Motilal Oswal Financial Services

ConCall Summary & Earnings Release

Quarter ended June, 2020

3rd August, 2020

Motilal Oswal Financial Services Limited (MOFSL) posted consolidated revenues of Rs 6.33 billion for Q1FY21. Consolidated PAT grew by 29% YoY at Rs 1.67 bn. Capital Market revenue was Rs 3.44 bn in Q1FY21. Asset and Wealth Management revenues were Rs 1.48 bn in Q1FY21. Housing finance-related net revenues were Rs 0.58 bn in Q1FY21.

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. This presentation is available at www.motilaloswalgroup.com

Corporate Participants

Mr Raamdeo Agrawal
Chairman

Mr Motilal Oswal
Managing Director and CEO

Mr Navin Agarwal
Director

Mr Shalibhadra Shah
Chief Financial Officer

Mr Rakesh Shinde
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.

Welcome to the Q1FY21 Earnings Conference call for Motilal Oswal Financial Services Limited. We have with us today Mr. Motilal Oswal - MD & CEO; Mr. Raamdeo Agrawal - Chairman; Mr. Navin Agarwal - Director; Mr. Shalibhadra Shah - Chief Financial Officer and Mr. Rakesh Shinde - Investor Relations. For the duration of this presentation all participant lines will be in the listen-only mode. I will be standing by for the question-answer session. I would now like to invite Mr. Navin Agarwal to make his opening remarks. Thank you and over to you, sir.

MOFSL CONSOLIDATED FINANCIALS (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	**6,328**	**6,282**	**1%**	**6,730**	**-6%**
EBITDA	2,622	2,853	-8%	2,774	-5%
PBT	1,428	1,518	-6%	1,392	3%
Operating PAT	**1,030**	**994**	**4%**	**974**	**6%**

REVENUE COMPOSITION (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Broking	3,434	2,778	24%	3,381	2%
Investment Banking	4	3	26%	9	-59%
Asset Management	1,036	1,443	-28%	1,316	-21%
Private Equity	219	240	-9%	283	-23%
Wealth Management	221	221	0%	255	-13%
Fund Based (Ex-MTM)	82	70	17%	88	-7%
Housing Finance	1,333	1,527	-13%	1,398	-5%
Total Revenues	**6,328**	**6,282**	**1%**	**6,730**	**-6%**

Opening remarks

Good morning, everybody. It is my pleasure once again to welcome all you to the Motilal Oswal Financial Services earnings call for the first quarter ended 30th June 2020. At the outside I hope each one of you and your families are safe and in good health.

Financial performance

- Consolidated PAT for the quarter grew by 29% YoY to Rs 1.67 billion. Operating profit excluding the mark-to-market on fund based investment grew by 4% YoY at Rs 1.04 billion.
- Reported profit was higher due to mark-to-market gains of Rs 1.3 billion on fund based investment.
- Reported profit includes the impact of one-time provisioning towards the exceptional item comprising of full provision on account of negative rights settlement of crude oil derivatives position of the customers in the commodity broking business.
- Consolidated net worth stood at Rs 32.8 bn, net debt is Rs 37.4 bn. Excluding Home finance, net debt is Rs 9.3 bn which is down by 4% YoY
- Overall debt to equity has declined to 1.4 including the home finance business and 0.5 times excluding the home finance business. Net of investments, we have net cash on balance sheet.
- ROE for the first quarter stood at 33%.

Key highlights for the Q1FY21

- Broking business reported the highest ever quarterly profit. There was a gain in market share sequentially, we had very strong pace of client edition and there were continued investment in talent and distribution network.
- Our AMC AUM is now back to near high. The quarterly trend of positive net flows in the AMC continues.
- During the quarter we digitally launched India’s first NFO of S&P 500 index funds.
- Our branch network expansion within the AMC business, including sales team expansion and IFA network expansion continued during the current quarter.
- In the Home Finance business, we saw a sharp reduction in the cost of funds driving margin expansion.
- There was continued traction in connection efficiency and falling morat numbers month-on-month.
- We made a special COVID related provisioning of Rs 21 crores till now.
- Our provision coverage ratio has now increased to 87% and we continue to see superior quality of the new book underwritten.
- We provided moratorium to 26% of our customer base as of 30th of June.

I will now deep dive into individual businesses.

Capital market business:

KEY FINANCIALS: Capital Markets (Retail Broking & Distribution, Institutional Broking) (Rs mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	3,434	2,778	24%	3,381	2%
EBITDA	1,214	967	26%	1,185	2%
PBT	814	597	36%	629	29%
PAT	**613**	**401**	**53%**	**451**	**36%**

Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment stood at Rs 3.4 billion up by 24% on a YoY basis and contributed to 44% of consolidated revenue. Profits excluding exceptional item stood at Rs 573 million up by 58% YoY and contributed to about 59% of the consolidated operating profit.

Broking and Distribution

In the retail broking and distribution business, our market share improved by 40 bps QoQ to 3%. We witnessed strong traction in new client addition driven by franchisee as well as the branch channel with 86,000 plus clients acquired in the quarter, which is nearly three times of the clients acquired in the same quarter last year.

Our distribution AUM stood at Rs 102 billion with 15% of our 1.5 million broking client base tapped for a cross sell and we expect continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.

Turning to the Institutional Broking business:

In institutional broking there was continued traction in client additions and revenue growth. We launched our first edition of virtual conference amid this lockdown period.

Investment Banking

KEY FINANCIALS: INVESTMENT BANKING (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	4	3	26%	9	-59%
PBT	-52	-56	-	-48	-
PAT	**-39**	**-39**	**-**	**-37**	**-**

Investment banking business continues to be impacted by the headwinds faced in the ECM segment and poor deal closures.

