



**MOTILAL OSWAL**  
Financial Services

Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91223980 4200 Fax: +91223312 4997  
CIN: L67190MH2005PLC153397

May 21, 2018

**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: Audited Financial Results (Consolidated and Standalone) for the quarter and financial year ended March 31, 2018

Dear Sir/Madam,

Pursuant to the provisions of Regulation 33 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform the Exchange that the Board of Directors ("Board") of the Company at its Meeting held on May 21, 2018 has, inter alia, approved the Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended March 31, 2018.

In this regard, please find enclosed herewith Audited Financial Results (Consolidated and Standalone) for the quarter and financial year ended March 31, 2018 along with Auditor's Report issued by Statutory Auditors and Press Release. Also find enclosed the declaration on Audit Reports with unmodified opinion.

Further, Regulation 52 of Listing Regulations is not applicable to Company as all the debentures of the Company were redeemed in November'2018. Accordingly, the information stipulated in Regulation 52(4) of Listing Regulations is not forming part of the Audited Standalone Financial Results.

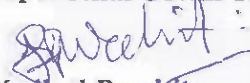
Pursuant to Regulation 33(3)(b) of the Listing Regulations, the Company has opted to submit Consolidated Financial Results in addition to Standalone Financial Results for the Financial Year 2018-19.

The Board Meeting commenced at 5.30 p.m. and concluded at 7.15 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For **Motilal Oswal Financial Services Limited**

  
**Kallash Purohit**

Company Secretary & Compliance Officer

Encl.: As above

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
16th Floor, Tower II  
Indiabulls Finance Centre  
S B Marg, Elphinstone (W)  
Mumbai 400013  
India

T +91 22 6626 2600  
F +91 22 6626 2601

## **Independent Auditor's Report on Consolidated 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 audited the consolidated financial results of Motilal Oswal Financial Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate for the year ended 31 March 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 15 to the consolidated financial results regarding the figures for the quarter ended 31 March 2018 as reported in these consolidated financial results, which are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, 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, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2018 and our review of consolidated financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.





**Motilal Oswal Financial Services Limited**  
**Independent Auditor's Report on Consolidated Financial Results of the Company**  
**Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure**  
**Requirements) Regulations, 2015**

Page 2 of 3

3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results and on other financial information of the subsidiaries and associate, the consolidated financial results:
- (i) include the financial results for the year ended 31 March 2018, of the following entities:  
  
Motilal Oswal Financial Services Limited, Motilal Oswal Securities Limited, Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited), MOPE Investment Advisors Private Limited, Motilal Oswal Commodities Broker Private Limited, Motilal Oswal Capital Markets Limited (Formerly known as Motilal Oswal Capital Markets Private Limited), Motilal Oswal Wealth Management Limited, Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited), Motilal Oswal Asset Management Company Limited, Motilal Oswal Trustee Company Limited, Motilal Oswal Securities International Private Limited, Motilal Oswal Capital Markets (Singapore) Pte. Ltd, Motilal Oswal Capital Markets (Hongkong) Private 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 Co, Motilal Oswal Asset Management (Mauritius) Pvt. Ltd, Motilal Oswal Capital Limited and an Associate India Realty Excellence Fund II LLP;
  - (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (iii) give a true and fair view of the consolidated net profit and other financial information in conformity with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act for the year ended 31 March 2018.
4. We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets of ₹ 569,781 Lakhs and net assets of ₹ 100,801 Lakhs as at 31 March 2018, and total revenues of ₹ 99,484 Lakhs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit of ₹ 906 Lakhs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of one associate, whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries and associate, are based solely on the reports of such other auditors.

Further, of these subsidiaries and associate, three subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to





the financial information of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

5. We did not audit the financial statement of one subsidiary, whose financial statement reflect total assets of ₹ 1,255 Lakhs and net assets of ₹ 1,179 Lakhs as at 31 March 2018, and total revenues of ₹ 244 Lakhs for the year ended on that date, as considered in the consolidated financial results. This financial statement is unaudited and has been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the financial statement certified by the management.

