



Motilal Oswal Financial Services

ConCall Summary & Earnings Release

Quarter/Year ended March 2010

28 April 2010

Motilal Oswal Financial Services Limited (MOFSL) posted a QoQ growth of 83% in revenues in the quarter ended 31 March 2010 to Rs1.67 billion. Net profit before exceptional and extraordinary items increased by 157% QoQ to Rs502 million. Broking-related revenues was up by 67% QoQ to Rs1.04 billion from Rs1.1 billion in the previous quarter. Investment banking advisory fees grew 143% QoQ to Rs230 million. Fund-based income was marginally down by 1% QoQ to Rs125 million and asset management fees was up by 245% QoQ to Rs191 million.

For a deeper insight into the company's performance and the management's expectations, we present extracts from the post-results conference call. We have edited and rearranged the transcript for greater lucidity. We have also included exhibits from the company's presentation on its performance for the quarter ended March 2010. This presentation is available at www.motilaloswal.com.

Corporate Participants

Mr. Motilal Oswal

Chairman & Managing Director

Mr Navin Agarwal

Director

Mr Sameer Kamath

Sr. VP & Head, Corporate Planning & Investor Relations

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

Good afternoon ladies and gentlemen. I am Triveni, the moderator for this conference. Welcome to the Fourth Quarter and FY10 Earnings Conference Call for Motilal Oswal Financial Services Limited. We have with us today Mr Motilal Oswal, Chairman and Managing Director, 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. I would now like to invite Mr Navin Agarwal to make his opening remarks - over to you sir.

Opening Remarks

Good afternoon everybody. It is my pleasure to welcome all of you to the Motilal Oswal Financial Services Earnings Conference Call for the Fourth Quarter and the Year-Ended March 2010.

I will start by giving a brief backdrop of the broad market, the industry segments, and then run you through our own performance for the quarter ended March 2010.

MOFSL: CONSOLIDATED FINANCIALS (RS M)

	4QFY10	3QFY10	CHG. QOQ %	4QFY10	4QFY09	CHG. YOY %	FY10	FY09	CHG. YOY %
Total Revenues	1,666	1,583	5	1,666	910	83	6,453	4,661	38
EBIDTA	761	643	18	761	369	106	2,770	1,807	53
PBT (before E & EOI)	737	555	33	737	294	151	2,532	1,426	78
PAT (before E & EOI)	502	371	35	502	195	157	1,704	926	84
PAT (after E & EOI)	519	371	40	519	165	214	1,704	896	90
EPS - Basic (before EOI)	3.6	2.6		3.6	1.1		11.9	6.3	
EPS - Diluted (before EOI)	3.6	2.6		3.6	1.1		11.9	6.3	
No.of Shares O/s (million)-FV Rs 1/share	143	143		143	142		143	142	

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2010 earnings

REVENUE COMPOSITION (RS M)

	4QFY10	3QFY10	CHG. QOQ %	4QFY10	4QFY09	CHG. YOY %	FY10	FY09	CHG. YOY %
Brokerage & Operating Income	1,035	1,106	-6	1,035	618	67	4,551	3,268	39
Investment Banking Fees	230	171	35	230	95	143	649	452	44
Fund Based Income	125	186	-33	125	126	-1	649	658	-1
Asset Management Fees	191	98	95	191	55	245	401	214	87
Other Income	85	22	290	85	16	437	203	68	197
Total Revenues	1,666	1,583	5	1,666	910	83	6,453	4,661	38

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2010 earnings

Equity Markets

The indices remained fairly flattish for the better part of 4QFY10. However, the indices have gained ~81% in FY10 - the highest gain in a single year for the last three decades, making India one of the top performing markets globally. Market capitalization of Indian bourses has almost doubled from US\$0.63t in March 2009 to US\$1.35t in March 2010.

Average daily equity market volumes in 4QFY10 were Rs966b, down ~2% from Rs983b in 3QFY10 and up ~74% from Rs554b in 4QFY09. For the full year, FY10, average daily equity market volumes were Rs950b - up 55% from Rs612b in FY09 and crossing the previous peak of Rs726b in FY08.