Asset and Wealth management businesses

KEY FINANCIALS: ASSET MANAGEMENT (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Avg. AUM (Rs bn)	326	389	-16%	385	-15%
Total Revenues	1,036	1,443	-28%	1,316	-21%
EBITDA	335	565	-41%	456	-27%
PBT	330	561	-41%	445	-26%
PAT	**240**	**362**	**-34%**	**357**	**-33%**

Asset management business AUM across mutual funds, PMS and AIFs stood at Rs 352 billion, which is up by 18% QoQ. Profits for the quarter stood at Rs 240 million, as AMCs profit was impacted on account of lower average AUM, post the unprecedented market correction in March. Our equity mutual fund AUM stood at Rs 196 billion which is 1.9% of the industry equity AUM. Our share of alternates is 46%. Several of our schemes ranked in the top decile in performance terms over the last one year as well as since inception.

Private Equity

KEY FINANCIALS: PRIVATE EQUITY (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	219	240	-9%	283	-23%
EBITDA	75	99	-24%	104	-28%
PBT	74	94	-21%	104	-29%
PAT	**52**	**51**	**3%**	**48**	**10%**

Private equity business committed investment AUM till date stands at Rs 65 billion across three growth private equity funds and four real estate funds. We closed IREF-4 with an AUM of Rs 11.5 billion in February 2020. The fund has already deployed Rs 5.3 billion across 9 investments.

Wealth Management business:

KEY FINANCIALS: PRIVATE WEALTH MANAGEMENT (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	221	221	0%	255	-13%
EBITDA	4	10	-57%	23	-81%
PBT	1	7	-80%	20	-93%
PAT	**0**	**6**	**-97%**	**14**	**-99%**

Wealth management AUM stood at Rs 178 billion up by 14% QoQ. RM count was at 131 and our trail revenues predominantly cover our fixed costs. Investments in strong RM additions continue to suppress the overall profitability of this business.

Overall asset and wealth management revenues stood at Rs 1.5 billion for the quarter, contributed to 19% of the consolidated revenues. Profits were at Rs 292 million and contributed to 30% of the consolidated operating profits for the quarter.

Home Finance business:

KEY FINANCIALS: MOTILAL OSWAL HOME FINANCE (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Net Interest Income	568	578	-2%	579	-2%
Total Income	578	599	-4%	632	-9%
Operating Profit	368	360	2%	401	-8%
PBT	240	250	-5%	281	-15%
PAT	**111**	**171**	**-35%**	**176**	**-37%**

Home finance business reported profit of Rs 111 million in the first quarter. Reported profit looks suppressed due to higher tax rate of 54% on account of reinstatement of tax asset post migration to the new tax regime; the cash tax for the home finance business for the quarter is zero and for the full year will continue to be zero versus very high reported tax rate of over 50%.

Yield on advances improved by 40 basis points YoY to 14.3% in the first quarter. Cost of funds was down by 50 basis points YoY to 9.8%, resulting in expansion in our spreads to 4.5% and net interest margins to 5.8% during the first quarter. We raised Rs 4 billion in the first quarter at incremental cost of funds of 8.6%. This compared with our average cost of funds of 9.8% and we expect the average cost of funds to trend lower over the next three quarters on top of the 50-basis point saving that you've seen in the first quarter.

Our loan book for this business stood at Rs 36.8 billion at the end of the first quarter. Disbursements are very muted at Rs 238 million. New book sourced from April 2018 validates the new credit policy with 10 cases in NPA pool out of the over 6000 loan cases that we have booked.

Our gross NPA stood at 1.75%, net NPA stood at 1.28%, provision coverage was at 87% and our 1+ DPD stands at 9%. We further enhanced provisioning in Q1 by Rs 130 million, considering a potential COVID-19 impact. As a result, provision coverage is up to 87%. Our total COVID related provisions stands at Rs 210 million on a Rs 36.8 billion book as of June end.

Our OPEX is down to Rs 210 million for the first quarter, which is 27% below the highs and as a result our cost to income ratio is now down to 36%. We provided morat facility to 26% of the customer base as of June 2020. Our total capital infusion in MO Home Finance till date is at Rs 8.5 billion, the net gearing for home finance business stand at 3.2 times and the Tier I capital adequacy stands at 42.6%.

We have limited borrowing repayments for the next one-year, undrawn borrowing lines of Rs 7.4 billion, cash on balance sheet of Rs 3 billion, which places us in a very comfortable liquidity situation.

Fund-based activities

KEY FINANCIALS: (Rs Mn)

Particulars	Q1 FY21	Q1 FY20	CHG. YoY	Q4 FY20	CHG. QoQ
Total Revenues	1,485	339	338%	-3,754	-
PAT	**1,303**	**324**	**302%**	**-3,522**	**-**

Fund Based activities includes commitments to our asset management products. Our total quoted, equity investment, including unrealized gain stood at Rs 12.7 billion as of the end of first quarter. Our total equity investments including alternate funds stood at Rs 18.6 billion.

Outlook: To sum up, the capital market business which is our oldest business and our cash cow has achieved new highs on various parameters including market share profits and continues to benefit from industry consolidation and led by our knowledge driven digital offerings. Our asset management business is likely to gain from strong product performance and its niche positioning. The home finance business legacy issues are behind with incremental focus on profitable growth. We remain excited about the headroom to grow and the ability to generate free cash flows by each of our existing business.

<u>Q&A</u>

On the broking side, what is leading to the surge in retail participation, we've seen record demat accounts being opened in the system, and we've seen retail participation almost touching 70% in terms of contribution to cash volume. What is driving this and is this sustainable at a time mutual funds are seeing muted inflows? Also you've mentioned in the PPT, you are looking at expanding in South and North market. What is the game plan there, what is our market share, what is the room for growth, if you could give some sense on the broking business?

The retail volumes definitely moved up sharply in this quarter. The retail volume is the function of the volatility in the market. It seems that current volatility in the market is led by the day traders. Delivery volumes also is a function of the action on the small and mid-cap; serious fall and then we saw a good amount of recovery. Now it's very difficult to say whether these volume exploits would keep on happening. But, this digital and the technology access to the market especially in lockdown period has pushed huge number of investors, who were inactive into active mode and a lot of new first-time investors are coming into the market. Because, the debt, real estate and all other alternative asset classes are not doing well. Globally, the technology led market volumes on retail side has gone up drastically. We are in line with the global trend. Short term, I don't know but in long term I see structural changes, the way broking business is happening. To exploit the further benefit, we are also expanding into new footprint where we have lesser branches. We are also expanding through new branches, which had become weak, new employees and new customers are coming to us, especially from other struggling players.