6. The audited consolidated financial results for the year ended 31 March 2017 (including unaudited consolidated financial results for the quarter ended 31 March 2017), was carried out and reported by Haribhakti & Co. LLP, vide their unmodified audit report dated 27 April 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the consolidated financial results. Our audit report is not qualified 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: 21 May 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018**

(Rs. In Lakhs, unless otherwise stated)

PARTICULARS	FOR THE QUARTER ENDED			FOR THE YEAR ENDED	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Unaudited)*	(Unaudited)	(Unaudited)*	(Audited)	(Audited)
<b>1) Income</b>					
Revenue from operations	75,210	72,926	52,648	2,74,794	1,84,086
Other income	195	374	1,785	2,174	8,276
<b>Total Income (1)</b>	<b>75,405</b>	<b>73,300</b>	<b>54,433</b>	<b>2,76,968</b>	<b>1,92,362</b>
<b>2) Expenses</b>					
Employee benefits expenses	13,022	12,927	11,175	50,013	35,340
Finance cost	10,384	13,294	11,646	49,559	44,226
Depreciation and amortisation expenses	1,138	972	911	3,749	3,284
Operating expenses	16,899	15,661	10,951	59,985	36,791
Administrative and other expenses	14,572	9,302	6,243	37,003	19,371
<b>Total Expenses (2)</b>	<b>56,015</b>	<b>52,156</b>	<b>40,926</b>	<b>2,00,309</b>	<b>1,39,012</b>
<b>3) Profit before exceptional items and tax (3) = (1) - (2)</b>	<b>19,390</b>	<b>21,144</b>	<b>13,507</b>	<b>76,659</b>	<b>53,350</b>
4) Exceptional items - (expense)	-	-	0	-	(2,788)
<b>5) Profit before tax (5) = (3)+(4)</b>	<b>19,390</b>	<b>21,144</b>	<b>13,507</b>	<b>76,659</b>	<b>50,562</b>
<b>6) Tax expense/(credit)</b>					
Current tax	5,179	7,006	3,504	21,816	13,611
Deferred tax liability/(asset)	(334)	(165)	1,399	212	3,097
Minimum alternate tax credit (utilised)/writeoff	(289)	(302)	(426)	628	(1,458)
Short/(excess) provision for earlier years	75	(26)	53	(195)	(1,141)
<b>Total tax expenses (6)</b>	<b>4,631</b>	<b>6,513</b>	<b>4,530</b>	<b>22,461</b>	<b>14,109</b>
<b>7) Profit after tax before minority interests (7) = (5)-(6)</b>	<b>14,759</b>	<b>14,631</b>	<b>8,977</b>	<b>54,198</b>	<b>36,453</b>
8) Extraordinary Items	-	-	-	-	-
<b>9) Profit after tax before minority interests and share of profit from associates (9) = (7) - (8)</b>	<b>14,759</b>	<b>14,631</b>	<b>8,977</b>	<b>54,198</b>	<b>36,453</b>
10) Minority interest	(75)	(75)	(118)	(978)	(1,060)
11) Share of profit from associates (net of taxes)	101	249	156	906	604
<b>12) Profit after tax and minority interest (12) = (9)+(10)+(11)</b>	<b>14,785</b>	<b>14,805</b>	<b>9,015</b>	<b>54,126</b>	<b>35,997</b>
13) Paid-up equity share capital ( Face value of Re. 1 per equity share)	1,451	1,447	1,445	1,451	1,445
14) Reserves excluding revaluation reserves as per Balance sheet				2,23,375	1,77,158
<b>Earnings Per Share (EPS) ( Face value of Re. 1 per equity share) (EPS for the quarters and year not annualised)</b>					
Basic (Amount in Rs.)	10.21	10.24	6.28	37.40	25.14
Diluted (Amount in Rs.)	10.05	10.08	6.22	36.81	24.79

\* See Note - 15



*[Signature]*





**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

**CONSOLIDATED ASSETS AND LIABILITIES AS AT 31 MARCH 2018**

(Rs. In Lakhs)

PARTICULARS	AS AT 31-Mar-18 (AUDITED)	AS AT 31-Mar-17 (AUDITED)
<b>I. EQUITY &amp; LIABILITIES</b>		
<b>1. Share holders' funds :</b>		
a. Share capital	1,451	1,445
b. Reserves and surplus	2,23,375	1,77,158
<b>TOTAL (1)</b>	<b>2,24,826</b>	<b>1,78,603</b>
<b>2. Minority interest</b>	3,511	2,853
<b>3. Non-current liabilities :</b>		
a. Long-term borrowings	3,23,292	3,70,341
b. Deferred tax liabilities (Net)	5,346	3,947
c. Other-long term liabilities	165	165
d. Long-term provisions	8,934	3,249
<b>TOTAL (3)</b>	<b>3,37,737</b>	<b>3,77,702</b>
<b>4. Current liabilities :</b>		
a. Short-term borrowings	1,06,066	94,303
b. Trade payables	1,32,039	1,02,168
c. Other current liabilities	1,63,550	78,016
d. Short-term provisions	18,722	10,495
<b>TOTAL (4)</b>	<b>4,20,377</b>	<b>2,84,982</b>
<b>TOTAL (1)+(2)+(3)+(4)</b>	<b>9,86,451</b>	<b>8,44,140</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets :</b>		
a. Property, plant and equipment	25,007	24,980
b. Intangible assets	1,377	956
c. Intangible assets under development	11	-
d. Non-current investments	1,81,548	1,35,638
e. Deferred tax asset (Net)	1,436	250
f. Long term loans and advances	4,86,580	4,16,167
g. Other non-current assets	306	364
<b>TOTAL (1)</b>	<b>6,96,265</b>	<b>5,78,355</b>
<b>(2) Current assets :</b>		
a. Current investments	28,000	44,483
b. Inventories	27	18
c. Trade receivables	1,04,339	1,26,018
d. Cash and bank balances	44,922	46,252
e. Short-term loans and advances	1,05,158	45,829
f. Other current assets	7,740	3,185
<b>TOTAL (2)</b>	<b>2,90,186</b>	<b>2,65,785</b>
<b>TOTAL (1)+(2)</b>	<b>9,86,451</b>	<b>8,44,140</b>

