	-47	13	23	-43
PAT (after E & EOI)	7	-1	680	7	13	-47	13	23	-43

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2009 earnings



INVESTOR UPDATE

Motilal Oswal Financial Services reports net profit at Rs926 million for FY 2009 and maintains dividend

Mumbai, May 11, 2009: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its quarterly results for Q4 FY 2009 post approval by the Board of Directors at a meeting held in Mumbai on May 11, 2009.

Performance Highlights

Rs. Million	Q4 FY 2009	Comparison (Q3 FY 2009)	FY 2009	Comparison (FY 2008)
Total Revenues	910	↓ 5%	4,661	↓ 33%
EBIDTA	369	↑ 1%	1,807	↓ 33%
PAT (before E& EOI)	188	↓ 8%	926	↓ 41%
PAT (after E& EOI)	158	↓ 23%	896	↓ 47%
EPS- Rs (FV Re 1)	1.11		6.31	

^ E & EOI = Exceptional items & Extraordinary items

Performance for the year ended March 31, 2009

- Revenues for the year at Rs.4,661 million, down 33%
- Stable EBIDTA and PAT margins at 39% (FY 2008: 39%) and 20% (FY 2008: 22%) respectively
- Continued diversification of revenue streams with 30% of our revenue coming from non-broking businesses vis-à-vis 20% in previous year
- Unleveraged balance sheet size with networth of Rs. 7,939 million
- Exceptional item represents Rs 30 million booked in Q4 FY 2009 as provision made for diminution in value of long term investments.

Speaking on the performance of the company, Mr. Motilal Oswal, CMD said. "The weakened sentiment created by global crisis tested the confidence levels of investor community in last financial year. In such turbulent times, we continued to lead our clients to find a right path in this journey by providing them best in-class research, advisory and execution services. We continue to expand our clientele base across business segments

and remain fully committed to the trust we have developed over the years with them by working towards a better financial future for each of our clients."

"We continue to manage this phase of our business by taking advantage of our strong balance sheet, consistent margins and a successful time-tested business model. Our constant focus to rationalize costs and maintain our margins and thus returns for the businesses has delivered results. Our plans for existing as well as new business lines are well in place to capture the long term growth potential, while striking the right balance between current profitability and investing for future in current environment."

Business highlights for FY 2009

- For the period ended March 2009, the customer base increased to 541,372.
- Retail distribution has its reach through 1,289 outlets across 548 cities.
- We have been actively conducting investor education seminars across the country and during FY 2009 we have conducted more than 100 such seminars covering various aspects of investing.
- MOSL was also awarded 'The Best Franchisor in Financial Services', the most coveted award in the retail and franchising industry by The Franchising World Magazine for the second year in succession
- Motilal Oswal Securities Ltd. (MOSL) entered the 'Limca Book of Records' for creating India's largest dealing room in Mumbai
- In the latest Starmine India Broker Rankings 2009 from Thomson Reuters, we won awards in 3 out of 4 categories. We were Rated No.1 in India Mid & Small-Caps - Best Recommendations category, Rated Top-3 in India BSE Sensex - Earnings Estimates category and Rated Top-10 in India Mid & Small-Caps - Earnings Estimates category.
- The domestic real estate fund i.e. India Realty Excellence Fund ("IREF"), which is advised by our private equity subsidiary, successfully completed its first closing with commitments of Rs 1 billion.
- MOSL was awarded the prestigious Nasscom - CNBC TV 18 IT User Award - 2008 for the financial services category
- We have received an in-principle approval from Securities Exchange Board of India (SEBI) to set up mutual fund business in India, through our holding company, Passionate Investment Management Private Ltd.