We have got a huge number of customers; where every customer is mapped to an advisor. Because of very strong and advisory capabilities, as well as the best of the technology, we call ourselves the best in terms of capability from the phygital perspective. Even the smaller client, who comes with Rs 10,000- 20,000 of margin, is also mapped to an advisor. So, because of very strong research and advisory capabilities and best of the technology, we have a unique model on broking side.

And if you could comment on the North and South, we are looking to expand market share. What is the possible headroom for growth?

We have seen the market share moving up and we not only look at the market share, but we also look at the revenue-based market share. So today, thanks to many players who are just pushing in new client's acquisition, despite of the fact that whether the client is giving revenue or not. We are very revenue focused and of course we don't have a very strong presence, but the size of opportunity we see is very large, because in west we have very large penetration in terms of the outlets. Also in south we are very strong. We are now expanding aggressively through our own branches in North.

And secondly, on the AMC business, if I look at some of the listed companies with there is a huge pent up operating profitability. At what scale does AMC business start to get a 35, 40 bps EBITDA margin and where we are in that. At what scale does that happen, and the last thing was how much money we spent on buy back till now?

On the AMC side, if you see our cost have largely been frozen, to about Rs 23-24 crore a quarter. Last year our PAT yield was about 40 basis. Now what happened in this quarter of course, the average AUMs have been lower and the cost was flattish. We have already stated that we are very close to our highest AUM. Once we are around that, we'll see the improvements happening in the overall PAT margin and EBITDA margin. And coming to the question on the buyback, we have spent about Rs 10 crore till date on that. But however, as of now the market price has already shot up. Our maximum buyback price is Rs 650 and that is the reason where we are unable to buyback now, but in case if we get an opportunity, we still have three months of window to buy back by 30th September to close this.

Yes, and just to answer your question on the AMC business, Prakash our EBITDA margins for the quarter is at 32%. Now, what you have ended up seeing is that, the June average AUM was down very sharply, although the markets made their lows on 23rd of March and then recovered during the June quarter, but the average AUM is substantially lower. While in our case, unlike a lot of other listed companies where they sharply cut back on expenses particularly, brand building expenses are cut back in expenditure but not proportionately. The sharp fall in the AUM quarter-on-quarter led by the market disruption with sticky cost structure has led to this fall in the EBITDA margins. It may not be appropriate to look at this perspective towards the AUM, because as you may have noticed the share of passive in the total AUM has gone up on a year-on-year basis meaningfully to almost 7-8% and there obviously the bps yield right from top line to bottom line is lower. If you look at the EBITDA margin, then you would see that with recovery in the market.

First can you talk a little bit about the regulatory changes which are being implemented in broking and what sort of an impact can this have on our business. From your perspective, what is the regulator trying to achieve over here?

On the margining side, what we have seen is a couple of changes. So, what they have come up with is on the changes in the upfront margin; in terms of intraday position, the client has to bring the upfront margin. So, that is coming in a phased manner starting

December 20 till September 2021 and today, what is happening is that there is an upfront margin on the intraday which is in effect is funded by a broker. But that is something which the regulator wants the client to bring in. So, that is something we would see some impact on it on the intraday mainly on the weekly or monthly F&O expiry days, as of now. These positions are intraday positions; so there is no end of the day margin which is deployed at all. The regulatory representations have been made, but nevertheless, even if that has to impact, it can come on the expiry days and for that also what is being talked in the industry is that, margin funding may come into play to fund that. That is what it is as far as the overall upfront margin on the intraday is concerned and on the upfront margin on the cash, just a couple of days back already it has been relaxed because earlier it was VAR margin but now they have cut it down to 20% or VAR margin whichever is lower. That is the positive move as far as the cash margin norms are concerned.

Just on the derivatives part. What percentage of our F&O turnover would be this intraday trading?

I don't have that exact number, but as an overall proportion to our Retail broking top line if I have to see, it could be about 5-6 %

And you said that the margin funding book can be used to fund the intraday margin requirements, then also they would need to give you some collateral. How would that work?

Intradays are not generally having margins (collateral) because what you have is your margins (collaterals) on the end of the day position, but on an intraday basis the broker meets the margin requirements. So, margin funding book would be similar sort of a line.

Okay and on the cash margin side, I believe it's just been deferred till 1st September? But after 1st September it will be VAR margin or after September it will be 20%?

Yes, that's right, it is effective from 1st September. After 1st September it will be 20% maximum cap margin or VAR margin whichever is lower.

The change was earlier introduced from January 1, where it was only reporting of the margin and no penalty, after September 1 there will be penalty if there is any failure to collect that 20% margin or VAR margin whichever is lower.

But sir all those other restrictions on BTST, I was reading somewhere that securities need to come into your account only then you can sell them, and those sorts of rules, is that still applicable?

Yes, those are all applicable.

So, all will be applicable right and it's only a deferment by a month. That should have an impact on the cash volume side I suppose?

No, if you see cash margins are now already collected by broker because it is applicable since January. Reporting is happening daily in terms of the overall cash margin that is collected. That is already there and now what has come is that, they have implemented the penalty provisions if that is not there. We have already implemented that and now what we realize is that even if the VAR margin was 25%, then you still have to collect a 20%. That is the relaxation which has been provided two days back.

Okay. Maybe, I'll have a more detailed discussion with you offline. On the distribution side, what has been the net sales in this quarter?

That is Rs 150 crores.

So, net new sales were about Rs 1.6 million?

Yes.

And, on the AMC side, and more on the wealth side actually, SEBI had proposed a new rule where clients must make a choice either to go by the distribution route or through the advisory route. Because of all this, because of the COVID situation, things had been postponed. Where does this stand right now, how much of all these new regulations have been implemented or deferred, can you give us an update on that?

Our model, Madhukar, is mostly on the lines of being a broker dealer rather than an RIA Some of the other firms, larger firms are trying to migrate towards the advisory model. But we are sticking to our earlier old models and the other thing is that banks have certain challenges to make the choices, but as I said, banks and larger wealth management have to do this balancing act. At our end, there is really no impact of this and we continue to focus on being a broker dealer.