Page (2 of 5)



AIR

*[Handwritten signature]*



**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

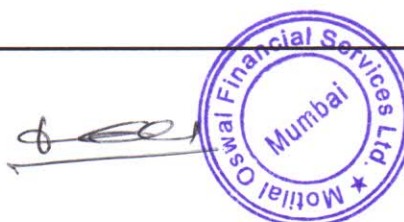
Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025  
Tel: +91-22-39804200, Fax: +91-22-33124997 Email: shareholders@motilaloswal.com Website: www.motilaloswalgroup.com  
CIN: L67190MH2005PLC153397

**Consolidated Notes:**

- 1) The audited consolidated financial results have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 21 May 2018, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 2) The Statutory Auditors have carried out audit of the consolidated annual financial results as required under Listing Regulations and have issued an unmodified opinion thereon.
- 3) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company Motilal Oswal Financial Services Limited, has allotted equity shares of 3,62,775 and 6,26,082 equity shares to the employees during the quarter and year ended 31 March 2018, respectively.
- 4) The consolidated results of the Company include the results of the subsidiaries – Motilal Oswal Securities Limited (100%), Motilal Oswal Investment Advisors Limited (100%), MOPE Investment Advisors Private Limited (85%), Motilal Oswal Commodities Broker Private Limited (100%), 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 (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 (96.59%), 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 Realty Excellence Fund II LLP (20.44%).
- 5) The Group has invested in equity quoted long-term investments that stands at Rs. 97,518 Lakhs as of 31 March 2018 as against Rs. 66,202 Lakhs as of 31 March 2017. The unrealized gain on these investments is Rs. 55,972 Lakhs as of 31 March 2018 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 year ended 31 March 2018 and 31 March 2017 respectively.
- 6) 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. ICRA Limited affirmed the credit rating of "[ICRA]AA" to the Commercial Paper Programme of Rs. 2,000 Lakhs of Motilal Oswal Securities Limited.
- 7) 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. 3,274 Lakhs has been debited to the statement of profit and loss for the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by Rs. 3,274 lakhs for the year ended 31 March 2018.
- 8) 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 recognition of Rs. 1,538 lakhs for the year ended 31 March 2018 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.
- 9) The Board of Directors ("the Board") of the Company at its Meeting 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"). 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 Limited ("MOCML") or any other wholly owned subsidiary of the Company. Further, pursuant to order dated 22 December, 2017 passed by the Hon'ble NCLT, the Members of the Company at their meeting held on 20 February, 2018 have approved the Scheme. Also, the approval of the Members of the Company, was received for slump sale of the lending business of the Company to MOCML, through Postal Ballot process on 19 February, 2018. The final hearing by Hon'ble NCLT for approving the Scheme is awaited.
- 10) In the quarter ended 31 March 2018, Aspire Home Finance Corporation Limited has allotted 192,307,692 of face value of Rs 1 each to Motilal Oswal Wealth Management Limited.
- 11) In accordance with Section 52 of the Companies Act, 2013, the subsidiary company Aspire Home Finance Corporation Limited has utilised Securities Premium Accounts towards Premium on Redemption of Secured/Unsecured, Redeemable, Rated, Listed Non-Convertible Debenture amounting to Rs 2,835 Lakhs net of tax of Rs 1,844 Lakhs.
- 12) The total Exceptional Items due to Write-off on account of Doubtful Non-performing assets during the year ended 31 March 2018 and 31 March 2017 is Rs. Nil and Rs. 2,788 Lakhs respectively.



