Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of unaudited financial results (the 'Statement') of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended 30 June 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2017, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

4. The review of unaudited standalone financial result for the quarter ended 30 June 2017, included in this Statement is prepared in accordance with applicable Accounting standards prescribed earlier under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 were reviewed by Haribhakti & Co. LLP, Chartered Accountants, the predecessor auditors, who vide their review report dated 27 July 2017, expressed an unmodified opinion and whose report have been furnished to us by the management and which have been relied upon by us for the purpose of our review of the Statement. It also includes the financial information of Motilal Oswal Securities Limited ('Transferor Company') for the quarter ended 30 June 2017 consequent to obtaining necessary regulatory approvals for their merger into the Company with effect from appointed date, 1 April 2017, which is based on the management certified accounts and have not been subjected to review or audit and have been furnished to us by the management which is relied upon by us for the purpose of our review of the Statement. The management has carried out adjustments to these results, in order to restate the results as per Ind AS to make them comparable which have not been subjected to our review or audit. Our report is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 21 August 2018

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
Tel: +91-22-39804200, Fax: +91-22-33124997 email:shareholders@motilaloswal.com Website: www.motilaloswalgroup.com
CIN: L67190MH2005PLC153397

Statement of Standalone financial results for the quarter ended 30 June 2018

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the Quarter ended	
	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)
1) Income		
Revenue from operations	27,820	27,411
Other income	968	30
Total income (1)	**28,788**	**27,441**
2) Expenses		
Employee benefit expenses	6,566	6,473
Finance costs	2,763	1,800
Depreciation and amortisation expense	471	600
Operating expenses	7,825	6,971
Other expenses	2,988	2,567
Total expenses (2)	**20,613**	**18,411**
3) Profit before tax from continuing operations	**8,175**	**9,030**
4) Tax expense/(credit)		
Current tax	2,428	1,248
Deferred tax	(514)	677
Minimum alternate tax (credit)/write-off	-	(29)
Short/(excess) provision for earlier years	-	247
Total tax expenses / (credit)	**1,914**	**2,143**
5) Profit after tax continuing operations (3-4)	**6,261**	**6,887**
Loss from discontinuing operations before tax	(131)	(376)
Tax on discontinuing operations	(46)	(131)
6) Loss from discontinuing operations after tax	**(85)**	**(245)**
7) Profit after tax (5+6)	**6,176**	**6,642**
8) Other Comprehensive Income /(loss)		
i) Items that will not be reclassified to profit or loss		
Actuarial gain / (losses) on post retirement benefit plans	42	174
Fair value gain/(loss) of investment	1,237	1,935
ii) Deferred tax on above	(156)	(51)
Total other comprehensive income /(loss)	**1,123**	**2,058**
9)Total Comprehensive Income (7+8)	**7,299**	**8,700**
10) Paid-up equity share capital (Face value Re. 1 per equity share)	**1,451**	**1,447**
11) Earnings/(loss) Per Share (EPS) from continuing operations (Face value Re. 1 per equity share)		
Basic (Amount in Rs.)	5.09	6.19
Diluted (Amount in Rs.)	5.02	6.12
12) Earnings/(loss) Per Share (EPS) from discontinuing operations (Face value Re. 1 per equity share) (not annualised)		
Basic (Amount in Rs.)	(0.06)	(0.17)
Diluted (Amount in Rs.)	(0.06)	(0.17)

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Notes to statement of standalone financial results for the quarter ended 30 June 2018

Standalone notes:

1) Pursuant to receipt of Order dated July 30, 2018 from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") approving the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company" or "Company") and their respective shareholders ("Scheme"), the Board of Directors ("Board") of the Company at its Meeting held on August 21, 2018, inter-alia, has made the Scheme effective from August 21, 2018. The Appointed date is April 1, 2017. Accordingly the unaudited figures for the quarter ended 30 June 2017 has been revised to give effect to the sanctioned Scheme.

The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Capital Markets Limited ('MOCML') as contemplated in the Business Transfer Agreement ('BTA') dated August 20, 2018 at a consideration of Rs. 5,000 lakhs (subject to usual post completion adjustments).

In terms of Ind AS 105 on Non-current Assets Held for Sale and Discontinued operations, the details of discontinuing operations as disclosed in the above results are as follows:

(Rs. in lakhs)

Particulars	**For the quarter ended**	
	30 June 2018	**30 June 2017**
Total income	662	808
Total expenses	793	1,184
Profit /(Loss) before tax from discontinuing operations	(131)	(376)
tax charge/credit including deferred tax pertaining to discontinuing operations	(46)	(131)
Profit /(Loss) after tax from discontinuing operations	**(85)**	**(245)**

2) The unaudited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 21 August 2018, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

3) The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2018 with comparative figures being restated to make them comparable. The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - Interim Financial Reporting prescribed under section 133 of Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.
Reconciliation of net profit for the previous year's quarter ended 30 June 2017 between the erstwhile Indian GAAP (IGAAP) and Ind AS is as under:

(Rs. in lakhs)

Particulars	**For the Quarter ended 30 June 2017 (Unaudited)**
Net profit after tax as per the previous GAAP	**4,357**
Add/(Less):	
Gain/(loss) on fair valuation of investments	2,291
Actuarial (gain)/ loss on employee defined benefit plan recognised in 'Other Comprehensive Income' as per Ind AS 19	(174)
Increase in employee benefit expenses due to fair valuation of employee stock options	942
Deferred tax on above	(774)
Total effect of transition to Ind AS	**2,285**
Net profit after tax as per Ind AS	**6,642**
Other comprehensive income on account of acturial gain or loss	174
Other comprehensive income on account of gain /(loss) of equity instruments carried through FVTOCI	1,935
Deferred tax on above	(51)
Total Comprehensive Income as per Ind AS	**8,700**

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Notes to statement of standalone financial results for the quarter ended 30 June 2018

4) As per Ind AS 108 'Operating Segments', Segment has been disclosed in consolidated financial results, Hence no separate disclosure has been given in standalone financial results of the Company.

5) During the quarter, Crisil Limited and India Rating and Research Private Limited reaffirmed the Credit Rating of "CRISIL A1+" and "IND A1+" to the Commercial Paper Programme of Rs. 1,30,000 lakhs of the Company. Further ICRA has reaffirmed the rating of "ICRA AA" rating with stable outlook to the long term debt programme of the Company for Rs.20,000 lakhs.

6) As per IndAS 109 the group has unrealised gain /(loss) of Rs 35 lakhs and Rs. 2,291 for the quarter ended 30 June 2018 and 30 June 2017 respectively which has been classified under 'Income from Operations'. Further, the company has investment designated as ' Fair value through other comprehensive income' on which unrealised gain has been classified under 'Other comprehensive income' amounting to Rs. 1,237 and Rs. 1,935 for the quarter ended 30 June 2018 and 30 June 2017 respectively.

7) The Ind AS-compliant corresponding figures in the previous year have not been subjected to review/audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

8) Previous quarter figures have been regrouped/reclassified wherever necessary to confirm to the current quarter presentation.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman & Managing Director
(DIN - 00024503)

Mumbai, 21 August 2018

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