Even on the wealth management side, you will not take up the RIA model, you will continue to be on a distribution model?

Our current model Madhukar, you are aware is entirely distribution, right?

As far as migrating is concerned, any of this is not happening, is not planned. And for incremental business, all the options are open, but please bear in mind that our wealth business is not a family office positioning business; we have much more granular, large number of clients with lower AUM. As of today, we have a strong family office offering, this is unlikely to be relevant.

Understood sir. And on the PMS side, direct PMS have those rules been implemented. They were brought out in January. Have they been deferred?

Yes, they have been deferred. There is still some headroom available from now till 30th of September, assuming that there is no change in that timeline again.

Got it. Just one last question, on the housing finance there was some reinstatement of tax assets. What is that exactly can you please explain that?

Yes, what has happened is that, in housing finance we have now moved to the new tax regime from 35% to 25%. In this current financial year, by virtue of that, we had an opening deferred tax asset, which had to be written down.

Sir, couple of questions. One is, if I see the distribution AUM and wealth management AUM, both on a quarterly perspective have gone up, but the income has gone down Q-o-Q, can you give some thoughts about it, what's happening over there?

If you see that it is largely in line with the reduction in the average asset. The bulk of correction happened in the March month and in our wealth and distribution AUMs about 60% of these are equity assets. So, by virtue of that, our average AUM on a trail basis continues to be lower. And that is one of the reason. We have a very strong net sales in our wealth business which is at the multi quarter high but despite that, the average AUMs have been lower and slightly the shift is more towards the debt assets in Q1. That is also one of the reasons where there is a marginal impact on yield asset.

Okay, so it's basically the AUM correction as well as shift of assets, but if I may ask quarter-on-quarter basis, your new sales in both the distribution as well as wealth management have gone up?

Yes, in wealth management it is at multi quarter high, it is about Rs 8 billion net sales and in distribution it is Rs 1.5 billion.

And what is leading these Rs 8 billion sir, is its new client acquisitions?

It is a combination of new client addition as well as higher cross sell of fixed income to the existing client base.

And sir second question is, you said that in the month of July, you are back to pre COVID level in terms of AUM, clearly Nifty is not over there. Is it fair to say that you guys have gained market share or is it?

No, that is not correct. Our market share is stable, we have not seen a gain but one of the contributors to this is our successful launch of the S&P 500 product.

So, your pre COVID level is because of this passive fund launch?

Aside of the strong uptick in the NAV, which is almost back to the pre COVID level, so it's a combination of both of these factors.

Understood. Sir one just small clarification on the VAR margin to 20% whichever is lower, which you were talking about, that effectively means that the intraday leverage now is only 5x right, versus earlier in intraday cash segment being provided in multiples of five. Now it is restricted to 5x right, that's a fair understanding?

No, this is for the end of the day margin, this 20%. Intraday continues to be based on your overall risk policy.

Then sir from a cash ADTO perspective and I'm just trying to understand this a bit more. The latest trends which we see is, there will be no impact on intraday cash volumes despite these margins coming in. My understanding was that now for taking intraday position your leverage is restricted to 5x versus earlier being 10, 15x?

Yes, those intraday there is a separate circular which I discussed just back in answering that. So, that is already getting implemented from December 1, till Sep 21 in a phased manner. Whereas on the end of the day margins for the cash segment it is at 20% or VAR margin whichever is low, that is the implication.

That end of the day when you say is for delivery right or BTST, in a way BTST if I may put it?

That's right.

Okay. And sir in your view how much would be industry ADTO shrink because, see ultimately even in derivatives expiry trading as you said was highest in terms of ADTO. And in a year's time that will become zero, the leverage will be reduced to a massive extent. In your view the shrinkage in ADTO how much can that be for both the segment's if at all, if you can throw some light?

As of now it's difficult to say that, but let's see how it gets implemented and we can get on it once more.

Okay to your point of saying that broker can actually give a margin funding my understanding was that the entire rule was such that the broker cannot give

margin funding right. It was in a way to curb these excessive leverages which happens on expiry day. Ultimately, the broker's balance sheet was funding that, now, individual banks fund that. So, to that extent there will be a clear reduction?

I said that margin funding is through the NBFC arm not through the broking arm.

Okay, you are using that route to bypass that?

Yes. Margin funding is even prevalent today. We also do F&O margin funding through the NBFC.

And sir in your view, do discount brokers give this kind of NBFC arm tie up for getting expiry day leverage?

It's difficult to comment as of now. We are just evaluating this whole thing, as I said, and basis that we would take a call. Representation has already happened to the SEBI in this respect, so you wait and watch how things come up there. And then we would take a call in terms of what is happening.

Sir my first question is on the AMC side, if I see revenue yield for mutual funds for last few quarters, it's constantly declining. I understand that this quarter the base is lower, the starting base and then market moved up, but if you can give some guidance what should be the stable yield for the mutual fund and overall AMC?

Multiple regulatory changes have impacted the TERs and yields over the course of the last one and a half years' time. On a like-to-like basis for active equities and for passive equities, we see yields to be stable.

Okay, and secondly out of the growth in both mutual fund and PMS, how much it comes from the MTM gains and how much from net new money. Is the net new money positive, as we are seeing lower equity inflows across the industry. How much has come from this net new money and what is the outlook on your net new flow for this year?

Our net new money is Rs 3.2 billion during the quarter. Rest is all on account of the mark-to-market.

As far as the forward looking statement, what is the expectation of flows in the current year, that'd be very tough, as you are aware that the gross sales numbers have come down quite substantially in the recent past. And in fact, after a very, very long time, we've seen net outflows from the industry. At this point in time, all I can tell you is that, in the past, when we've seen in inflows in equities, the strong inflow trend has continued for a very long period of time. And if there is a trend of outflow that you've seen just recently, to assume that may get over in a hurry in one month or two months' time may also be incorrect. So, it is neither a forecast that the outflows will continue nor it is a forecast that things will just come back strongly. We have to wait and watch. This is not a year where anybody could have clarity of what will be my net sales in the current year.

