

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Quarterly Financial results and year to Date Results of Motilal Oswal Financial Services Limited 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 associate (Refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 31 December 2018 and the consolidated year to date results for the period 1 April 2018 to 31 December 2018, 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 the 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 and 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 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.



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Motilal Oswal Financial Services Limited

Independent Auditor's Review Report on Consolidated Quarterly Financial results – 31 December 2018

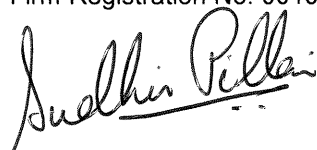
4. We did not review the financial results of six subsidiaries included in the Statement, whose financial results (before eliminating inter Company transactions) reflect total revenues of ₹ 18,729 lacs and ₹ 59,120 lacs for the quarter and period ended 31 December 2018 respectively, net loss (including other comprehensive income) of ₹ 9,498 lacs and ₹ 13,541 lacs for the quarter and period ended 31 December 2018 respectively, total assets of ₹ 544,383 lacs and net assets of ₹ 103,868 lacs as at 31 December 2018. 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 these matters.
5. We did not review the financial results of four subsidiaries included in the Statement, whose financial results (before eliminating inter Company transactions) reflect total revenues of ₹ 896 lacs and ₹ 1,965 lacs for the quarter and period ended 31 December 2018 respectively, net profit (including other comprehensive income) of ₹ 435 lacs and ₹ 651 lacs for the quarter and period ended 31 December 2018 respectively, total assets of ₹ 3,740 lacs and net assets of ₹ 3,211 lacs as at 31 December 2018. The Statement also includes the Group's share of net profit (including other comprehensive income) of ₹ 464 lacs and ₹ 685 lacs for the quarter and period ended 31 December 2018 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. In our opinion and according to the information and explanation given to us by the management, the same is not material to the Group. Our review report is not modified in respect of these matters.

Further, these 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 these matters.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



Sudhir N. Pillai

Partner

Membership No. 105782

Place : Mumbai

Date : 16 January 2019

Walker Chandiook & Co LLP

Motilal Oswal Financial Services Limited
Independent Auditor's Review Report on Consolidated Quarterly Financial results – 31 December 2018

Annexure 1 – List of entities included in the statement

List of subsidiaries

Name of the Company
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 Finvest Limited (Formerly known as Motilal Oswal Capital Markets 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 Realty Excellence Fund II LLP



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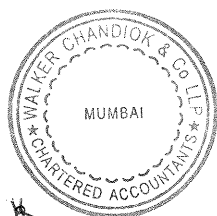
MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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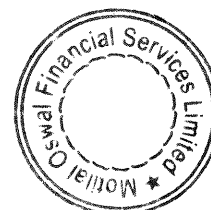
Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2018

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the nine months ended	
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1) Income					
Revenue from operations	64,759	64,986	81,016	1,91,194	2,15,564
Other income	103	189	266	425	1,708
Total Income (1)	64,862	65,175	81,282	1,91,619	2,17,272
2) Expenses					
Employee benefits expenses	12,870	12,554	12,999	37,329	35,765
Finance cost	12,517	13,009	13,328	38,575	39,213
Depreciation and amortisation expenses	595	597	972	1,795	2,611
Operating expenses	10,619	11,631	12,095	33,426	34,341
Other expenses	26,547	24,684	9,936	61,651	24,418
Total Expenses (2)	63,148	62,475	49,330	1,72,776	1,36,348
3) Profit before tax (3) = (1)-(2)	1,714	2,700	31,952	18,843	80,924
4) Tax expense/(credit)					
Current tax	4,219	4,401	6,029	13,417	15,086
Deferred tax liability/(asset)	(5,806)	(2,210)	1,669	(9,929)	4,141
Minimum alternate tax credit (utilised)/writeoff	(31)	372	(303)	1,526	458
Short/(excess) provision for earlier years	(209)	(171)	(26)	(345)	189
Total tax expenses (4)	(1,827)	2,392	7,369	4,669	19,874
5) Net profit after tax (5) = (3)-(4)	3,541	308	24,583	14,174	61,050
6) Share of profit from associates (net of taxes)	464	146	249	686	805
7) Profit after tax and share in profit of associates (7) = (5)+(6)	4,005	454	24,832	14,860	61,855
8) Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
- Actuarial gain/(losses) on post retirement benefit plans	84	(7)	87	173	382
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	1,569	(2,673)	3,223	133	12,069
(ii) Deferred tax on above	(209)	313	(27)	(74)	(113)
Total other comprehensive income (8)	1,444	(2,367)	3,283	232	12,338
9) Total comprehensive income (9) = (7)+(8)	5,449	(1,913)	28,115	15,092	74,193
10) Net profit attributable to:					
Owners of parent	3,990	419	24,734	14,758	60,859
Non-controlling interests	15	35	98	102	996
11) Other comprehensive income attributable to:					
Owners of parent	1,442	(2,368)	3,282	228	12,336
Non-controlling interests	2	1	1	4	2
12) Total comprehensive income attributable to: (12) = (10)+(11)					
Owners of parent	5,432	(1,949)	28,015	14,986	73,195
Non-controlling interests	17	36	100	106	998
13) Paid up equity share capital (Face value Re.1 per share)	1,456	1,456	1,447	1,456	1,447
14) Earning per share (EPS) (not annualised)					
Basic EPS (Amount in Rs.)	3.73	(1.34)	19.37	10.31	50.60
Diluted EPS (Amount in Rs.)	3.70	(1.32)	19.06	10.20	49.80