A/R





13) Consolidated segment results for the quarter and year ended 31 March 2018 is as follows:

PARTICULARS	FOR THE QUARTER ENDED			FOR THE YEAR ENDED	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Unaudited)*	(Unaudited)	(Unaudited)*	(Audited)	(Audited)
<b>1. Segment revenue</b>					
(a) Broking & other related activities	30,351	28,736	19,140	1,05,156	69,191
(b) Fund based activities	8,633	6,259	2,821	24,745	15,090
(c) Asset management & advisory	24,055	24,002	16,552	93,153	58,124
(d) Investment banking	2,122	4,514	4,277	11,241	8,646
(e) Home finance	16,875	15,320	16,929	66,133	56,868
(f) Unallocated	120	177	67	863	996
<b>Total</b>	<b>82,156</b>	<b>79,008</b>	<b>59,786</b>	<b>3,01,291</b>	<b>2,08,915</b>
Less: Inter segment revenue	(6,595)	(5,328)	(5,105)	(22,914)	(15,591)
<b>Total segment revenue (Inclusive of revenue from associate)</b>	<b>75,561</b>	<b>73,680</b>	<b>54,681</b>	<b>2,78,377</b>	<b>1,93,324</b>
<b>2. Segment results</b>					
(a) Broking & other related activities	5,778	6,351	1,038	19,270	9,987
(b) Fund based activities	6,916	4,140	890	17,405	7,691
(c) Fund based activities (exceptional items)	-	-	-	-	(2,788)
(d) Asset management & advisory	6,595	8,550	4,538	30,793	19,205
(e) Investment banking	2,089	2,859	3,063	8,400	5,474
(f) Home finance	(791)	147	4,349	4,928	12,440
(g) Unallocated	1,512	1,616	1,132	5,498	4,408
<b>Total</b>	<b>22,099</b>	<b>23,663</b>	<b>15,010</b>	<b>86,294</b>	<b>56,417</b>
Less : (Interest)	(2,553)	(2,143)	(1,258)	(8,228)	(4,893)
<b>Total segment results (Inclusive of share of profit from associate)</b>	<b>19,546</b>	<b>21,520</b>	<b>13,752</b>	<b>78,066</b>	<b>51,524</b>

PARTICULARS	AS AT				
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>3. Segment assets</b>					
(a) Broking & other related activities	3,00,905	3,34,746	2,09,287	3,00,905	2,09,287
(b) Fund based activities	2,41,971	2,29,907	2,20,073	2,41,971	2,20,073
(c) Asset management & advisory	29,815	32,194	21,380	29,815	21,380
(d) Investment banking	4,215	10,922	6,397	4,215	6,397
(e) Home finance	5,06,877	5,10,401	4,66,216	5,06,877	4,66,216
(f) Unallocated	7,748	6,147	7,298	7,748	7,298
Less : (Inter segment assets)	(1,05,080)	(1,00,427)	(86,511)	(1,05,080)	(86,511)
<b>Total segment assets</b>	<b>9,86,451</b>	<b>10,23,890</b>	<b>8,44,140</b>	<b>9,86,451</b>	<b>8,44,140</b>
<b>4. Segment liabilities</b>					
(a) Broking & other related activities	2,72,237	3,02,425	1,98,358	2,72,237	1,98,358
(b) Fund based activities	41,813	52,542	58,561	41,813	58,561
(c) Asset management & advisory	17,735	16,293	12,296	17,735	12,296
(d) Investment banking	1,247	2,147	1,905	1,247	1,905
(e) Home finance	4,31,066	4,34,367	4,04,853	4,31,066	4,04,853
(f) Unallocated	19,778	23,487	10,189	19,778	10,189
Less : (Inter segment liabilities)	(22,251)	(22,945)	(20,625)	(22,251)	(20,625)
<b>Total segment liabilities</b>	<b>7,61,625</b>	<b>8,08,316</b>	<b>6,65,537</b>	<b>7,61,625</b>	<b>6,65,537</b>

The above Segment information is presented on the basis of the audited 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.

\* See Note - 15

Page (4 of 5)



AIR

*[Handwritten signature]*





14) The Board of Directors at its meeting held on 21 May 2018, have recommended final dividend of Rs. 4.5/- per equity share (on face value of Re 1/- per equity share) for the financial year 2017-18 subject to approval of shareholders in forthcoming Annual General Meeting.

15) The figures for the quarter ended 31 March 2018 and 31 March 2017 represents the balance between audited financial in respect of the full financial year and those published till the third quarter of the respective financial years.

16) Previous quarters/year ended figures have been regrouped/reclassified wherever necessary to confirm to the current quarter/year presentation.