Yes, actually my question is more to understand from the view that the market is moving up, but we are seeing more outflows with our subdued inflows. What are the client behavior or client feedback, you're getting. Why they are having these outflows, any insights on that?

Yes, there is a lot of chatter that you will hear on media with distributors that, the rally is disconnected from the fundamentals and hence it's a good time to take profit. Book profits and that is what in turn retail investors are following. This is profit booking. Because of lack of conviction, whether this big rally that we've seen is sustainable is causing outflows and importantly also causing gross sales to continue to come down. And, additional contribution is rise in redemptions, effectively that is the number down to a negative.

Understood. Sir, then thirdly, on the earlier questions on margin which is currently to be kept under 20% or VAR whichever is lower, what is the margin currently being provided?

In cash, the VAR margin collection has already been started off. As I said before, that from 1st January, there was already reporting of that and we continue to collect the VAR margins at the applicable rates.

Intraday margins, in general, as of now funded are by the broker. This is the overall delivery stocks in the client's bucket, basis that they are funded and that is how the norm has been.

Sir just wanted to understand this intraday margin regulation from December onwards. Now, effectively the problem is providing financing to these customers, right?

Yes, that's right.

And therefore NBFCs or banks is what they have to reach out to for getting the funding and do you expect volumes to shrink, and there can be consolidation in the industry and large brokers like yourself stand to gain in?

As answered in my past questions, that there have been representations made in that respect, because there is no end of the day margin and even this is applicable in a phased manner. Suddenly there will be some initial impact which will come but as the market is good from a longer-term perspective, it will strengthen the overall framework and one would look at how the funding happens to the NBFCs.

And the other question I want to ask you is, for the intraday business you cannot provide funding through the broking business is it regulatory disallowed?

No, presently brokers can provide the intraday funding because client is not funding back effectively. So that is already permitted, but now what they brought is, client has to fund the portion of that.

I had a question on home finance. The asset quality, slide number #30. For June 20 we have written that 26% of our total customers are under moratorium and the chart below that for the collection efficiency trend we are saying that 85% is our collection efficiency for June month. And that also includes the moratorium. Is the difference between volume and value or anything more than that?

No, it is not. It's between one EMI and multiple EMIs. The morat number tells you what proportion of the customers have paid the EMI for the month of June. And the next number shows you that if there is a customer who has paid two EMI, then that will take the collection efficiency for that customer to more than 100% for the month.

If you have Rs.10,000 EMI due for the month and you have paid Rs 20,000 because you had two EMIs due, then the collection efficiency formula is the cash that I have received in the current month divided by the cash that is due for the current month. If I have Rs 35 crores to be collected from the customers and if they paid me 85% of Rs 35 crores, then 85% becomes my collection efficiency but, only 74% of those customers may have paid me, some may have paid me more than one EMI.

Okay, by loan value is it fair to assume that more than 20% is under moratorium, by this collection efficiency also due because of any EMI which has been from the previous point. So, that also increases at the numerator?

You take the morat percentage on value and volume to be similar for the timing but collection efficiency includes additional EMI paid beyond the current month due, because the customer may have availed of morat or let's say the month of March, April, May and June. Then my collection executive goes there, and he realizes the grave impact of moratorium in terms of the increase in the loan tenure. He chooses to pay June and May EMI this month which goes into the collection efficiency.

Correct, this is the way. And the second question that I had was, that the leverage in home finance has gone down. Is this only because of the drop in AUM or there has been some capital infusion as well?

In FY20, there was no capital infusion, we had the capital infusion in FY19 of Rs 200 crores and if you see our leverage has already gone down in FY20 itself. And further, during this quarter the net leverage levels remain same as in Q4 FY20, though the cash levels have increased drastically.

Okay. So, location is like the strategy around home finance. How are we looking at this business, do we intend to grow that business faster than the company or are there any plans in terms of infusing further capital in that business or how are we looking at that business in the current scenario?

See right now there is no plan to increase any capital further because our leverage is very, very low. Slowly and gradually we are increasing the disbursement relating after this shutdown. So, month-on-month, it will be the second month where we will increase our disbursement but with very tighter risk management where most of the disbursement is happening only on documented salary which is a less risky and predictable stuff. In a calibrated way, we are increasing the disbursements, we are also having branches where we think we can create good business. The whole effort is just to move back to the calibrated growth path in terms of overall disbursements and collection in any case, I think month-on-month efficiency is very, very high.

Do you plan to lend only to salaried incrementally?

Yes, our target is about 75% to documented salary and rest to those segments which are not impacted by COVID.

If, I can just add the same distribution network, which is doing disbursements of Rs 20 crores right now, 40 months back in March 17 had done a disbursement of Rs 300 crores, but we have obviously tightened our credit policy substantially. But I'll give you a perspective that the same number of branches actually had disbursed in a single month Rs 300 crore.

Sir, can you explain your market share gains in the broking segment what has led to this?

We have market share increase on both cash and F&O side of our business and even our mix is also improved towards the cash budget during the quarter. So, both of these have led to the overall increase.

Yes, but what is leading to this market share gains are the question, is it whom are you gaining from or?

It is due to the delivery segment and as we have already stated that we have been continuously expanding this business, whether through digital, whether through acquiring small broking houses and the overall opportunity of consolidation available in the market and we've seen that benefit because we've actually had about 500 employees in this business recently and I have expanded further branch count as well and that is leading to the overall enhancement of the network and increase in the market share gains as well for us.

And you see the strength?

Sorry, if I can add the structural trend of, if you look in the last one year, the top 10 brokers are anyways continuously gaining market share. Again, there are five odds out of those top 10 which are also gaining market share within the top 10. We are a part of those set of brokers who are gaining market share. In fact, that is what has been driving us to, even before this huge surge in the retail volumes that you've seen in the course of the last six months. The whole plan to substantially augment the sales team as well as the physical branch network we have, we are going slow right now but we have set out to more than double our branch network in the current year. We are actually going a little slower on that plan, given the COVID situation, but, geographically our presence has still a lot of headroom to grow as we've put in our presentation. Our penetration if you divide the country into North, East, West, South, the market share that you see of 3% would be much higher in West, much lower in North, lower in South as well and so the headroom for us to take our market share up in West itself is there. Firstly, let's say if you look at all the states in the West, our market share in Gujarat would be much lower than Maharashtra. There's a lot of headroom to open up branches in various locations that we're not even present today. And this applies even more for North India and South India. Structurally, the trend towards top 10, within that towards the bigger five, continuous improvement in the research offering, in the advisory offering, in the technology capabilities, there are lot of levers where we see the strength of big becoming bigger will be continuing. There's another trend that 92% of all instrumental business in the last decade has been done by the top 10 brokers. But the market share of top 10 brokers is not 92%.