The steady shift in volumes from the Cash to the F&O segment witnessed in the previous quarters continued, with F&O contributing 80% of the total turnover in 4QFY10 as against 78% in 3QFY10, 74% in 2QFY10 and 72% in 1QFY10. Index options continued to be the largest segment in the derivatives space at 52% of total F&O volumes in 4QFY10. On a full year basis, volume contribution from index options in the F&O segment has increased to 45% in FY10 as against 34% in FY09.

Average daily volumes in the cash & futures segment (excluding the options segment) have been declining, and were at Rs544b in 4QFY10, from a high of Rs656b in 1QFY10.

Delivery-based volumes within the cash segment of the market are steadily improving and were at 26% in 4QFY10 from a low of 20% in 1QFY10. On full year basis, delivery-based volumes remained at 22%, which is in line with FY09.

The segmental volume contribution witnessed a marginal shift to the retail segment in 4QFY10, with the Retail, Proprietary and Institution segments contributing 57%, 28% and 15%, respectively. For the full year, though, the contribution of the various segments remained at the same levels as FY09.

Institutional Activity

Against a net FII outflow of ~US\$9.4b in FY09, FY10 saw a record net inflow of ~US\$24.4b from FIIs, which surpassed the previous peak of ~US\$13.3b in FY08. FII inflows in 4QFY10 at ~US\$4.6b were lower than the average clocked for other quarters of FY10.

FII registrations, however, slowed down in FY10, with only 78 new registrations as against 316 in FY09.

DII participation through FY10 remained relatively muted, with net inflows at ~US\$ 5.4b as against ~US\$11.8b in FY09 and ~US\$12b in FY08. However, 4QFY10 saw higher participation from DIIs as compared to other quarters, with net inflows of ~US\$2b.

Investment Banking and Private Equity

M&A activity gained traction in 4QFY10, with both volume and value of deals announced increasing significantly. Total deals amounted to US\$17.12b across 184 deals in 4QFY10 as against US\$ 4.8b across 57 deals in 3QFY10.

In terms of fund raising, US\$1.09b was raised by 12 companies through the QIP route during 4QFY10 as compared to US\$2.41b raised by 19 companies during 3QFY10. In FY10, US\$8.73b was raised across 64 deals as against US\$ 0.04b raised across 2 deals in FY09 and US\$5.47b across 38 deals in FY08.

Private equity deal value in 4QFY10 was US\$1.94b across 88 companies as compared to US\$1.41b across 99 companies in 3QFY10. Total deal value in FY10 was US\$5.67b across 322 deals against US\$7.69b across 395 deals in FY09.

Asset Management

Mutual funds had assets under management of Rs6.14t as on 31 March 2010 as against to Rs7.96t as on 31 December 2009. Equity funds constituted 35% of the total AUM.

MOFSL Performance

Coming to our financials, consolidated revenue for 4QFY10 was Rs1,666m (up 5% QoQ and up 83% YoY). Consolidated adjusted PAT for 4QFY10 was Rs502m, (up 35% QoQ and up 157% YoY). For FY10, consolidated revenue was Rs6,453m (up 38%) and consolidated adjusted PAT was Rs1,704m (up 84%).

