
Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of Motilal Oswal Financial Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Motilal Oswal Financial Services Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Motilal Oswal Financial Services Limited ('the Company') for the quarter ended 30 June 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review of the Statement, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), specified under Section 133 of the Companies Act, 2013, SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India.
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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Motilal Oswal Financial Services Limited

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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 the recognition and measurement principles laid down in Ind AS 34, specified under Section 133 of the Companies Act, 2013, the SEBI Circular, and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



Sudhir N. Pillai

Partner

Membership No. 105782

UDIN No:19105782AAAABX9713

Place: Mumbai

Date: 31 July 2019

MOTILAL OSWAL FINANCIAL SERVICES LIMITED				
Registered office:- Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025				
Tel: +91-22-71934200, Fax: +91-22-50362365 Email:shareholders@motilaloswal.com, Website : www.motilaloswalgroup.com				
CIN: L67190MH2005PLC153397				
Statement Of Standalone Financial Results For The Quarter Ended 30 June 2019				
(Rs. in lakhs, unless otherwise stated)				
Particulars	For the quarter ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
Revenue from operations				
(i) Interest income	4,192	3,884	4,756	17,254
(ii) Dividend income	-	8,065	-	8,093
(iii) Rent income	510	590	648	2,482
(iv) Fees and commission income	-	-	-	-
- Brokerage income	17,392	17,934	17,528	71,035
- Other commission income	2,163	2,521	2,519	10,835
(v) Net gain on fair value changes	3,028	4,482	1,349	8,216
(vi) Other operating revenue	1,007	866	1,020	3,812
(I) Total Revenue from operations	28,292	38,342	27,820	121,727
(II) Other income	885	837	968	3,142
(III) Total Income (I+II)	29,177	39,179	28,788	124,869
Expenses				
(i) Finance cost	2,788	2,307	2,763	10,428
(ii) Fees and commission expense	7,391	8,390	7,825	31,832
(iii) Impairment on financial instruments	173	145	144	681
(iv) Employee benefit expenses	7,489	7,517	6,566	27,906
(v) Depreciation and amortisation expense	725	442	471	1,801
(vi) Other expenses	2,878	2,895	2,844	12,871
(IV) Total Expenses (IV)	21,444	21,696	20,613	85,519
(V) Profit before tax (III-IV)	7,733	17,483	8,175	39,350
Tax expense/(credit)				
(1) Current tax	2,891	2,369	2,428	8,914
(2) Deferred tax	(1,468)	(411)	(514)	(1,927)
(VI) Total tax expenses / (credit)	1,423	1,958	1,914	6,987
(VII) Profit from continuing operations (V-VI)	6,310	15,525	6,261	32,363
(VIII) Profit/(loss) from discontinuing operations	-	-	(131)	(186)
(IX) Tax on discontinuing operations	-	-	(46)	54
(X) Profit/(loss) from discontinued operations (VIII-IX)	-	-	(85)	(132)
(XI) Profit for the period/year (VII+X)	6,310	15,525	6,176	32,231
Other Comprehensive income				
A(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined employee benefit plans	(200)	-	42	34
(b) Changes in fair value gain/(loss) of FVOCI equity instruments	3,692	(870)	1,237	(737)
(ii) Income tax related to items that will not be reclassified to profit and loss account	(389)	100	(156)	74
(XII) Other Comprehensive Income	3,103	(770)	1,123	(629)
(XIII) Total Comprehensive Income for the period (XI+XII)	9,413	14,755	7,299	31,602
(XIV) (a) Paid-up Equity Share Capital (Face value of Re. 1)	1,460	1,457	1,451	1,457
(b) Other Equity				257,899
Earnings/(loss) Per Share (EPS) from continuing operations (Face value Re. 1 per equity share) (not annualised)				
Basic (amount in Rs.)	4.33	10.66	4.26	22.25
Diluted (amount in Rs.)	4.22	10.38	4.20	21.65
Earnings/(loss) Per Share (EPS) from discontinued operations (Face value Re. 1 per equity share) (not annualised)				
Basic (amount in Rs.)	-	-	(0.06)	(0.09)
Diluted (amount in Rs.)	-	-	(0.06)	(0.09)
# See note no 9				

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Notes to statement of standalone financial results for the quarter ended 30 June 2019

STANDALONE NOTES:-

- 1) The standalone financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Motilal Oswal Financial Services Limited (the 'Company') at its Meeting held on Wednesday 31 July 2019. A limited review of financial results for the quarter ended 30 June 2019 has been carried out by the statutory auditors of the Company.
- 2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013.
- 3) Pursuant to receipt of Order dated 30 July 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 21 August 2018, inter-alia, has made the Scheme effective from 21 August 2018. The appointed date is 1 April 2017. 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.
- 4) In terms of Ind AS 105 on Non-current Assets Held for Sale and Discontinued operations, the details of discontinued operations as disclosed in the above results are as follows:

Particulars	For the quarter ended			(Rs. in lakhs)
	30 June 2019	31 March 2019	30 June 2018	For the year ended 31 March 2019
Total income	-	-	662	1,067
Total expenses	-	-	793	1,253
Profit / (loss) before tax from discontinuing operations	-	-	(131)	(186)
Tax charge/ (credit) including deferred tax pertaining to discontinuing operations	-	-	(46)	(54)
Profit / (loss) after tax from discontinuing operations	-	-	(85)	(132)

- 5) 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.
- 6) As per IndAS 109 the Company has unrealised gain / (loss) of Rs (1,842) lakhs for the quarter ended 30 June 2019 which has been classified under head 'Net gain on fair value changes'. Further, the Company has investment in financial instruments designated as 'Fair value through other comprehensive income' amounting to Rs 3,692 lakhs for the quarter ended 30 June 2019
- 7) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,37,382 equity shares to the employees during the quarter ended 30 June 2019.
- 8) Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" using the cumulative catch-up approach. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. As a result of adoption of Ind AS 116, Company has recognised lease liability amounting to Rs 2,639 lakhs and right of use assets amounting to Rs 2,606 lakhs as of 30 June 2019. Resulting impact in the Statement of Profit and Loss is Rs 235 lakhs and Rs 57 lakhs shown as Depreciation and Finance cost respectively.
- 9) The standalone figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto third quarter of the previous year
- 10) Previous quarter and year ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/year end presentation.



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

Motilal Oswal
Chairman & Managing Director
(DIN 00024503)

Mumbai,
31 July 2019