Okay. That's good to hear and do you see this trend continuing of market share gains in the next couple of quarters also given that you have added 500 employees?

There is no prediction, we make of a month-on-month or a quarter-on-quarter trend. But if you see, these investments are being made to grow the salience in the market. If my physical geographical salience is going to be up, and the product is powerful, the offering is great, the brand name is strong, we see no reason why I can't open a newer branch in Punjab or in Gujarat or in Tamil Nadu. I will not reach that market share in the next three years' time, it may take time, but it will definitely add to my market share in a geography where I was zero, and will actually mean that my overall market share should go. Quarter-on-quarter is very tough to predict.

Just to add what Navin said, we always look at the revenue market share rather than the turnover market share. The whole effort is how do we acquire new customers, how do we add to the distribution and make sure that yield is also very high. So, the focus is on revenue, not only on market share or not even on new customers added. You can add new customers by discounting as well as without any volume being contributed.

Absolutely right sir. Sir and one more point if I can, the distribution penetration that seems to have flattened out in the last three, four years, in FY17 it was 14 and in quarter one of 21, it's around 15 went up to 16. Is there a challenge being faced by us, because you also have highlighted in the past that there is significant headroom to grow over years. What is stopping us sir, why is this penetration rates not increasing?

Motilal I'll just answer that. In the last nine months, this AUM does not include the insurance cross sell. We started the process of insurance cross sell in the second half of FY20 and on a month-on-month basis, we've seen very, very strong traction in the insurance. Now that comes as a part of the distribution income but does not come as a part of the AUM. There are different points in time where the focus is different. Right now, anyway the industry is facing, as far as the equity are concerned, headwinds. It's best to keep your network engaged and strategically we wanted to make this addition anyways. So, while it is continuing to add to the top line, it is not adding to the AUM, because that is not an AUM product for us.

And to even add, earlier, we used to calculate the same ratio close to 11 lakh, 12 lakh, clients but in last four, five months, we have seen almost like 3, 4 lakhs clients getting added, that is also factoring.

And if I may ask sir, obviously there's been a leadership change at the AMC level, any change in this thought process strategy or the strategy remains the same?

There is no change in the strategy at all.

I had one question on this negative oil price settlement provision that we have made. There is a disclosure in the annual report, and we have provided entirely for it in Q1. Any update in terms of where that cases in terms of arbitration and what recovery can we expect and any outlook on timeline?

We are very hopeful of the recovery because client has paying capability. There are two legal battles which we are fighting, one is, we have filed against the cheques, the way we feel they have done is really not acceptable legally. And second thing is, we also have filed against the client in the court where we have got the positive order on securing the cheques, not directly, but the court has asked them not to sell any assets, not to dispose of any assets till the arbitration happens and we have got also date for the arbitration. We are hoping that in the next couple of months, the arbitration should come and then we can go back to the court about the assets against the client and then let's see what happens in the case against the MCX. And I'm quite hopeful that either we get the money from MCX or we'll get the money from the client.

And sir, this question is for Mr. Shalibhadra. Sir, you have highlighted that you are considering various options in terms of the new regulatory changes. So, just wanted to check, is there a scenario where you are considering, cutting down some of your broking yields because now the clients would have to put in higher margins. That has some costs. So, would you consider reducing your yields to accommodate the higher margin requirement from clients?

It's too early to come to any conclusion about the pricing because pricing is also decided by the market and finally what call the regulators take. There is a lot of review happening at those levels. But, we have seen whenever any change happens, even if regulatory, the market gets adjusted so, either the clients arrange the money or somewhere the NBFC books can confront that margins.

Okay. And sir finally given the current environment, a lot of businesses which have long term good prospects, could have some opportunity from a private equity perspective and in that context are we looking to raise some new funds on the business excellence fund specifically?

We have a very large fundraise that we had done- Rs 24 billion, which is deployed to the tune of 60%. We have got dry powder of almost Rs 1000 crores. We made some deployment during the current quarter, we have not completed the transaction, we've not made the announcement. But we are very excited about the prospects of making those investments over the course of the next six to nine months. Fresh capital raising is not on the cards till we cross 80% deployment of this fund, another 25% deployment or about $100 million of deployment is hopefully likely to happen in the next 12 months' time, which is a point in time that IBEF-4 will be concealed.

I have two questions on the broking business. What kind of client deposit you would have in terms of cash and cash equivalent and what interest bearing or interest income the broking business would have out of this?

We have client deposits which are kept with us in the form of liquid funds, fixed deposits or client cash. And they are equivalently placed either in the exchanges or in the client bank account and that is kept in as a margin for risk positions in the exchange. That is one part of the thing and in terms of the overall interest charges, if there is a margin shortfall, or if there is a client debit that remains outstanding due to the either T+5 funding or margin funding, we charge interest on that.

What interest income we would have had on that?

We have given our book sizes, we have a margin funding book size of Rs 5.4 billion and further we have T+5 book size of about Rs 6 billion which is close so about Rs 1100 crores of debit on which there is an interest income that we charged.

There was some concern in the media that the brokers can't earn interest on the client money, which is in the form of the float. Is there any legal provision and does that change the earnings of the company? How should I understand that, I'm just struggling with that?

As far as the regulatory framework is concerned, the money has to be segregated and kept in the client's bank or if the positions are there, then they have to be kept in the exchanges. This position remains intact. As far as the client money, they get deployed in the exchanges or remains with the bank, there is no yield of money on that.

