Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel ST Depot,
Prabhadevi, Mumbai - 400025

+91 22 7193 4200/4263
www.motilaloswal.com

motilal oswal
think wealth creation

August 05, 2026

To,

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001
Security Code: 532892

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051
Symbol: MOTILALOFS

Sub.: Revision in ESG Rating received from ICRA ESG Ratings Limited: Upgrade in Impact Rating to '80 (Outstanding)' from '76 (Good)'

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended), we wish to inform the Exchanges that ICRA ESG Ratings Limited ("ICRA ESG") has upgraded **[ICRA ESG] Impact Rating to '80 (Outstanding)' from '76 (Good)'**. The Rating Letter along with the rationale letter issued by ICRA ESG are enclosed herewith.

As part of its review, ICRA ESG undertook a comprehensive evaluation of the Company's Environmental, Social and Governance ("ESG") framework based on, *inter alia,* disclosures made in the Company's Annual Report, publicly available information, various policies and codes, internal processes, management practices and ESG approach, environmental stewardship, social responsibility initiatives, corporate governance practices including internal controls and risk management systems.

Based on the assessment, ICRA ESG has assigned the following scores to the Company:

- **Environmental Pillar: Score of 78 – "Good"**, reflecting the Company's low environmental footprint, improved climate disclosures, value-chain sustainability assessment/initiative, and ESG Vision 2030 commitments.
- **Social Pillar: Score of 83 – "Outstanding"**, recognising the Company's strong employee welfare practices, customer protection framework, learning and development initiatives, and expanded community impact.
- **Governance Pillar: Score of 80 – "Outstanding"**, supported by enhanced Board diversity and independence, robust governance practices, transparent disclosures, and strengthened Board-level ESG oversight.

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The Company believes that this independent ESG rating reaffirms its commitment to strong governance, responsible business conduct and sustainable value creation, and provides additional comfort to investors regarding the robustness of its ESG practices.

The said Rating Letter along with the rationale letter will be uploaded on the Company's website at www.motilaloswal.com and is available on the website of ICRA ESG at www.icraesgratings.in.

The information was communicated to the Company at 03:25 p.m. on August 05, 2026.

We request you to take the above on record.

Thanking you,

Yours faithfully,

For Motilal Oswal Financial Services Limited

Kailash Chunnilal Purohit
Digitally signed by Kailash Chunnilal Purohit
Date: 2026.08.05 18:12:16 +05'30'

Kailash Purohit
Company Secretary & Compliance Officer

Encl: As above

ICRA ESG RATINGS
Insights that empower

Ref: ICRAESG/MOFSL/05082026/02

Date: August 05, 2026

Mr. Shalibhadra Shah,
Chief Financial Officer
Mr. Kailash Purohit,
Company Secretary & Compliance Officer

Motilal Oswal Financial Services Limited
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST. Depot, Prabhadevi, Mumbai-400025

Dear Sir,

Re: [ICRA ESG] Impact Rating 80, Outstanding

Please refer to your ESG Impact Rating Agreement dated November 06, 2025, requesting ICRA ESG Ratings Limited ("ICRA ESG") to review the ESG Impact Rating assigned to your company on an annual basis or as and when the circumstances so warrant. The [ICRA ESG] Impact Rating 76, Good assigned to your company has been upgraded to **[ICRA ESG] Impact Rating 80, Outstanding** after the due consideration of the Rating Committee of ICRA ESG, post the review of the assigned ratings. Please refer to our website for details on rating symbols and definitions.

In any of your publicity material or other document wherever you are using the above Rating(s), it should be stated as **[ICRA ESG] Impact Rating 80, Outstanding**.

The aforesaid Rating(s) will become due for surveillance within one year from the date of initial rating communication letter. However, ICRA ESG reserves the right to review and/or, revise the above Rating(s) at any time on the basis of new information becoming available, or the required information not being available, or other circumstances that ICRA ESG believes could have an impact on the Rating(s). Therefore, request the stakeholders to visit ICRA ESG website at www.icraesgratings.in for latest Rating(s) of the Company.

You are also requested to forthwith inform us about any other developments which may have a direct or indirect impact on the ESG profile of the company. The Rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold any investment in the rated issuer.