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CIN: L67190MH2005PLC153397

Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2018

Consolidated notes:

1) The unaudited consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 16 January 2019, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2) 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 and nine months ended 31 December 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 Finvest Limited ("MOFL") (formerly known as "Motilal Oswal Capital Markets Limited" as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of Rs. 5,000 lakhs (subject to the post completion adjustments).

3) The Group 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 and nine months ended 31 December 2017 between the erstwhile Indian GAAP (IGAAP) and Ind AS is as under:

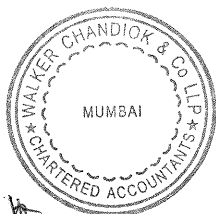
Particulars	(Rs. in Lakhs)	
	For the quarter ended 31 December 2017	For the nine months ended 31 December 2017
	(Unaudited)	(Unaudited)
Net profit as per the erstwhile Indian GAAP (IGAAP) before minority interest	15,784	40,894
Increase/(Decrease) in Interest income pursuant to application of effective interest rate method	1,155	2,212
(Increase)/ Decrease in Borrowing cost pursuant to application of effective interest rate method	(34)	(38)
(Increase)/ Decrease in provision due to expected credit loss	34	(2,339)
Gain/ (loss) on fair valuation of investments	9,819	23,169
(Increase)/ Decrease in employee benefit expenses due to fair valuation of employee stock options	(80)	1,023
Reclassification of net actuarial loss on employee benefit obligation to Other Comprehensive Income(OCI)	(87)	(382)
Changes in non-controlling interest on above adjustments	(25)	(96)
Others	(1)	9
Tax impact on above adjustments	(1,833)	(3,595)
Net profit after tax (before OCI) as per Ind AS	24,732	60,857
(i) Other comprehensive income after tax		
- Actuarial gain/(losses) on post retirement benefit plans	87	382
- Fair value gain/(loss) of investment held through fair value through other comprehensive income	3,223	12,069
(ii) Deferred tax on above	(27)	(113)
Total comprehensive income as per Ind AS	28,015	73,195

4) The consolidated results of the Company include the results of the subsidiaries – 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 Finvest Limited (formerly known as Motilal Oswal Capital Markets 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 (98.16%), 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 Limited (98.02%), India Business Excellence Management Co. (85.00%), Motilal Oswal Asset Management (Mauritius) Private Limited (98.16%), Motilal Oswal Capital Limited (98.16%) and an Associate, India Realty Excellence Fund II LLP (20.44%).

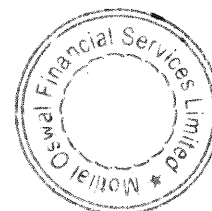
5) As per IndAS 109 the group has unrealised gain /(loss) of Rs (2,469) lakhs and Rs. 9,819 lakhs for the quarter ended 31 December 2018 and 31 December 2017 respectively which has been classified under 'Revenue from Operations/Other expenses'. Further, the group has investment designated as 'Fair value through other comprehensive income' on which unrealised gain/(loss) has been classified under 'Other comprehensive income' amounting to Rs. 1,569 lakhs and Rs. 3,223 lakhs for the quarter ended 31 December 2018 and 31 December 2017 respectively.