In a nutshell, Manish there is no float income, but the capital required due to increase in margining requirement is funded by the client and that funding is something which also reduces the overall risk of how the business is being run, which is also the regulatory objective. And whatever interest income you see that we make is effectively a fund-based activity for us where there is borrowing as we've articulated in the past, we don't lend out of our equity funds. There is borrowing and against that there is lending so there's a spread that you earn on that.

Sure. And my other question will be on some news that said there can be indirect trade through the exchange for the clients. Is there any merit in that and has it been done anywhere, and what will be your position here?

I don't see any precedent of that, don't have a view whether it will happen in India, we see there are a lot of challenges to roll out something like this. So, we don't have any comment on that. There is no precedent of this anyway.

Sure. And my last question will be what percentage of our broking trade will be happening online for us, as a percentage of our total volume?

Yes, as of June 56% of trades are happening through online channels. Value could be around 40%.

Couple of quick clarifications on the home finance business. First one is, could you talk about if you have used the TLTRO or other refinance facilities that were made available in the first quarter and what would be the quantum and the cost of funds there, and the second question is, if you could also indicate the collection trends in the month of July and if you've seen substantial improvement versus June?

Yes, sure. On the housing finance borrowings, we have participated in the TLTRO as well as the NHB refinance and we've got both of these financing in Q1. While we have stated that in Q1, we've already raised Rs 4 billion of borrowings, that's on account of the TLTRO plus the NHB refinance put together. We have already got money there, which is Rs 3 billion out of these two windows. And coming to the second question on the July numbers, they have been bettering than the overall June numbers and we are seeing these number coming down for us materially.

Just to be specific the July collection is high by 4% then June.

Okay. And just as an extension in that context, how do you see the current level of provisioning on the book and any outlook on the credit cost line for the year?

We had already started providing for the same since Q4 FY20 itself where we had already done Rs 8 crores of provisioning and further during this quarter, we have done Rs 13 crores of extra provisioning. We have assumed a higher probability of default as per the ECL model. We would also content to further go on providing provision over next two quarters.

Thank you. Ladies and gentlemen, due to time constraint that was the last question. I now hand the conference over to Mr. Shalibhadra Shah for closing comments.

On behalf of Motilal Oswal Financial Services, I would like to thank every participant for attending the Q1 FY21 con-call. In case of any further queries, please do get in touch with me or our Investor Relations desk. Thank you, have a great day and take care, bye.

PRESS RELEASE

Motilal Oswal Financial Services reports PAT of Rs 1.67 bn, +29% YoY in Q1FY21.

Mumbai, July 31, 2020: Motilal Oswal Financial Services Ltd. announced its results for the quarter ended June 30, 2020 post approval by the Board of Directors at a meeting held in Mumbai on July 31, 2020.

Performance for the quarter ended June 30, 2020

- In Q1FY21, consolidated revenues stood at Rs 6.33 bn, +1% YoY. Consolidated PAT grew by 29% YoY at Rs 1.67 bn. Operating profit excluding MTM on fund based investments grew by 4% YoY At Rs 1.03 bn. Reported profit was higher on account of higher MTM gain (Rs 1.3 bn,+334% YoY) on fund based investments during the quarter.
- **Some of the key highlights** for the Q1FY21 includes highest ever quarterly profit for broking business, gain in market share sequentially, strong pace of client addition, continued investment in talent & distribution network, AMC AUM back to near highs, quarterly trend of positive net flows continues, digitally launched India's first NFO of S&P 500 index fund, continued expansion in AMC's branch, sales and IFAs, sharp reduction in cost of funds of home finance business driving margin expansion, traction in collection efficiency, falling morat numbers MoM, special Covid related provisioning of Rs 210 mn, PCR increased to 87% and continued superior quality of new book underwritten.
- Consolidated net worth stood at Rs 32.8 bn, net debt is Rs 37.4 bn. Excluding Home finance, net debt is Rs 9.3 bn. Overall debt is down by 4% YoY. Total D/E declined to 1.4x. Ex-MOHF D/E stood at 0.5x. Net of investments, we have a net cash balance sheet. RoE for Q1FY21 stands at 33% (ex-OCI & exceptional item).
- Company has initiated Buyback of equity shares upto Rs 1.5 bn (excluding tax).
- Besides financial performance, recent time has been very eventful in terms of our successes in brand building, advertising and several other fronts. MOFSL got inducted in "Hall of Fame" at 10th Financial Advisory Awards 2019. MOFSL rank 2nd "Best Local Brokerage" in Asia Money broker's poll 2019. Our latest Ad on "Skin in the Game" has received appreciation in various media. These and several other recognitions of Motilal Oswal as a preferred consumer and employee brand in financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, MD & CEO said "*During this unprecedented time, we have successfully migrated all of our employees to WFH and despite WFH we haven't witnessed much impact on our businesses. In fact, in most of our fee based businesses we have seen traction; retail broking business which is our oldest and cash cow business has achieved new high on various parameters. Our strategy to diversify our business model towards linear sources of earnings continues to show results. Our Asset Management business is likely to gain from strong product performance and its niche positioning. Our Housing finance business is set for new beginning as all legacy issues are behind with incremental focus on profitable growth. Our traditional broking business benefitted from industry consolidation with its knowledge driven phygital offerings. Each of our 7 businesses offers headroom for growth."*