We thank you for your cooperation and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA ESG Ratings Limited
(Previously known as Pragati Development Consulting Services Limited)

Sheetal Sharad
Chief Ratings Officer, ICRA ESG Ratings Limited
Email: sheetal.sharad-esg@icraindia.com

Encl.: Annexure I - ESG Rating

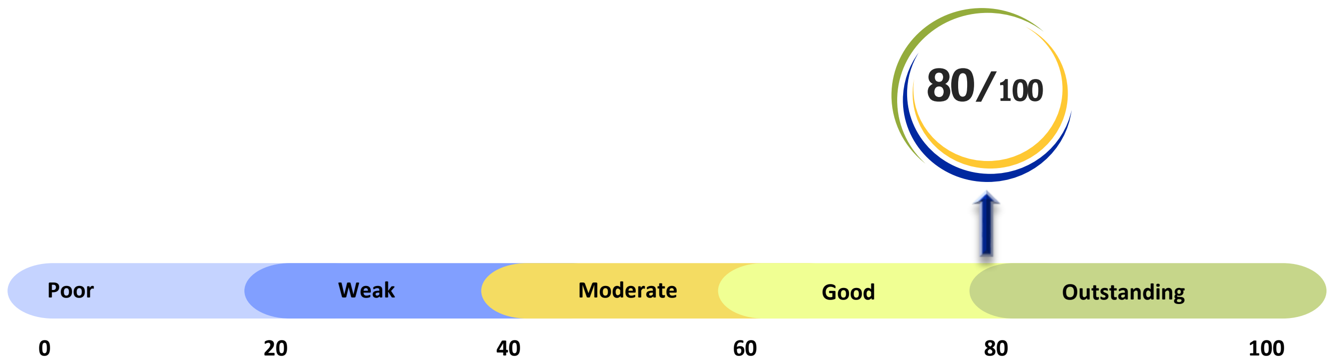
ICRA
ESG RATINGS
Insights that empower

Annexure I: ESG Impact Rating Break-up

Rating Type	Existing Score	Existing Symbol	Revised Score	Revised Symbol
ESG Impact Rating	**76**	**Good**	**80**	**Outstanding**
- Environment	72	Good	78	Good
- Social	83	Outstanding	83	Outstanding
- Governance	75	Good	80	Outstanding

August 05, 2026

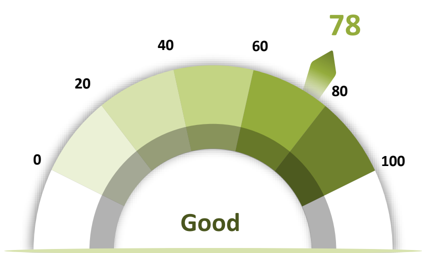
Motilal Oswal Financial Services Limited: Update on Material Event; Rating Upgraded



Summary of rating action

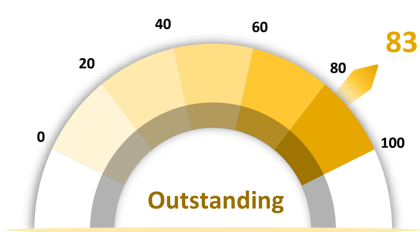
Motilal Oswal Financial Services Limited	Previous Score	Rating Symbol	Current Score	Rating Symbol	Rating Movement
ESG Impact Rating	76	Good	80	Outstanding	⬆

Environment



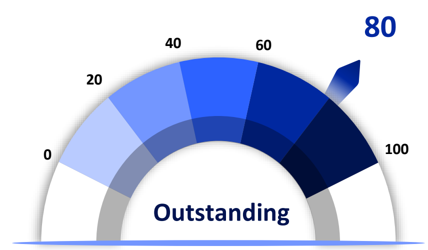
Weightage: 45%

Social



Weightage: 25%

Governance



Weightage: 30%

Material Event

Motilal Oswal Financial Services Limited (MOFSL) released its FY2026 Business Responsibility and Sustainability Report (BRSR) in June 2026. The report also marked the transition from standalone to consolidated ESG reporting along with the introduction of the Group-level ESG Vision 2030. Accordingly, the BRSR covered performance of the flagship entity Motilal Oswal Financial Services Limited along with three material subsidiaries Motilal Oswal Asset Management Company Limited (MOAMC), Motilal Oswal Finvest Limited (MOFL), and Motilal Oswal Home Finance Limited (MOHFL).

Impact of Material Event

ICRA ESG reviewed the updated FY2026 disclosures and received inputs from the management. Consequently, the ESG Impact rating was upgraded to **80 (Outstanding)** from **76 (Good)**. The environmental profile benefited from the commencement of value-chain ESG assessments, adoption of ESG Vision 2030 with specific targets and broader climate-related disclosures. The governance profile was supported by the efforts made by the company to improve board level independence, diversity, and strengthening of board-level sustainability oversight through introduction of formal ESG commitments. The social profile remained broadly stable, supported by improved gender pay parity, higher CSR outreach, and employee development initiatives, although elevated attrition levels, and rising income inequality remain monitorable.

