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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date 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 consolidated financial results ('Statement') of Motilal Oswal Financial Services Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), and its associates (Refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 31 December 2017 and the consolidated year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) 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.

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4. We did not review the financial results of six subsidiaries included in the Statement whose financial results reflect total revenues of Rs. 22,931 lakhs and Rs. 67,120 lakhs for the quarter and period ended 31 December 2017 respectively, net profit of Rs. 2,403 lakhs and Rs. 10,107 lakhs for the quarter and period ended 31 December 2017 respectively. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not modified in respect of this matter.

5. We did not review the financial results of four subsidiaries included in the Statement whose financial results reflect total revenues of Rs. 580 lakhs and Rs. 8,814 lakhs for the quarter and period ended 31 December 2017 respectively, net profit of Rs.18 lakhs and Rs. 5,279 lakhs for the quarter and period ended 31 December 2017 respectively. The Statement also includes the Group's share of net profit of Rs. 249 lakhs and Rs. 805 lakhs for the quarter and period ended 31 December 2017 respectively, as considered in the Statement, in respect of one associate, whose financial results have not been reviewed by us. These financial results have not been reviewed by other auditors and have been furnished to us by the management and our report in respect thereof is based solely on the management certified accounts.

   Further, of these subsidiaries, four subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which are not reviewed and have been furnished to us by the management. The Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results, and balances and affairs of such subsidiaries located outside India is based on the management certified accounts furnished to us by the management and the conversion adjustments prepared by the management of the Company and reviewed by us. Our review report is not modified in respect of this matter.

6. The review of unaudited consolidated financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 and the audit of the financial results for the year ended 31 March 2017, included in this Statement, were carried out by Haribhakti & Co. LLP, Chartered Accountants, the predecessor auditors, who vide their unmodified review report dated 30 January 2017 and unmodified audit report dated 27 April 2017, expressed an unmodified opinion and whose reports 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. Our report is not modified in respect of this matter.

Walker Chandiok & Co LLP

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

Sudhir Pillai

per **Sudhir N. Pillai**
Partner
Membership No. 105782

Place: Mumbai
Date: 24 January 2018

Annexure to Auditors Report

List of subsidiaries

Name of the Company
Motilal Oswal Securities Limited
Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)
MOPE Investment Advisors Private Limited
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
Motilal Oswal Capital Markets Private Limited
Motilal Oswal Wealth Management Limited
Motilal Oswal Asset Management Company Limited
Motilal Oswal Trustee Company Limited
Motilal Oswal Securities International Private Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets (Singapore) Pte. Limited
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
Aspire Home Finance Corporation Limited
India Business Excellence Management Company
Motilal Oswal Asset Management (Mauritius) Private Limited
Motilal Oswal Capital Limited

List of Associate

India Reality Excellence Fund II LLP

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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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CIN: L67190MH2005PLC153397

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

(Rs. In Lakhs, unless otherwise stated)

PARTICULARS	FOR THE QUARTER ENDED			FOR THE NINE MONTHS ENDED		FOR THE YEAR ENDED
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1) Revenue						
Revenue from operations	72,863	70,445	42,352	1,99,443	1,31,325	1,83,922
Other income	377	655	3,055	1,970	6,492	8,268
Total Revenue (1)	**73,240**	**71,100**	**45,407**	**2,01,413**	**1,37,817**	**1,92,190**
2) Expenses						
Employee benefits expenses	12,927	12,102	6,760	36,991	24,165	35,334
Finance cost	13,294	13,126	13,062	39,175	32,580	44,226
Depreciation and amortisation expenses	972	871	831	2,611	2,373	3,284
Operating expenses	15,660	14,846	8,476	43,086	25,825	36,791
Administrative and other expenses	9,243	7,354	4,143	22,281	13,030	19,205
Total Expenses (2)	**52,096**	**48,299**	**33,272**	**1,44,144**	**97,973**	**1,38,840**
3) Profit before exceptional items and tax (3) = (1) - (2)	**21,144**	**22,801**	**12,135**	**57,269**	**39,844**	**53,350**
4) Exceptional items - (expense)	-	-	-	-	(2,788)	(2,788)
5) Profit before tax (5) = (3)+(4)	**21,144**	**22,801**	**12,135**	**57,269**	**37,056**	**50,562**
6) Tax expense/(credit)						
Current tax	7,006	6,434	2,901	16,637	10,100	13,611
Deferred tax liability/(asset)	(165)	479	1,160	546	1,698	3,097
Minimum alternate tax credit utilised/writeoff	(302)	994	(19)	458	(1,029)	(1,458)
Short/(Excess) provision for earlier years	(26)	-	(810)	189	(1,189)	(1,141)
Total tax expenses (6)	**6,513**	**7,907**	**3,231**	**17,830**	**9,580**	**14,109**
7) Profit after tax before minority interests (7) = (5)-(6)	**14,631**	**14,894**	**8,904**	**39,439**	**27,476**	**36,453**
8) Extraordinary Items	-	-	-	-	-	-
9) Profit after tax before minority interests and share of profit from associates (9) = (7) - (8)	**14,631**	**14,894**	**8,904**	**39,439**	**27,476**	**36,453**
10) Minority interest	(75)	(731)	(77)	(902)	(941)	(1,060)
11) Share of profit from associates (net of taxes)	249	214	84	805	448	604
12) Profit after tax and minority interest (12) = (9)+(10)+(11)	**14,805**	**14,377**	**8,911**	**39,342**	**26,983**	**35,997**
13) Paid-up equity share capital (FV Re. 1 per share)	**1,447**	**1,447**	**1,435**	**1,447**	**1,435**	**1,445**
14) Reserves excluding revaluation reserves as per Balance sheet						**1,77,158**
Earnings Per Share (EPS) (FV Re. 1 per share) (EPS for the quarters and nine months not annualised)						
Basic (Amount in Rs.)	**10.24**	**9.94**	**6.21**	**27.20**	**18.80**	**25.14**
Diluted (Amount in Rs.)	**10.08**	**9.81**	**6.14**	**26.77**	**18.58**	**24.79**