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

- Broking and related revenues were Rs1,035m for 4QFY10, down 6% QoQ but up 67% YoY, and Rs4,551m for FY10, up 39%. Our equity market share in 4QFY10 was 2.83% as against 2.91% in 3QFY10; for FY10, it was 3.21% as against 4.2% in FY09. The drop in market share is attributable to the rising proportion of options in market volumes (now 44% v/s 40% in 3QFY10) and the contraction of option volumes within our own volumes. As mentioned earlier, the ex-options volumes, i.e. the cash and futures segment volumes have been gradually declining over the quarters. MOSL's market share in the cash segment, however, remains stable. Our customer base increased to 621,215 and our retail distribution is 1,397 outlets across 584 cities.
- Investment banking fees for 4QFY10 were Rs230m, up 35% QoQ and 143% YoY. For FY10, revenues were Rs649m, up 44%.
- Fund-based income for 4QFY10 was Rs125m, down 33% QoQ and at the same level as that a year earlier. For FY10, revenues were Rs649m, at the same level as FY09.
- Asset management fees for 4QFY10 were at Rs191m, up 95% QoQ and up 245% YoY. For FY10, revenues were Rs401m, up 87%. 4QFY10 income includes performance fees earned by the PMS business at ~Rs100m, which is considerably higher than ~Rs4m booked in FY09 and ~Rs60m booked in FY08.
- Other income of Rs85m in 4QFY10 was up 290% QoQ and up 437% YoY. This includes profit on the sale of investments of Rs61m. For FY10, other income was at Rs203m, up 197%; it includes profit on sale of investments to the tune of Rs112m.

You are aware of our new office building being developed in Mumbai. As per AS-16, interest costs on outstanding borrowings need to be capitalized if the time taken to develop property is likely to exceed 12 months. The decision to utilize additional FSI to develop another 100,000 square feet was taken during 4QFY10; and hence the property is likely to be ready for use only after a period exceeding 12 months. Therefore, in accordance with

AS-16, interest costs to the tune of Rs58m have been capitalized in 4QFY10. A portion of this pertains to 3QFY10, resulting in negative costs to the tune of Rs12m being reflected in 4QFY10.

EBITDA margins improved to 43% in FY10 from 39% in FY09. Similarly, our adjusted PAT margins improved to 26% in FY10 from 20% in FY09.

We had total debt of about Rs1.1b (3QFY10: Rs1.9b), with net worth of Rs9.5b as at March 2010. Return on average net worth was ~20%, which is one of the highest amongst industry peers.

At the quarter end, cash and cash equivalents were Rs4.3b or 46% of total net worth (3QFY10: Rs3.2b).

MOFSL General Highlights

Total assets under management for the Group are ~Rs17b, which includes assets under our portfolio management services and assets under advice for private equity funds.

Motilal Oswal Asset Management Company (MOAMC), which received approval from SEBI to commence mutual fund operations, has filed its first scheme offer document with SEBI for approval.

Outlook

In our recent strategy reports, we have highlighted that in the last two decades, India has gone through four distinct earnings cycles. We believe that we are at the beginning of a new market cycle, which is likely to be driven by earnings growth. Our research team expects Sensex earnings growth of about 23% compounded for the next four years ending FY14.

Strong corporate performance and buoyancy in capital markets will present several opportunities within the financial services space. With a strong presence across the broad spectrum of financial services, we believe that Motilal Oswal Financial Services is very well poised for capturing these opportunities. With these remarks, I would now like to open the floor for Q&A. Thank you.

Q&A Session

Broking & Distribution, Wealth Management and Institutional Broking

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

	4QFY10	3QFY10	CHG. QOQ %	4QFY10	4QFY09	CHG. YOY %	FY10	FY09	CHG. YOY %
Total Revenues	1,335	1,212	10	1,335	678	97	5,159	3,551	45
EBIDTA	576	396	45	576	179	222	1,927	977	97
PBT (before E & EOI)	537	334	61	537	106	408	1,722	675	155
PAT (before E & EOI)	381	227	68	381	69	450	1,191	454	162
PAT (after E & EOI)	398	227	75	398	39	912	1,191	446	167

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2010 earnings

Retail activity has not picked up over the last 2-3 quarters. It is seen that companies are increasing their reach and the number of customers is also on the rise, but we are not seeing pick-up in volumes. What is MOFSL's view on this?

Past trends suggest that retail participation usually lags market upswings. However, the number of demat accounts in FY10 has doubled as compared to last year; so, the retail inflow in terms of customer addition is happening. As regards volume contribution, retail participation has picked up slightly on the cash side. As markets consolidate and move forward, retail participation should improve from these levels.