Environment

78 (Good)
revised from 72 (Good)

The environmental score was revised upwards from **72 (Good)** to **78 (Good)** after factoring in the progress in MOFSL's ESG journey with improvements in environmental indicators including GHG emissions, air emissions and value chain sustainability profile. During FY2026, the company transitioned from standalone to consolidated ESG reporting, resulting in an increase in reported energy consumption, emissions, water consumption and waste generation. However, the impact of the expanded reporting boundary was largely offset by higher revenues, resulting in resource and emissions intensity metrics remaining broadly stable or improving across key parameters. Energy intensity improved to 4,472 MJ per Rs. crore of revenue in FY2026 from 5902 MJ per Rs. crore in FY2025, while water intensity improved marginally to 10.6 KL per Rs. crore of revenue from 10.8 KL per Rs. crore alongside GHG emission intensity improving to 0.90 tCO_2e per Rs. crore of revenue in FY2026 from 1.19 tCO_2e per Rs. crore of revenue. The company continues to implement various resource-efficiency initiatives including LED lighting, occupancy sensors, variable refrigerant flow (VRF) air-conditioning systems, thermal glazing solutions, server virtualisation and paperless workflows

The company's overall low resource intensive profile is factored favorably in its environmental score. In FY2026, MOFSL reported renewable energy consumption, through its Malad office operation. This currently represents only ~0.3% of the overall energy mix, however, it marks the company's progress towards its stated decarbonisation ambitions. Substantial growth in renewable energy adoption would be crucial for its energy management score. Further, the company has articulated a formal environmental strategy under its ESG Vision 2030, including a target to reduce carbon intensity by 20% and expand renewable energy adoption at key locations. Meaningful progress against these targets remains crucial.

Climate-related disclosures strengthened materially during FY2026. Following the transition to consolidated reporting and expansion of reporting boundaries, MOFSL's Scope 1 emissions increased to 203.46 tCO_2e from 6.76 tCO_2e, while Scope 2 emissions increased to 8,205.83 tCO_2e from 6,369.77 tCO_2e, primarily reflecting broader coverage of group operations. The company also significantly expanded its Scope 3 reporting boundary, with Scope 3 emissions increasing to 29,480 tCO_2e from 11,116 tCO_2e in FY2025 due to inclusion of additional categories such as purchased goods and services, capital goods, leased assets and employee commuting. While ICRA ESG does not directly evaluate the absolute magnitude of Scope 3 emissions, the enhanced disclosure framework and formalisation of a carbon-intensity reduction target indicate increasing climate governance maturity.

MOFSL's air emissions profile improved with better reporting of its impact, which remained negligible. MOFSL reported direct emissions of 0.0163 tonnes of nitrogen oxides (NOx), 0.0071 tonnes of sulphur oxides (SOx) and 0.0009 tonnes of particulate matter (PM), primarily arising from diesel generator usage, office infrastructure and backup power systems. This represents an improvement over FY2025, when quantitative air emissions disclosures were not reported. The company also installed Electric Vehicle (EV) charging infrastructure at its registered office during the year and continues to focus on energy-efficiency measures that indirectly support lower air emissions. As this represents the first year of quantitative air emission disclosures, the trend and consistency of reporting remain monitorable.

Water consumption increased to 99,418 KL from 57,987 KL in FY2025 primarily due to expansion of reporting coverage. The company continues to maintain low water intensity and has implemented several conservation initiatives, including rainwater harvesting systems, sewage treatment plants at owned offices, recycled water reuse, sensor-based fixtures, dual-flush systems and water-efficient infrastructure. However, water recycling remains modest at approximately 5% in FY2026 (7% in FY2025), reflecting the limited availability of sewage treatment infrastructure across the company's owned office locations. Due to the predominantly leased nature of the company's branch network limits implementation of water recycling and treatment infrastructure across a significant portion of operations. Despite broad commitments towards efficient resource use under ESG Vision 2030, the company has not disclosed time-bound quantitative water reduction or recycling targets.

Waste management practices continue to be supported by a formal Waste Management Policy, waste segregation measures, e-waste recycling through authorised recyclers, reduction of single-use plastics and increasing digitisation. Although total waste generation increased to 32.29 MT from 25.93 MT, waste intensity improved on both revenue and employee base with waste recycling reported at ~74%. Continued expansion of paperless onboarding, digital account servicing and automation initiatives further supports resource efficiency. Nevertheless, the absence of formal waste reduction and recycling targets limits the ability to track long-term performance improvements.