Consolidated Notes:

1)The above results for the quarter and nine months ended 31 December 2017, which have been subjected to review by Statutory Auditors of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 24 January 2018, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

2) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, Motilal Oswal Financial Services Limited, has allotted equity shares of 20,000 during the quarter ended 31 December 2017 to the employees.

3) The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (100%), Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited) (100%), MOPE Investment Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (100%), Motilal Oswal Capital Markets Private Limited (100%), Motilal Oswal Wealth Management Limited (100%) , Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited) (100%), Motilal Oswal Asset Management Company Limited (99.92%), Motilal Oswal Trustee Company Limited (100%), Motilal Oswal Securities International Private Limited (100%), Motilal Oswal Capital Markets (Singapore) Pte. Limited (100%), Motilal Oswal Capital Markets (Hongkong) Private Limited (100%), Motilal Oswal Real Estate Investment Advisors Private Limited (85%), Motilal Oswal Real Estate Investment Advisors II Private Limited (76.50%), Aspire Home Finance Corporation Ltd (96.46%), India Business Excellence Management CO (85.00%), Motilal Oswal Asset Management (Mauritius) Private Limited (99.92%), Motilal Oswal Capital Limited (99.92%) and an Associate India Reality Excellence Fund II LLP (20.44%).

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4) The Group has Invested in equity quoted long term investments that stands at Rs. 80,635 Lakhs as of 31 December 2017 as against Rs. 66,202 Lakhs as of 31 March 2017. The unrealized gain on these investments is Rs. 70,486, Lakhs as of 31 December 2017 as against Rs. 33,393 Lakhs as of 31 March 2017. The long term investments are valued at cost and hence the unrealised gain is not reflected in the statement of profit and loss account for the nine months ended 31 December 2017 and year ended 31 March 2017 respectively.

5) During the quarter, CRISIL Limited re-affirmed the credit rating of "CRISIL A1+"to the Commercial Paper Programme of Rs. 25,000 Lakhs of Motilal Oswal Financial Services Limited and Rs. 1,05,000 Lakhs of Motilal Oswal Securities Limited. India Ratings & Research Private limited affirmed the credit rating of " IND A1+" to the Commercial Paper Programme of Rs. 25,000 Lakhs of Motilal Oswal Financial Services Limited and Rs. 1,05,000 Lakhs of Motilal Oswal Securities Limited.

6) Effective 1 April 2017, the Group has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statements . The change is applied retrospectively, accordingly accumulated expense of Rs. 2,316 Lakhs has been debited to the statement of profit and loss for the nine months ended 31 December 2017. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by Rs. 2,316 lakhs for the nine months ended 31 December 2017.

7) The Company, Motilal Oswal Financial Services Limited (standalone) has derecognised the opening accumulated Minimum Alternative Tax (MAT) credit balance as at 31 March 2017 of Rs. 1,021 lakhs and has deferred the recognisation of Rs. 1,719 lakhs for the nine months ended 31 December 2017 which could be available for set off against future tax liability under the provisions of Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

8)During the quarter, the Board of Directors ("the Board") of the Company at its Meetings held on 4 November 2017, subject to approval of the National Company Law Tribunal and other regulatory authorities, had approved the scheme of amalgamation of Motilal Oswal Securities Limited (wholly owned subsidiary Company) with the Company and their respective shareholders ("Scheme") and also approved transfer of lending business of the Company, as a going concern, on slump sale basis for lump sum consideration to new wholly owned subsidiary, subject to the approval of the Members and obtaining other requisite statutory/ regulatory approval. Further, the Board vide resolution passed by circulation on 10 January, 2018 has made partial modification to resolution dated 4 November 2017, so as to transfer the Company's lending business to existing wholly owned subsidiary of the Company namely, Motilal Oswal Capital Markets Private Limited or any other wholly owned subsidiary of the Company.