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 1,289 business locations spread across 548 cities and the online channel to over 541,372 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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Particulars	Quarter Ended			Year Ended	
	31.03.2009	31.12.2008	31.03.2008	31.03.2009	31.03.2008
1. (a) Income from Operations	8,402	8,739	17,938	43,401	66,831
(b) Other Operating Income	539	679	701	2,540	2,018
2. Expenditure					
a. Operating Cost	1,910	1,960	4,645	9,705	17,691
b. Employees cost	1,828	2,443	3,732	12,031	17,473
c. Depreciation	621	474	513	2,027	1,485
d. Other expenditure	1,666	1,533	2,640	6,807	7,832
e. Total	6,025	6,410	11,530	30,570	44,481
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,916	3,008	7,109	15,371	24,368
4. Other Income	155	184	281	671	1,105
5. Profit before Interest & Exceptional Items (3+4)	3,071	3,192	7,390	16,042	25,473
6. Interest	133	232	778	1,784	1,490
7. Profit after Interest but before Exceptional Items (5-6)	2,938	2,960	6,612	14,258	23,983
8. Exceptional Items - Expense	300	-	-	300	-
9. Profit / (Loss) from Ordinary Activities before tax (7-8)	2,638	2,960	6,612	13,958	23,983
10. Tax expense	985	931	2,044	4,615	7,880
11. Net Profit / (Loss) from Ordinary Activities after tax but before minority interests (9-10)	1,653	2,029	4,568	9,343	16,103
12. Share of minority interests in profits	(71)	13	(147)	(383)	(495)
13. Net Profit from Ordinary Activities after tax and Minority Interests (11-12)	1,582	2,042	4,421	8,960	15,608
14. Extraordinary Items - Income/(Expenditure) (net of tax expense)	-	-	-	-	1,454
15. Net Profit After Extraordinary items & Tax (PAT) (13-14)	1,582	2,042	4,421	8,960	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
17. Reserves excluding Revaluation Reserves				77,967	69,482
18. Earnings Per Share (EPS)					
a) Basic EPS before Extraordinary items	1.11	1.44	3.11	6.31	11.51
b) Diluted EPS before Extraordinary items	1.11	1.44	3.09	6.31	11.42
c) Basic EPS after Extraordinary items	1.11	1.44	3.11	6.31	12.58
d) Diluted EPS after Extraordinary items	1.11	1.44	3.09	6.31	12.48
19. Dividend Per Share (Face Value Re. 1 each)				0.80	0.80
20. Public shareholding					
- Number of shares	42,082,800	42,081,477	42,080,500	42,082,800	42,080,500
- Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%
21. Promoters and promoter group Shareholding					
a) Pledged/Encumbered					
- Number of shares	17,585,000			17,585,000	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17.60%			17.60%	
- Percentage of shares (as a % of the total share capital of the company)	12.38%			12.38%	
b) Non-encumbered					
- Number of shares	82,352,200			82,352,200	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	82.40%			82.40%	
- Percentage of shares (as a % of the total share capital of the company)	57.99%			57.99%	

Notes: -

- 1) The audited financial statements were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its Meeting held on Monday, May 11, 2009. There are no qualifications in the auditors report for these periods. The information presented above is extracted from the audited financial statements as stated.
- 2) The issue proceeds of Rs. 24,607 lacs have been fully utilized as per the Objects of the Issue. In accordance with the Objects of the Issue, the excess amount of Rs 1,307 Lacs in respect of Purchase / Lease of new office space for business expansion has been utilised for General Corporate Purpose.
- 3) The Board of Directors recommended dividend of Re. 0.80 per equity share of face value of Re. 1 each. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
- 4) 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 Private Equity 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%)
- 5) Net Profit After Extraordinary Items & Tax (PAT) of the corresponding previous year is not comparable with the current year to the extent of extraordinary gains of Rs. 1,467 Lacs (net of tax) on sale of shares of Bombay Stock Exchange Ltd & non-compete fees paid of Rs. 13 Lacs (net of tax).
- 6) The previous financial quarter / year figures have been regrouped/rearranged wherever necessary to make them comparable.

	Opening balance	Additions	Disposal	Closing balance
Number of complaints	NIL	2	1	1

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

ANNUAL AUDITED CONSOLIDATED SEGMENT RESULTS

(Amounts in Laacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2009	31.12.2008	31.03.2008	31.03.2009	31.03.2008
1. Segment Revenue					
(a) Equity Broking & Other related activities	6,675	7,627	15,349	35,174	59,232
(b) Financing & Other activities	1,363	1,449	1,354	6,087	3,558
(c) Investment Banking	946	100	2,045	4,523	6,282
(d) Unallocated	664	543	768	2,134	2,159
Total	9,648	9,719	19,516	47,918	71,231
Less: Inter Segment Revenue	552	117	596	1,306	1,277
Income From Operations, Other Operating income & Other Income	9,096	9,602	18,920	46,612	69,954
2. Segment Results Profit / (Loss) before tax and interest from Each segment)					
(a) Equity Broking & Other related activities	1,081	1,719	4,703	7,463	17,786
(b) Financing & Other activities	1,290	1,303	965	4,965	2,335
(c) Investment Banking	417	(117)	1,020	2,044	3,592
(d) Unallocated	287	196	522	881	1,314
Total	3,075	3,101	7,210	15,353	25,027
Less: (i) Interest	137	141	598	1,095	1,044
(ii) Other Un-allocable Expenditure net off					
(iii) Un-allocable income					
Profit/(Loss) from Ordinary Activities before Exceptional Items & Tax	2,938	2,960	6,612	14,258	23,983
3. Capital Employed					
(Segment assets – Segment Liabilities)					
(a) Equity Broking & Other related activities	31,612	28,028	25,893	31,612	25,893
(b) Financing & Other activities	44,652	43,750	39,854	44,652	39,854
(c) Investment Banking	2,277	748	(1,348)	2,277	(1,348)
(d) Unallocated	1,250	7,267	7,303	1,250	7,303
Total	79,791	79,793	71,702	79,791	71,702

Notes:

- The above Segment information is presented on the basis of the audited 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.
- 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

Mumbai, 11th May, 2009
investors@motilaloswal.com

Motilal Oswal
Chairman & Managing Director

N O T E S