The biodiversity profile remains broadly unchanged given the limited direct ecological footprint of the company's operations. MOFSL does not operate in, or around, ecologically sensitive areas and biodiversity-related initiatives continue to be largely CSR-led. During FY2026, the company undertook employee-led plantation drives and supported plantation of ~320 trees. Further, under the Company's CSR initiatives, approximately 12,000 fruit bearing trees were planted on the lands of marginal farmers. While ESG Vision 2030 includes a target to plant 10,000 trees, biodiversity-specific policies, initiatives and monitoring mechanisms remain limited.

Value chain sustainability underwent substantial improvement during FY2026, leading to the score upgrade. The company strengthened its Sustainable Sourcing and Preferential Procurement framework by conducting ESG assessments of the top 50 suppliers representing more than 50% procurement expenditure. Approximately 91% of assessed procurement value was found to be aligned with the company's ESG assessment criteria. In addition, ESG assessments have been integrated into vendor onboarding processes and supplier capacity-building initiatives have been expanded. These developments represent a significant improvement over FY2025, when sustainable sourcing disclosures remained largely policy driven. The ability to maintain and progress over the high sustainability procurement reported in FY2026 on a consistent basis remains to be seen. Expanding assessment coverage, introducing supplier sustainability targets and moving towards continuous supplier performance monitoring remain key areas for improvement.

Social

83 (Outstanding)
remained unchanged

The social profile of MOFSL continues to be supported by strong community-focused initiatives, comprehensive employee welfare programmes, better gender pay gap, extensive training infrastructure, and established human rights practices. At the same time, elevated employee attrition, rising income inequality and vulnerabilities surrounding the broking business continue to constrain the overall social assessment.

Within employee relationships profile, MOFSL reported nil fatalities, no high-consequence injuries and nil lost-time injury frequency rate (LTIFR) during the year. The company provides comprehensive employee benefits including health, accident and life insurance, parental benefits, wellness programmes, annual health check-ups, mental wellbeing support and fitness initiatives, with complete employee coverage. Employee well-being spending remained stable, while the company continued various interventions including new initiatives like wellness programmes, health coaches and internal mobility initiatives. During FY2026, the company delivered more than 17.2 lakh learning hours compared to 9.6 lakh hours in FY2025 through initiatives such as MO University, Paathshaala, leadership development programmes and partnerships with premier academic institutions. Further, MOFSL strengthened its diversity and inclusion framework through programmes such as WINGS (Women Initiative to Nurture, Grow & Succeed), women leadership initiatives and dedicated workforce diversity programmes. However, with the reduction in employee base and the change in reporting boundary covering consolidated businesses, the overall diversity declined to ~22% in FY2026 from ~26% in FY2025.

The company also introduced social commitments under ESG Vision 2030, including reducing attrition to 42%, increasing workforce diversity to 25%, and achieving 50% internal succession coverage. Despite these positive developments, workforce stability remains a key challenge. Employee attrition increased to 52% in FY2026 from 48% reported earlier due to change in reporting boundary covering consolidated business. Income inequality also widened during the year, with the highest-paid executive earning approximately 856 times the median employee remuneration compared with 794 times in FY2025. Nevertheless, gender pay parity improved meaningfully which supported the social profile, with the female-to-male median remuneration ratio increasing to 0.97x in FY2026 from 0.81x in FY2025, reflecting a narrowing wage gap. While management has initiated several retention-focused interventions, progress in reducing attrition and income inequality remains monitorable.

The human rights profile remains strong and is supported by comprehensive policies covering equal opportunity, prevention of sexual harassment, diversity and inclusion, employee welfare and grievance management. Human rights training coverage remained above 90%, while no discrimination, forced labour or child labour incidents were reported. During FY2026, the company reported 11 POSH complaints compared with six complaints in FY2025, a trend which will remain monitorable. All reported cases were investigated and resolved in accordance with company policies and statutory requirements.

MOFSL's business relationships continue to benefit from established customer grievance redressal mechanisms, adequate cybersecurity and data privacy track record. Customer complaints increased marginally to 5,082 in FY2026 from 4,790 in FY2025, primarily relating to service quality, operational issues, account-related concerns, transaction discrepancies and technology-related matters. The company maintains centralised complaint monitoring systems and reported resolution of all customer complaints through the prescribed framework.

In FY2026, no customer data breaches or major critical service disruptions were reported. Nevertheless, given the operationally intensive nature of the broking and wealth management industry, continued monitoring of service quality, technology resilience and customer grievance trends remains important. Micro, small and medium enterprises (MSME) procurement improved to 8.57% from 6.56% in FY2025, although it continues to remain relatively modest. Also, contrary to previous year, no fraud incidents occurred in FY2026.