Which segment is contributing to increased volumes in the options segment?

Unfortunately, the market data available does not give the segmental break-up within options. However, at a broader level, options growth from ~9% in FY08 to 34% in FY10 has corresponded to slowdown in retail participation from 61% in FY08 to 55% in FY10. Hence, intuitively one could say that option volume growth could be driven more by the Institution and Proprietary segments, although no separate data points on the same are available.

Will cash and other segments continue to lag the options segment or do you expect them to catch up?

It is very hard to make any prediction on this front. But, as retail participation increases in the markets, the proportion of the cash and futures volumes in the market will certainly increase. Within cash volumes, the proportion of delivery volumes has shown an uptick already in this quarter.

MOFSL is witnessing a market share fall, as the proportion of option volumes has gone up. Is MOFSL devising any strategy to counter this particular trend?

Market share can be viewed from two perspectives - one is the broking revenue market share and the other is broking volume market share, which is easily available from the data perspective. MOFSL has followed a conscious strategy to focus on the profitable portion of the business. MOFSL has a strong presence in the cash segment, where its market share has remained stable. This has also led to overall yield growth for the company at 6.2bp in FY10 from 5.2bp in FY09, despite significant growth in the low yield options

volumes in the market. However, this does not mean MOFSL does not have a presence in the options market. As explained earlier, the overall drop in market share is mainly on account of slower growth of volumes in the options segment within MOFSL as compared to the industry.

There has been a drastic drop in the turnover velocity from a peak of 0.4 to 0.2, especially given that the free float is increasing with large NFOs like NMDC and NTPC, and Reliance selling treasury shares. Free float is increasing, market cap is increasing, and especially during the time of IPOs and QIPs, turnover velocity generally trends up. This time, however, it has gone down by 50%. Any sense, why this is happening?

The turnover velocity to some extent is related to how the retail segment participates. As retail participation has not been very high even now, the velocity has also been down. Once retail participation in mid-caps and intra-day trade volumes improve, the turnover velocity would eventually improve.

MOFSL's distribution network stands at 1,397. Will there be an increase in the reach? Also, how much of the network is franchisee-owned and how much is MOFSL-owned?

Our distribution network stands at 1,397 locations vis-à-vis 1,283 in the last quarter. Of the 1,397 locations, 26 are our branches, which have remained constant. The increase on a quarter-on-quarter basis is largely on account of the franchisees which we have added in the current quarter.

In the presentations shared, Rs8b is in wealth management. Is it the same private equity fund which MOFSL has had for the last one year? What is the fee structure on this portfolio?

Wealth management is altogether a separate business, which manages wealth for high net-worth customers on an asset allocation basis. These assets include products manufactured within the Motilal Oswal Group like PMS and Private Equity funds and also includes third-party products like structured products, mutual funds and other instruments. While the overall approach is through a structured advisory platform, there are no AUM fees being charged as of now. The revenue stream is driven by underlying transaction fees of each product.

Fund-based Income

MOFSL: STANDALONE FINANCIALS (RS M)

	4QFY10	3QFY10	CHG. QOQ %	4QFY10	4QFY09	CHG. YOY %	FY10	FY09	CHG. YOY %
Total Revenues	111	161	-31	111	136	-18	643	722	-11
EBIDTA	95	152	-38	95	129	-27	602	683	-12
PBT (before E & EOI)	113	129	-13	113	129	-13	573	610	-6
PAT (before E & EOI)	77	88	-12	77	87	-11	424	453	-6
PAT (after E & EOI)	77	88	-12	77	87	-11	424	453	-6

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2010 earnings

What is the reason behind a 33% fall in fund income sequentially even though the loan portfolio has been fairly constant?

Fund-based income includes two line items. One is interest on margin funding and the other is the income from low risk arbitrage opportunities, which is a part of overall treasury. The yield on the treasury book has been coming down and this has been the main reason for the sequential drop in revenues.

What is the yield on the arbitrage portfolio? Is it in single digits or double digits?