6) Other expenses includes Bad and doubtful debt write-off of Rs.29,146 lakhs and NIL for the nine month ended 31 December 2018 and 31 December 2017, respectively in Aspire Home Finance Corporation Limited, the subsidiary of the Company.

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Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2018

7) Consolidated segment results for the quarter and nine months ended 31 December 2018 is as follows:

Particulars	Rs. in Lakhs					
	For the quarter ended			For the nine months ended		
	31 December 2018 (Unaudited)	31 September 2018 (Unaudited)	31 December 2017 (Unaudited)	31 December 2018 (Unaudited)	31 December 2017 (Unaudited)	
1. Segment revenue						
(a) Broking and other related activities	26,949	29,169	29,811	85,190	80,213	
(b) Fund based activities	5,653	(5,390)	14,009	962	33,130	
(c) Asset management and advisory	18,770	18,734	14,717	60,359	58,963	
(d) Investment banking	501	343	4,614	2,354	9,119	
(e) Home finance	15,409	17,246	16,087	48,681	50,359	
(f) Unallocated	348	(37)	310	371	432	
Total	67,630	60,065	79,548	1,97,917	2,32,216	
Less: Inter segment revenue	(4,600)	(6,305)	(2,995)	(16,228)	(13,706)	
Total segment revenue (Inclusive of revenue from associate)	63,030	53,760	76,553	1,81,689	2,18,510	
2. Segment results						
(a) Broking and other related activities	4,959	7,043	6,967	19,560	16,014	
(b) Fund based activities	5,556	(5,388)	13,911	669	32,781	
(c) Asset management and advisory	7,454	8,142	6,858	22,976	22,431	
(d) Investment banking	(160)	(186)	2,958	589	6,384	
(e) Home finance	(14,941)	(5,354)	915	(21,968)	5,601	
(f) Unallocated	(506)	(1,334)	720	(1,995)	(1,036)	
Total	2,362	2,923	32,329	19,831	82,175	
3. Segment assets						
(a) Broking and other related activities	2,98,043	3,38,504	4,75,932	2,98,043	4,75,932	
(b) Fund based activities	3,22,991	2,88,371	3,16,392	3,22,991	3,16,392	
(c) Asset management and advisory	36,310	34,757	33,502	36,310	33,502	
(d) Investment banking	5,507	208	2,499	5,507	2,499	
(e) Home finance	4,74,804	4,92,121	5,07,406	4,74,804	5,07,406	
(f) Unallocated	39,176	12,661	12,048	39,176	12,048	
Less: Inter segment assets	(1,60,832)	(1,12,777)	(2,30,399)	(1,60,832)	(2,30,399)	
Total segment assets	10,15,999	10,53,845	11,17,380	10,15,999	11,17,380	
4. Segment liabilities						
(a) Broking and other related activities	2,86,336	2,93,565	3,41,040	2,86,336	3,41,040	
(b) Fund based activities	15,241	15,472	16,827	15,241	16,827	
(c) Asset management and advisory	15,798	19,070	14,440	15,798	14,440	
(d) Investment banking	6,744	425	2,147	6,744	2,147	
(e) Home finance	4,06,073	4,28,554	4,41,010	4,06,073	4,41,010	
(f) Unallocated	18,705	20,386	25,020	18,705	25,020	
Less: Inter segment liabilities	(31,878)	(24,295)	(12,135)	(31,878)	(12,135)	
Total segment liabilities	7,17,019	7,53,177	8,28,349	7,17,019	8,28,349	


The group has reported segment information as per Indian Accounting Standard 108 on 'Operating Segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified five reportable segments, namely i) Broking and other related activities, ii) Fund Based activities, iii) Asset Management and Advisory, iv) Investment banking and v) Home Finance. The balance is shown as unallocated items.

8) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 39,100 shares and 5,08,925 shares during the quarter and nine months ended 31 December 2018 respectively.

9) The Board of Directors at its meeting held on 16 January 2019 has declared an interim dividend of Rs. 4/- per equity share (on face value of Re.1/- per equity share) for the Financial year 2018-19.

10) Previous quarter and nine months ended figures have been regrouped/reclassified wherever necessary to confirm to the current quarter/nine months presentation.

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


Motilal Oswal
Chairman & Managing Director
(DIN - 00024503)

Mumbai, 16 January 2019