9) Consolidated segment results for the quarter and nine months ended 31 December 2017 is as follows:

Rs. In Lakhs

PARTICULARS	FOR THE QUARTER ENDED			FOR THE NINE MONTHS ENDED		FOR THE YEAR ENDED
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Broking & other related activities	28,677	24,328	16,492	74,706	49,955	69,020
(b) Fund based activities	6,259	4,531	4,435	16,112	12,269	15,090
(c) Asset management & advisory	24,002	28,467	11,387	68,966	41,556	58,124
(d) Investment banking	4,514	2,225	1,507	9,119	4,369	8,646
(e) Home finance	15,320	17,973	15,209	49,258	39,939	56,868
(f) Unallocated	177	480	158	825	929	996
Total	**78,949**	**78,004**	**49,188**	**2,18,986**	**1,49,017**	**2,08,744**
Less: Inter segment revenue	(5,328)	(6,569)	(3,635)	(16,319)	(10,486)	(15,591)
Total segment revenue (Inclusive of revenue from associate)	**73,621**	**71,435**	**45,553**	**2,02,667**	**1,38,531**	**1,93,153**
2. Segment results						
(a) Broking & other related activities	7,397	5,966	4,950	17,013	13,088	15,506
(b) Fund based activities	4,652	2,791	2,594	11,002	6,801	7,691
(c) Fund based activities (exceptional items)	-	-	-	-	(2,788)	(2,788)
(d) Asset management & advisory	8,550	11,242	2,859	24,116	14,667	19,205
(e) Investment banking	2,859	1,792	1,295	6,311	2,411	5,474
(f) Home finance	147	3,425	2,961	5,719	8,091	12,440
(g) Unallocated	58	(48)	(954)	34	(864)	(1,111)
Total	**23,663**	**25,168**	**13,705**	**64,195**	**41,406**	**56,417**
Less : (Interest)	(2,143)	(2,030)	(1,426)	(5,675)	(3,635)	(4,893)
Total segment results (Inclusive of share of profit from associate)	**21,520**	**23,138**	**12,279**	**58,520**	**37,771**	**51,524**
3. Segment assets						
(a) Broking & other related activities	3,34,996	2,62,797	1,70,325	3,34,996	1,70,325	2,09,537
(b) Fund based activities	2,29,657	2,20,273	1,99,396	2,29,657	1,99,396	2,19,823
(c) Asset management & advisory	32,194	18,964	18,601	32,194	18,601	21,380
(d) Investment banking	10,922	7,463	2,539	10,922	2,539	6,397
(e) Home finance	5,10,401	5,11,880	4,39,109	5,10,401	4,39,109	4,66,216
(f) Unallocated	6,147	5,967	6,203	6,147	6,203	7,053
Less : (Eliminations)	(1,00,427)	(90,533)	(78,376)	(1,00,427)	(78,376)	(86,511)
Total segment asset	**10,23,890**	**9,36,811**	**7,57,797**	**10,23,890**	**7,57,797**	**8,43,895**
4. Segment Liabilities						
(a) Broking & other related activities	1,79,755	1,45,166	94,645	1,79,755	94,645	1,25,088
(b) Fund based activities	54,052	53,268	38,853	54,052	38,853	59,314
(c) Asset management & advisory	16,293	7,286	9,884	16,293	9,884	12,296
(d) Investment banking	2,147	655	681	2,147	681	1,905
(e) Home finance	4,34,367	4,36,735	3,80,715	4,34,367	3,80,715	4,04,853
(f) Unallocated	1,44,646	1,07,217	73,169	1,44,646	73,169	82,461
Less : (Eliminations)	(22,945)	(13,594)	(12,668)	(22,945)	(12,668)	(20,625)
Total segment liabilities	**8,08,315**	**7,36,733**	**5,85,279**	**8,08,315**	**5,85,279**	**6,65,292**

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Motilal Oswal Financial Services Ltd. ★ Mumbai

The above Segment information is presented on the basis of the reviewed consolidated financial statements. The group's operations predominantly relate to Broking and other related activities, Fund Based activities, Asset Management and Advisory, Investment banking and Housing Finance. In accordance with Accounting Standard - 17 on Segment reporting, Broking and other related activities, Fund Based activities, Asset Management and Advisory, Investment banking and Housing Finance are classified as reportable segments. The balance is shown as unallocated items.

10) The Board of Directors at its meeting held on 24 January 2018, has declared an interim dividend of Rs. 4/- per equity share (on face value of Re 1/- per equity share) for financial year 2017-18.

11) Previous quarters/nine months/year ended figures have been regrouped/reclassified wherever necessary to confirm to the currrent quarter/period presentation.

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

Motilal Oswal
Chairman & Managing Director
(DIN No - 00024503)

Mumbai, 24 January 2018

Motilal Oswal Financial Services Ltd. Mumbai

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