The returns will be in double digits. There is currently a positive spread available as compared to alternate opportunities available.

What would have been MOFSL's normal interest expense this quarter if capitalization of interest expenses is removed?

The normal interest expense would be approximately Rs20m for 4QFY10.

The margin funding book has declined by 25% from Rs2.2b to Rs1.6b. Is this because it is the year end or has MOFSL continued at this average level throughout the year?

This amount has more or less been stable throughout the quarter.

Does this mean MOFSL is not focusing on providing margin funding because overall the activity levels have been flat?

Margin funding is basically an additional product that MOFSL provides to its customers when the need arises. The focus has never been to aggressively grow this book, but definitely it is a facility available for existing customers.

Investment Banking

MOIAPL - KEY FINANCIALS: INVESTMENT BANKING (RS M)

	4QFY10	3QFY10	CHG. QOQ %	4QFY10	4QFY09	CHG. YOY %	FY10	FY09	CHG. YOY %
Total Revenues	233	172	36	233	97	140	655	468	40
EBIDTA	102	90	14	102	44	132	328	221	48
PBT (before E & EOI)	102	89	14	102	44	132	326	220	48
PAT (before E & EOI)	67	63	8	67	29	133	217	149	45
PAT (after E & EOI)	67	63	8	67	29	133	217	149	45

E & EOI = Exceptional & extraordinary items

Source: MOFSL's presentation on March 2010 earnings

Is MOFSL's revenue from investment banking from ECM or M&A business? What is the break-up between these two businesses?

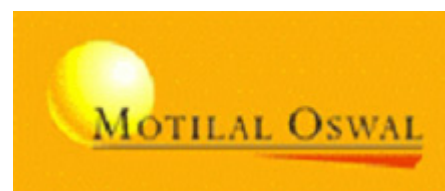
The proportion of the non-ECM business in MOFSL's investment banking revenue continues to be very dominant and MOFSL is in the process of building the ECM side of the business. At this point in time, however, the non-ECM business contributes a dominant proportion of the revenue.

Overall

For FY10, if profit on sale of investments of Rs112m and performance fees are excluded, operating margins are about 41%. Over the last three years, MOFSL has clocked operating margins of 37-39%. Volumes are more-or-less steady; how does MOFSL see these, going forward? Is MOFSL moving into a 40% plus kind of a trajectory?

Basically, whenever there is very strong topline growth, as seen in the current year-on-year basis, there is obviously an operating leverage that kicks in as far as the various businesses are concerned and that is what is reflected in the EBITDA margins. But as rightly pointed out, there are PMS performance fees this year which were virtually nil last year. There is other income this year on profit on sale of investments, which was not there last year. These items cannot be forecasted for the next year.

The EBITDA margin of 38-40% is something that MOFSL is confident of maintaining for the future as well.



INVESTOR UPDATE

Motilal Oswal Financial Services reports 84% growth in net profit at Rs. 1,704 million for FY10; proposes 120% dividend

Mumbai, Apr 27, 2010: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for quarter and year ended March 31, 2010 post approval by the Board of Directors at a meeting held in Mumbai on Apr 27, 2010.

Performance Highlights

Rs. Million	Q4 FY10	Comparison (Q4 FY09)	FY10	Comparison (FY09)
Total Revenues	1,666	↑ 83%	6,453	↑ 38%
EBIDTA	761	↑ 106%	2,770	↑ 53%
PAT (before E & EOI)	502	↑ 157%	1,704	↑ 84%
EPS- Rs (FV Re 1)	3.63		11.91	

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

Performance for the Quarter ended Mar 31, 2010

- Revenues for the quarter at Rs.1,666 million, up 83% as compared to same quarter of previous year.
- PAT for the quarter at Rs.502 million, up 157% as compared to same quarter of previous year.
- Proposed dividend for FY10 - 120% (Re 1.20 per share) as against 80% (Re 0.80 per share) in FY09
- Strong balance sheet with networth of Rs. 9,460 million and return on average networth of 20%. Total debt as on Mar 31, 2010 was Rs. 1,083 million.