Performance of Business Segments for the quarter ended June 30, 2020

- **Capital markets Businesses (Broking & Investment banking)**
  - Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 3.44 bn, +24% YoY in Q1FY21 and contributed ~44% of consolidated revenues. Profits excluding exceptional item were Rs 573 mn, +58% YoY and contributed ~59% of consolidated operating PAT.
  - Broking and distribution business profit grew by 53% YoY and 36% QoQ at Rs 613 mn in Q1FY21 led by healthy volume growth of 51% YoY and gain in market share.
  - In broking business, we have reported one time exceptional provisioning of Rs 666 mn (post tax) on account of negative price settlement effected by MCX vide its circular dated April 21, 2020, in respect of Client positions entered by the company as a Commodity Broker. The Company has filed writ petition before the Bombay High court (BHC) against the MCX circular and the said writ petition is pending. Moreover, the company has filed arbitration petition for interim relief before the BHC against the client where the court has directed the client not to dispose-off its assets. Further, the company has filed an arbitration claim for recovery of outstanding debits against the client. The company is hopeful of recovery as the client is reputed entity and has resources to pay. However, pending the arbitration proceedings, we have conservatively provided for the full outstanding amount in Q1FY21.
  - In **Retail Broking & Distribution**, our Market share has improved by 40 bps QoQ to 3%. We have witnessed strong traction in new client addition driven by Franchisee and retail channel , total 86,000+ clients acquired in Q1FY21, +166% YoY. Active clients have also registered 24% YoY growth at 4.1 lacs as of June 2020.
  - Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM grew by 13% QoQ at Rs 102 bn as of Q1FY21. With only 15% of the 1.5 million client base tapped, we expect a continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.
  - In **Institutional Broking**, there was substantial improvement in rankings in ASIA MONEY POLL 2019 with 2nd Rank – Best Local Brokerage, 1st Rank - Best Overall Sales, 1st Rank – Best Sales Trading, 1st Rank – Best Corporate Access. This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors. We have also launched our 1st edition of virtual conference amid this lockdown period. During lockdown we are arranging expert / management calls on daily basis for clients. Numbers of notes are up by ~30% during this period.
  - **Investment Banking** business continues to engage on a wide cross-section of mandated transactions across capital markets and advisory. In Q1, we executed two buyback transactions, including a tender offer buyback.

- **Asset Management businesses (AMC, PE and PWM)**
  - **Asset Management** business AUM across MF, PMS & AIF stood at Rs 352 bn, +18% QoQ. Our AMC ranks 15 by total equity assets; in PMS we maintain a leading position. PAT for the quarter stood at Rs 240 mn as AMC's profit was impacted on account of lower average AUM post unprecedented market correction in March.
  - Our Equity MF AUM of Rs 196 bn is just 1.9% of the Industry Equity AUM of Rs 9.6 tn. We have seen improvement in performance of several products. Several schemes rank top decile in performance since inception as well as over the last 1 year. We witnessed traction in gross as well as net flows.
  - MOAMC digitally launched India's first NFO of MO S&P 500 index fund amid lockdown.
  - Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~46%.

- **Private Equity** has committed investment AUM of Rs 65 bn across 3 growth capital PE funds and 4 real estate funds. In Q1FY21, revenues stood at Rs 219 mn and PAT stood at Rs 52 mn. The 1st growth fund (IBEF 1) has delivered an XIRR of ~27%. Average IRR on exited investments in Real estate funds is 21%+. Strong performance and positioning has also aided new fund raise, we have have achieved final close of IREF IV fund at ~Rs. 11.5 bn in February 2020. The fund has deployed Rs.5.3 bn across 9 investments.
- **Wealth Management** business AUM grew by 14% QoQ at Rs 178 bn in Q1FY21. RM count of this business stood at 131. Our trail revenues predominantly cover our fixed costs. Investments in strong RM addition suppressed reported profitability. Strong traction in Net sales with multi-quarter high at Rs 8 bn.
- Overall **Asset and Wealth Management** revenues were Rs 1.5 bn in Q1FY21 and contributed 19% of consolidated revenues. Profits were Rs 292 mn and contributed 30% of consolidated operating profits.

- **Housing finance business**
  - Motilal Oswal Home Finance (MOHFL) reported profit of Rs 111 mn in Q1FY21. Reported profit looks suppressed due to higher tax on account of reinstatement of tax asset post migration to new regime. Excluding this, PAT for the quarter would have been Rs 170 mn, +2% QoQ.
  - Yield on Advances improved by 40bps YoY to 14.3% in Q1FY21 while Cost of Funds is down by 30 bps QoQ / 50bps YoY to 9.8%, resulting in expansion in Spread to 4.5% and NIM to 5.8% in Q1FY21.
  - We have raised Rs 4 bn in Q1FY21 at incremental cost of 8.6%. We expect average CoF to trend lower over next 3 quarters.
  - Loan book stood at Rs 36.8 bn as of Q1FY21. Disbursements in Q1FY21 were Rs 238 mn. New book sourced from April'18 validates the new credit policy with 10 cases in NPA out of ~6000 loan cases.
  - GNPA at 1.75%, NNPA at 1.28% 1+ DPD stands at 9%.
  - We have further enhanced provisioning in Q1FY21 by Rs 130 mn considering potential Covid-19 impact. This has resulted in increase in our PCR to 87% as of Q1FY21. Total provision towards Covid-19 impact stands at Rs 210 mn as of June-20.
  - Opex was brought down to further Rs 210 mn in Q1FY21 and is down ~27% from the high. As a result, Cost to Income ratio is now down to 36%.
  - We have provided moratorium facility to ~26% of customer base as of June 20 based on customers' request.
  - Strong support from parent continues with total capital infusion to Rs 8.5 bn. Net Gearing stands at 3.2x and Tier 1 CAR remains robust at 42.6%.
  - Limited borrowing repayment for next 1 year, strong undrawn borrowing lines (Rs 7.4 bn+), Cash on Balance sheet of Rs 3 bn places us in comfortable liquidity situation.

- **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.
  - **Fund based** investments like commitments to our asset management products.
  - Total quoted equity investment including unrealised gains was Rs 12.7 bn as of Q1FY21.
  - Total equity investment including alternate funds was at Rs 18.6 bn as of Jun-20, Cumulative XIRR of these investments is ~11.6%.

About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. is a financial services company. Its offerings include capital markets businesses (Retail broking, Institutional broking & Investment banking), Asset & Wealth Management (Asset Management, Private Equity & Wealth Management), Housing Finance & Equity based treasury investments. Motilal Oswal Financial Service won the 'Brand of the Year' award at the IBLA CNBC TV 18. Motilal Oswal Securities won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards for the 6th time. It was ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services & Best Roadshows/Company Visits & amongst the Top-3 in Best Local Brokerage, Best Execution & Sales Trading Visits at the Asia Money Awards 2015. Motilal Oswal Private Equity won the ‘Best Growth Capital Investor-2012’ award at the Awards for PE Excellence 2013. Motilal Oswal Private Wealth Management won at the UTI-MF CNBC Financial Advisor Award in HNI Wealth Management category for 2015.