Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397
Regd. Off.: Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025
Board: +91 22 7193 4200 / 4263
Fax: +91 22 5036 2365

May 05, 2022
To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051

Sub: Clarification/ Confirmation on news item appearing in "Media/Publication"

Ref : NSE/CM/Surveillance/11935

Dear Sir/Madam,

With reference to the captioned subject and recent news item which appeared in the "economictimes.com" dated May 02, 2022 captioned SEBI imposes Rs. 25 lakhs fine on Motilal Oswal Financial Services, we wish to submit herein below para wise reply/clarification to the queries raised by your good office.

a) Whether such negotiations/events were taking place? If so, you are advised to provide the said information along with the sequence of events in chronological order from the start of negotiations/events till date.

Reply/Clarification

We wish to inform you that SEBI along with Exchanges and Depositories had conducted joint inspection of our trading and demat business i.e. Annual Audit conducted at every broker by SEBI in routine practices. Inspection period was April 2018 to August, 2019. SEBI had certain observations during inspection which were technical and operational in nature and had issued a show cause notice vide letter no: SEBI/EAD-3/BM/LD/31186/2021 against Motilal Oswal Financial Services Limited ("MOFSL") dated November 01, 2021, with respect to their observations. Following that, on December 28, 2021, MOFSL filed its reply to SEBI and personal hearing was conducted on February 14 2022. Thereafter, SEBI vide adjudication order No. ORDER/BM/LD/2022-23/16301 dated April 29, 2022 have imposed the penalty of Rs. 25 lakhs. It is pertinent to mention here that the Company has received the copy of the aforesaid order on the evening of May 04, 2022 (i.e. yesterday evening) and is currently legally reviewing the same.

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b) Whether you/company are aware of any information that has not been announced to the Exchanges which could explain the movement in the trading, if any? Further, you are advised to provide the said information and the reasons for not disclosing the same to the Exchange earlier as required under regulation 30 of the SEBI (LODR) Regulations, 2015.

<u>Reply/Clarification</u>

We wish to submit here that the copy of the aforesaid SEBI adjudication order was uploaded on SEBI's website, based on which the article was published by news/media agencies.

We also submit here that there is no impact of the said SEBI adjudication order on the movement in the trading of MOFSL.

Further, the above said adjudication order passed by SEBI is not a material information in terms of Regulation 30 read with Part A-Para B of Schedule III of SEBI (LODR) Regulations, 2015. Pursuant to the provisions of policy on determination of materiality of events/information, the Key Managerial Personal (KMP) of the Company have analysed the event and concluded that the aforesaid SEBI adjudication order is with respect to routine and operating matter of the Company and there is no material impact on the revenue/ fundamentals and hence, the Company has not submitted any disclosure in this regard.

c) The material impact of this article on the Company

<u>Reply/clarification</u>

The same is covered under point b hereinabove.

We hope you will find the above clarification in order

Yours Faithfully
For Motilal Oswal Financial Services Limited

Kailash Chunnilal Purohit
Digitally signed by Kailash Chunnilal Purohit
Date: 2022.05.05 11:28:23 +05'30'

Kailash Purohit
Company Secretary & Compliance Officer