MOFSL sustained its strong community relationships profile with wide beneficiary coverage over a diverse CSR programme. Standalone CSR expenditure increased to Rs. 20.10 crore (Rs. 17.19 crore in FY2025) against a statutory obligation of Rs. 20.08 crore, while consolidated CSR spending stood at ~Rs. 37.4 crore. Community programmes benefited more than 97,500 individuals compared with around 18,650 beneficiaries in FY2025 and covered areas such as education, nutrition, healthcare, livelihood development, agriculture, disability inclusion and women empowerment. The company continues to undertake independent impact assessments of major CSR projects and has further strengthened its social impact framework through ESG Vision 2030 targets, including support for 12 lakh underprivileged children, education for 10,000 girls, empowerment of 5,000 women and expansion of community initiatives across aspirational districts. These developments provide greater visibility on long-term community outcomes and strengthen the company's social impact profile. However, job creation in rural and semi-urban regions remained relatively limited, reflecting the predominantly urban nature of its business operations. Also, ICRA ESG notes that, in July 2023, the promoters committed to donate 10% of the Company's paid-up share capital for philanthropic purposes and have already commenced social initiatives across education, healthcare and community development, reflecting a long-term commitment towards societal development.

Governance

80 (Outstanding)
revised from 75 (Good)

MOFSL's governance profile strengthened during FY2026, supported by the transition to consolidated ESG reporting, enhanced board composition, increased representation of women and independent directors at the group level, introduction of a formal ESG Vision 2030 framework, and continued strengthening of disclosure and assurance practices. The company continues to benefit from its long operating track record, diversified financial services platforms, established governance architecture, board-level ESG oversight and transparent stakeholder communication practices.

As of date, MOFSL has 20% women representation in the Board (3 out of 15 directors)[1]. At the subsidiary level, women representation stands at 17% in MOAMC (1 woman director), 33% in MOHFL (2 women directors) and 25% in MOFL (1 woman director). While MOFSL continues to have no women representation at the KMP level, the Group benefits from the presence of women KMPs in certain subsidiaries, including one-woman KMP each in MOAMC and MOFL. Board independence remains strong across the Group, with eight independent directors (53%) on the MOFSL Board, while MOAMC, MOHFL and MOFL maintain at least 50% independent representation, with four, three and two independent directors, respectively. Further, board attendance remained strong across all entities, exceeding 90%, reflecting active participation in board proceedings and effective oversight. The company continues to benefit from separation of the Chairperson and Managing Director roles, with Mr. Raamdeo Agrawal serving as Non-Executive Chairperson and Mr. Motilal Oswal serving as Managing Director and CEO, supporting segregation between management and oversight responsibilities.

[1] Mr. Chandrashekhar Karnik is scheduled to complete his tenure/retire as an Independent Director of MOFSL on September 15, 2026. This will increase the women percentage in BOD to 21% from 20%.

The Board and committee structure continues to encompass expertise across finance, risk, compliance, technology, business management and governance functions.

As is prevalent with most players in this industry, there are various business segments and consequent various legal entities that operate. A strong governance architecture exists to manage various risks including transactions within the group. Over and above its mandated board committees, MOFSL has a dedicated Business Responsibility & Sustainability Committee, in addition to other internal committees reflecting a broader governance framework. While board diversity, independence and oversight improved following consolidation of material subsidiaries, continued monitoring of board effectiveness, independence, participation and governance quality across the parent and material subsidiaries remains important, particularly considering the potential inclusion of additional material subsidiaries in the assessment boundary. Further, the effectiveness of recently strengthened governance structures, committee oversight mechanisms and ESG governance processes will need to be evidenced through consistent execution and outcomes over time.

The disclosure and transparency profile remains strong. MOFSL continued to publish timely quarterly financial results, investor presentations, earnings call transcripts and annual sustainability disclosures. During FY2026, the company further enhanced disclosure quality through its first consolidated BRSR reporting exercise, broader Scope 3 emissions reporting, supplier sustainability assessments, air-emission disclosures and expanded ESG reporting across group entities. The company continued to obtain Reasonable Assurance on BRSR Core indicators and Limited Assurance on selected non-core indicators from an independent assurance provider, supporting credibility of reported ESG information. However, FY2026 also marked a significant change in reporting boundary, resulting in limited historical comparability for several environmental and social indicators, which remains a disclosure limitation until a longer consolidated reporting track record is established. Additionally, limited disclosures pertaining to water recycling performance and capital expenditure directed towards environmental and social improvement initiatives continue to constrain the disclosure assessment.