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

"The Indian indices have gained ~81% in FY10 making India amongst the best performing markets in the world. Signs of global recovery, record FII net inflows and turnaround in corporate profits have contributed favorably to the recovery in capital markets. Our focus on building a robust financial services company yielded us good results in FY10 with the Group reporting a return on networth of ~20% which is one of the highest amongst the industry peers.

We believe that earnings momentum will drive the new market cycle and throw several opportunities within the financial service space. With a strong presence across a broad spectrum of financial services, we believe that the Group is well poised for capturing these opportunities."

Segment results

- Broking and related revenues was up 67% to Rs.1,035 million as compared to Rs.618 million in the same quarter of previous year.
- Investment banking fees was up 143% to Rs.230 million as compared to Rs.95 million in the same quarter of previous year.
- Fund based income was marginally down by 1% to Rs.125 million as compared to Rs.126 million in the same quarter of previous year.
- Asset Management fees was up 245% to Rs.191 million as compared to Rs.55 million in the same quarter of previous year.
- Other income was Rs. 85 million as compared to Rs. 16 million in the same quarter of previous year. This includes profit on sale of investments Rs. 61 million.

Business highlights for Q4 FY 2010

- As at Mar 2010, the customer base increased to 621,215 and retail distribution expanded its reach to 1,397 outlets across 584 cities.
- Total Assets under management for the Group is at about ~Rs.17 billion, which includes assets under management under our portfolio management services and assets under advice for private equity funds.
- Motilal Oswal Asset Management company (MOAMC) which received approval from SEBI to commence Mutual Fund operations filed its first scheme offer document with SEBI for approval
- MOAMC launched Value Investing Forum which aimed at enhance awareness of Value investing through interaction with leading industry practitioners

About Motilal Oswal Financial Services Limited.

Motilal Oswal Financial Services Ltd. (NSE :MOTILALOFSL, BSE :532892, BLOOMBERG : MOFS IN) is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail. Its services and product offerings include wealth management, retail broking and distribution, institutional broking, asset management, investment banking, private equity, commodity broking and principal strategies. The company distributes these products through 1,397 business locations spread across 584 cities and the online channel to over 621,215 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 and also bagged the No. 1 Broker Award in the ET Now - StarMine Analyst Awards 2009.