Governance oversight of sustainability matters strengthened meaningfully during FY2026. The company maintains a dedicated Business Responsibility and Sustainability Committee (BRSC) at the Board level, which is headed by independent director, and has incorporated ESG-related considerations into board evaluation processes. A notable development during the year was the formal adoption of ESG Vision 2030, introducing quantified environmental and social commitments for the first time. The ESG targets as part of this vision materially strengthen the company’s sustainability-focussed framework compared with the previous assessment, when no formal board-approved ESG targets existed, resulting in an improved Targets and Commitments Score. At the same time, governance maturity continues to be moderated by the absence of internationally aligned sustainability commitments. The company is not a signatory to the UN Global Compact or UNPRI and has not adopted Science Based Targets Initiative (SBTi)-aligned climate commitments. While ESG Vision 2030 represents a significant step forward, progress against these newly introduced commitments remains to be demonstrated over time. The absence of direct linkage between executive remuneration and sustainability performance also remains an area for future enhancement.

The governance assessment additionally factors in MOFSL's established risk management, compliance and cybersecurity framework. However, the broking and wealth management industry remains inherently exposed to operational, technology and regulatory risks. During FY2026, the company reported four SEBI-related enforcement or settlement matters relating primarily to operational and compliance matters. According to the company, all matters have been resolved or settled with corrective actions implemented and no material impact on business operations reported. Nevertheless, regulatory compliance and operational risk management remain important monitorables considering the scale and complexity of the group's operations.

Key Rating Drivers

STRENGTHS

- **Low resource-intensive operations with evolving value-chain sustainability integration-** MOFSL's environmental profile continues to benefit from the inherently low resource-intensive nature of its predominantly office-based financial services operations. While FY2026 marked a transition to consolidated ESG reporting, resulting in higher reported resource consumption, the company maintained favourable intensity metrics and initiated its first renewable energy procurement through green power adoption at its office in Malad, Mumbai. A notable development during FY2026 was the commencement of focused value-chain sustainability oversight, with ESG assessments conducted across the top 50 suppliers representing over 50% of procurement spend, of which approximately 91% were found compliant with the company's sustainability assessment criteria. Supplier ESG assessment has also been integrated into vendor onboarding processes, including assessment of value-chain health and safety practices, thus supporting improved ESG risk management across the procurement ecosystem. In addition, the company also declared time bound and measurable targets for its GHG emissions and renewable energy performance.

- **Established ESG Vision 2030 targets supporting long-term sustainability objectives -** MOFSL strengthened its sustainability framework through the launch of a formal ESG Vision 2030, introducing quantified environmental and social commitments. The framework includes targets relating to carbon intensity reduction, renewable energy adoption, workforce diversity, employee attrition, community development, women empowerment, education initiatives and strengthening governance frameworks. The same are subject to top management and board oversight, particularly led by the Board and Business Responsibility & Sustainability Committee. The adoption of measurable, board-monitored commitments is expected to support strategic integration of ESG considerations and long-term visibility of the Group's sustainability direction. The pace of the said integration and progress will be a rating monitorable.

- **Strengthened board diversity and independence at a consolidated level-** The governance profile improved following the move to consolidated reporting and continued board strengthening initiatives across the Group. ICRA ESG considers the board structure and performance of the material entities included in the BRSR. Consequently, women representation improved at the Board and the KMP levels after taking into consideration the material subsidiaries. The company further strengthened its governance framework through the recent appointment of two experienced independent directors with backgrounds spanning banking, governance, audit and financial services. This, along with the reconstitution of Board committees, resulted in independent directors constituting more than 50% of the Board at both the holding company and material subsidiary levels. Governance oversight is further supported by strong Board engagement, with attendance exceeding 90% across all entities considered for assessment. The company continues to maintain separation between the Chairperson and Managing Director roles, a dedicated Business Responsibility & Sustainability Committee, strong Board attendance and higher independent oversight across key committees continue to lend comfort.

STRENGTHS

- **Greater community impact with measurable long-term social commitments -** MOFSL continues to demonstrate a structured approach towards community development through the initiatives of the Motilal Oswal Foundation and its CSR programmes. At the consolidated level, CSR expenditure increased to ~Rs. 37.4 crore, benefitting more than 97,500 individuals across education, nutrition, healthcare, livelihoods, agriculture and women empowerment initiatives. This included CSR expenditure of Rs. 20.1 crore in FY2026 compared with Rs. 17.2 crore in FY2025, entirely covering the statutory obligations. The company has also expanded its partnership with the Akshaya Patra Foundation and continues to undertake independent impact assessments of major CSR programmes. Further strengthening its social impact framework, ESG Vision 2030 establishes measurable long-term commitments, including supporting 12 lakh underprivileged children, educating 10,000 girls and empowering 5,000 women. The combination of increased programme scale, broader beneficiary outreach and defined outcome-oriented targets supports a sustained community engagement profile.

WEAKNESSES

- **Scope to enhance employee retention and broader workforce metrics -** Despite continued investments in employee wellbeing, learning and development, workforce diversity and employee engagement initiatives, workforce stability remains a key monitorable, as is prevalent in this industry. With consolidation of business segments which also house high volumes of field salesforce, employee attrition increased to 52% in FY2026 from 48% in FY2025 constraining the employee relationships score. Further, income inequality remains significant, with the highest-paid executive earning 856 times the median employee remuneration (up from 794 times when measured on standalone basis in FY2025). Continued improvement in employee retention, workforce stability and broader remuneration metrics remain important for strengthening the social profile.

- **Industry-related operational and regulatory vulnerabilities** – As a technology-intensive financial services platform with significant exposure to broking, trading and wealth management activities, MOFSL remains exposed to operational, conduct, cybersecurity and regulatory risks. Customer complaints increased to 5,082 in FY2026 from 4,790 in FY2025, while the company reported four regulatory enforcement or settlement matters during FY2026. Although no material data breaches were reported and the identified regulatory matters were resolved, the scale of operations, high transaction volumes and increasing reliance on digital channels expose the company to potential service disruptions, compliance lapses, cyber incidents and conduct-related risks. To address the same, MOFSL has been making heavy investments in IT infrastructure and cybersecurity, which along with increased automation is crucial to address internal risks and maintain adequate service quality for its clientele. Nevertheless, these issues highlight systemic challenges that require continuous oversight and technology upgrades.

Rating Sensitivities

Positive Factors:

MOFSL's ESG rating could be upgraded if the company demonstrates measurable progress in integrating sustainability across its operations through higher adoption of renewable energy sources, increasing water recycling proportion with formalisation of clear, time-bound SBTi-validated targets. On the social front, reducing income inequality, and curbing attrition through structured retention strategies would positively influence the rating. From a governance perspective, improving diversity at board and KMP level on a consolidated basis, with demonstrated progress against committed targets would be positive rating triggers.

Negative Factors:

The ESG rating could be downgraded if MOFSL fails to depict a sustained progress in key sustainability areas. Continued increasing reliance on non-renewable electricity without a transition plan, and failure to achieve or delayed progress in achieving performance targets could weaken its environmental score. Higher incidence of internal and external grievances may adversely impact the social profile. A rise in cyber security incidents, decline in CSR coverage and expenditure could further weaken the score. On the governance front, weakening of board performance, transparency, recurrence of operational lapses, regulatory penalties and similar material events could reduce the overall ESG standing of the company.

Analytical Approach

Analytical Approach	Comments
Rating methodology	ESG Impact Rating Methodology
Rating scale	ESG Rating Scale
Last review date	February 04, 2026
Data Availability	Excellent
Rating boundaries	For arriving at the rating, ICRA ESG has considered the consolidated operations of Motilal Oswal Financial Services Limited, and the sustainability aspects disclosed through its Annual Report, ESG Policy, and other sustainability related policies and disclosures, along with inputs received during discussions in management meetings.

About the company

Motilal Oswal Financial Services Limited is a diversified financial services provider, and part of the Motilal Oswal Group headquartered in Mumbai, India. Promoted by Mr. Motilal Oswal and Mr. Raamdeo Agarawal, the Group has a track record of over 35 years across multiple verticals, including retail and institutional broking, wealth management, asset management, investment banking, and housing finance. MOFSL has a presence in equity markets and distribution platforms, supported by a nationwide network of branches and franchise partners, enabling penetration into urban markets.

At a consolidated level, MOFSL reported a total income of Rs. 9,416 crore in FY2026 compared with Rs. 8,417 crore in FY2025, reflecting growth across its asset management, wealth management, capital markets and lending businesses. Reported profit after tax stood at Rs. 1,865 crore in FY2026 compared with Rs. 2,508 crore in FY2025, while net worth increased to Rs. 12,888 crore as of March 31, 2026, from Rs. 11,079 crore as of March 31, 2025. At a standalone level, MOFSL reported total income of Rs. 4,890 crore and PAT of Rs. 923 crore in FY2026.