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ANNUAL AUDITED CONSOLIDATED FINANCIAL RESULTS FOR YEAR ENDED 31ST MARCH 2010				
(Rs in Lakhs)				
Particulars	Quarter Ended		Year Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1. (a) Income from Operations	15,417	8,402	60,731	43,401
(b) Other Operating Income	396	539	1,777	2,540
2. Expenditure				
a. Operating Cost	3,732	1,910	16,296	9,705
b. Employees cost	3,595	1,828	13,666	12,031
c. Depreciation	359	621	1,419	2,027
d. Other expenditure	1,723	1,666	6,872	6,807
e. Total	9,409	6,025	38,253	30,570
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	6,404	2,916	24,255	15,371
4. Other Income	848	155	2,024	671
5. Profit before Interest & Exceptional Items (3+4)	7,252	3,071	26,279	16,042
6. Interest	(115)	133	962	1,784
7. Profit after Interest but before Exceptional Items (5-6)	7,367	2,938	25,317	14,258
8. Exceptional Items - Expense/(Income)	(172)	300	(6)	300
9. Profit / (Loss) from Ordinary Activities before tax (7-8)	7,539	2,638	25,323	13,958
10. Tax expense	2,211	985	7,882	4,615
11. Net Profit / (Loss) from Ordinary Activities after tax but before minority interests (9-10)	5,328	1,653	17,441	9,343
12. Share of minority interests in (profits)/ loss	(139)	(71)	(397)	(383)
13. Net Profit from Ordinary Activities after tax and Minority Interests (11-12)	5,189	1,582	17,044	8,960
14. Paid-up equity share capital (Face Value of Re. 1/- Per Share)	1,432	1,420	1,432	1,420
15. Reserves excluding Revaluation Reserves			93,161	77,967
16. Earnings Per Share (EPS)				
a) Basic EPS	3.63	1.11	11.91	6.31
b) Diluted EPS	3.62	1.11	11.90	6.31
17. Dividend Per Share (Face Value Re. 1 each)			1.20	0.80
18. Public shareholding				
- Number of shares	43,268,016	42,082,800	43,268,016	42,082,800
- Percentage of shareholding	30.22%	29.63%	30.22%	29.63%
19. Promoters and promoter group Shareholding				
a) Pledged/Encumbered				
- Number of shares	8,500,000	17,585,000	8,500,000	17,585,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	8.51%	17.60%	8.51%	17.60%
- Percentage of shares (as a % of the total share capital of the	5.94%	12.38%	5.94%	12.38%
b) Non-encumbered				
- Number of shares	91,404,200	82,352,200	91,404,200	82,352,200
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	91.49%	82.40%	91.49%	82.40%
- Percentage of shares (as a % of the total share capital of the	63.84%	57.99%	63.84%	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 Tuesday, 27th April, 2010. 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 Board of Directors recommended dividend of Rs. 1.20 per equity share of face value of Rs. 1 each. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
- 3) 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 (99.95%), Antop Traders Private Limited (99.95%), Motilal Oswal Insurance Brokers Private Limited (99%), Motilal Oswal Asset Management Company Limited (99.95%) and Motilal Oswal Trustee Company Limited (99.95%)
- 4) During the current quarter 'ESOP Committee' of the Board of Directors of the Company at its meetings held has allotted 1,05,575 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 & IV.
- 5) Standalone financial results are available on the Company's website: www.motilaloswal.com. For the quarter ended 31st March, 2010 on a standalone basis, Motilal Oswal Financial Services Ltd has reported turnover of Rs. 1112.31 lakhs, Profit before tax of Rs. 1125.20 lakhs and Profit after tax of Rs. 774.14 lakhs.
- 6) During the quarter ended 31st March 2010, Motilal Oswal Trustee Company Ltd became 100% subsidiary of Motilal Oswal Securities Ltd

	Opening balance	Additions	Disposal
Number of complaints	NIL	NIL	NIL

CONSOLIDATED AUDITED SEGMENT RESULTS FOR YEAR ENDED 31ST MARCH 2010				
(Amounts in Lakhs)				
Particulars	Quarter Ended		Year Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1. Segment Revenue				
(a) Equity Broking & Other related activities	12,614	6,675	50,130	35,174
(b) Financing & Other activities	1,112	1,363	5,590	6,087
(c) Investment Banking	2,310	946	6,503	4,523
(d) Unallocated	1,388	664	3,797	2,134
Total	17,424	9,648	66,020	47,918
Less: Inter Segment Revenue	763	552	1,487	1,306
Income From Operations, Other Operating income & Other Income	16,661	9,096	64,533	46,612
2. Segment Results Profit / (Loss) before tax and interest from Each segment)				
(a) Equity Broking & Other related activities	4,678	1,081	16,450	7,463
(b) Financing & Other activities	1,125	1,290	4,895	4,965
(c) Investment Banking	1,000	417	#	2,044
(d) Unallocated	633	287	1,472	881
Total	7,436	3,075	26,034	15,353
Less: Interest	68	137	717	1,095
Profit/(Loss) from Ordinary Activities before Exceptional Items & Tax	7,368	2,938	25,317	14,258
3. Capital Employed				
(Segment assets – Segment Liabilities)				
(a) Equity Broking & Other related activities	47,879	31,612	47,879	31,612
(b) Financing & Other activities	49,417	44,652	49,417	44,652
(c) Investment Banking	799	2,277	799	2,277
(d) Unallocated	(3,087)	1,250	(3,087)	1,250
Total	95,008	79,791	95,008	79,791

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 &
- 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, 27th April, 2010
investors@motilaloswal.com

Motilal Oswal
Chairman & Managing Director