During FY2026, MOAMC, the Group's asset management business engaged in mutual funds, portfolio management services, alternative investment funds and passive investment products, reported revenue of Rs. 1,426 crore compared with Rs. 1,377 crore in FY2025, while its PAT stood at Rs. 596 crore against Rs. 656 crore in the previous year. MOHFL, the Group's affordable housing finance subsidiary catering primarily to retail home loans and loan against property segments, reported a revenue of Rs. 801 crore and a PAT of Rs. 159 crore in FY2026, compared with a revenue of Rs. 652 crore and a PAT of Rs. 130 crore in FY2025. MOFL, the Group's lending and capital market financing arm engaged in margin funding, loan against shares and other capital market-linked financing activities, reported revenue of Rs. 497 crore and a PAT of Rs. 195 crore in FY2026, as against a revenue of Rs. 735 crore and a PAT of Rs. 347 crore in FY2025.

Key ESG Indicators

Parameters	Unit	FY2025*	FY2026
Environment indicators			
Energy intensity	MJ/ Rs. crore	5,902	4,472
Renewable energy consumption	%	0.0%	0.3%
GHG emission intensity	tCO_2e/ Rs. crore	1.2	0.9
Water consumption intensity	m^3/ Rs. crore	10.8	10.6
Waste recycling	%	74%	74%
Social indicators			
Employee turnover	%	48%	52%
Customer complaints	Number	4,790	5,082
Data breach	Number	Nil	Nil
POSH complaints reported	Number	6	11
Income inequality ratio	Ratio	794	856
MSME procurement	%	6.6%	8.6%
Female-to-male wage gap	Ratio	0.81	0.97
Governance indicators			
Presence of reg-tech system	Yes/No	Yes	Yes
% of women in BOD	%	14%	20%#
% of women in KMP	%	0%	0%#
Average attendance in board meetings	%	100%	93%#
UNPRI Participant**	Yes/No	No	No

*Source: Company, ICRA ESG's Analysis, *FY2025 disclosures were based on standalone reporting; **UNPRI (United Nations-supported Principles for Responsible Investment) participants; # Standalone metrics. Further, ICRA ESG has considered holding company and its material subsidiaries for evaluating Board diversity, KMP diversity and Board attendance. At the standalone level, MOFSL reported 20% women directors (3/15), nil women KMPs and 93% Board attendance. Women representation stood at 17% in MOAMC (1 director), 33% in MOHFL (2 directors) and 25% in MOFL (1 director), while MOAMC and MOFL each have one woman KMP. Board attendance remained above 90% across all entities considered for assessment.*

Industry Median of ESG Indicators

Parameters	Unit	Industry Median
Environment indicators		
Energy intensity	MJ/Rs. crore	4783.3
Renewable energy consumption	%	0%
GHG emission intensity	tCO_2e/Rs. crore	0.83
Water consumption intensity	m^3/Rs. crore	4.3
Waste recycling	%	86%
Social indicators		
Employee turnover rate	%	18%
MSME sourcing	%	9%
Data breach	Number	0
Customer complaints	Number	27
Female-to-male wage gap	Ratio	0.8
Governance indicators		
% of women in BOD	%	14%
% of women KMP	%	6%
UNPRI Participant	% Companies	14%

Source: Company, ICRA ESG Analysis; Industry median values are based on FY2025 BRSR disclosures of capital market companies within the top 1,000 listed players

Common Directors (if any): None

Source of Information

While assigning the ratings, ICRA ESG has considered the annual reports of the company along with company policies, additional information, and discussions with the company's management.

Status of non-cooperation with previous ERP: Not applicable

Rating history for past three years

S. No.	Parameter	Current Rating	Previous Rating		
		Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
		Aug 05, 2026	**Feb 04, 2026**	**-**	**-**
1	**ESG Impact Rating**	80, Outstanding	76, Good	-	-
1.1	**Environment**	78, Good	72, Good	-	-
1.1.1	Energy Management	50	50		
1.1.2	GHG Emissions	90	80		
1.1.3	Air Emissions	95	90		
1.1.4	Water Management	65	65		
1.1.5	Waste Management	85	85		
1.1.6	Biodiversity	80	80		
1.1.7	Value Chain	80	55		
1.2	**Social**	83, Outstanding	83, Outstanding	-	-
1.2.1	Employee Relationship	73	72		
1.2.2	Human Rights	90	90		
1.2.3	Business Relationships	80	80		
1.2.4	Community Relationships	90	90		
1.3	**Governance**	80, Outstanding	75, Good	-	-
1.3.1	Board Structure & Performance	83	76		
1.3.2	Disclosures & Assurance	95	95		
1.3.3	Targets & Commitments	70	65		

Source: ICRA ESG Ratings

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