AIR



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

Motilal Oswal  
Chairman & Managing Director  
(DIN - 00024503)

Mumbai, 21 May 2018

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**

16th Floor, Tower II  
Indiabulls Finance Centre  
S B Marg, Elphinstone (W)  
Mumbai 400013  
India

T +91 22 6626 2600  
F +91 22 6626 2601

## **Independent Auditor's Report on Standalone 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 audited the accompanying statement of standalone financial results ('Statement') of Motilal Oswal Financial Services Limited ('the Company') for the year ended 31 March 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 Note 13 to the standalone financial results regarding the figures for the quarter ended 31 March 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, specified under Section 133 of the Act 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, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.





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

**Page 2 of 2**

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (ii) give a true and fair view of the standalone net profit and other financial information in conformity with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act for the year ended 31 March 2018.
4. The audited standalone financial results for the year ended 31 March 2017 (including unaudited standalone financial results for the quarter ended 31 March 2017), was carried out and reported by Haribhakti & Co. LLP, vide their unmodified audit report dated 27 April 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial results. Our audit report is not qualified in respect of this matter.

*Walker Chandiok & Co LLP*

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

*Sudhir N. Pillai*

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

Place : Mumbai  
Date : 21 May 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 AND YEAR ENDED 31 MARCH 2018**

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the Quarter ended			For the Year ended	
	31-Mar-18 (Unaudited)*	31-Dec-17 (Unaudited)	31-Mar-17 (Unaudited)*	31-Mar-18 (Audited)	31-Mar-17 (Audited)
<b>1) Income</b>					
Revenue from operations	2,695	7,779	2,004	21,997	17,544
Other income	14	22	42	338	90
<b>Total Income (1)</b>	<b>2,709</b>	<b>7,801</b>	<b>2,046</b>	<b>22,336</b>	<b>17,634</b>
<b>2) Expenses</b>					
Employee benefit expenses	271	270	195	1,066	854
Finance cost	668	742	776	3,219	3,638
Depreciation and amortisation expense	166	167	173	653	694
Operating expenses	-	72	14	83	124
Other expenses	371	225	290	1,069	966
<b>Total Expenses (2)</b>	<b>1,476</b>	<b>1,476</b>	<b>1,448</b>	<b>6,090</b>	<b>6,275</b>
<b>3) Profit before exceptional item and tax (1-2)</b>	<b>1,233</b>	<b>6,325</b>	<b>598</b>	<b>16,245</b>	<b>11,359</b>
4) Exceptional item - (expenses)	-	-	-	-	(2,788)
<b>5) Profit before tax (3+4)</b>	<b>1,233</b>	<b>6,325</b>	<b>598</b>	<b>16,245</b>	<b>8,571</b>
<b>6) Tax expense/(credit)</b>					
Current tax	117	1,358	65	2,339	663
Deferred tax	(26)	(120)	(34)	(131)	355
Minimum alternate tax (credit)/write-off	-	-	(65)	1,020	(791)
Short/(excess) provision for earlier years	-	-	48	48	(286)
<b>Total tax expenses / (credit) (6)</b>	<b>91</b>	<b>1,238</b>	<b>14</b>	<b>3,276</b>	<b>(59)</b>
<b>7) Net profit after tax (5)-(6)</b>	<b>1,142</b>	<b>5,087</b>	<b>584</b>	<b>12,969</b>	<b>8,630</b>
8) Extraordinary items	-	-	-	-	-
<b>9) Net profit for the period/year (7)-(8)</b>	<b>1,142</b>	<b>5,087</b>	<b>584</b>	<b>12,969</b>	<b>8,630</b>
<b>10) Paid-up equity share capital ( Face value Re. 1 per equity share)</b>	<b>1,451</b>	<b>1,447</b>	<b>1,445</b>	<b>1,451</b>	<b>1,445</b>
<b>11) Reserves excluding revaluation reserves as per Balance sheet</b>				<b>71,933</b>	<b>65,473</b>
<b>12) Earnings Per Share (EPS) ( Face value Re. 1 per equity share) (EPS for the quarters and year not annualised)</b>					
Basic (Amount in Rs.)	0.79	3.52	0.41	8.96	6.03
Diluted (Amount in Rs.)	0.78	3.46	0.40	8.82	5.94

\* See Note - 13



AIR



**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

**STANDALONE ASSETS AND LIABILITIES AS AT 31 MARCH 2018**

(Rs. in Lakhs)

Particulars	As At 31-Mar-18	As At 31-Mar-17
	(Audited)	(Audited)
<b><u>I. EQUITY AND LIABILITIES</u></b>		
<b>1. Shareholders' Funds</b>		
a. Share capital	1,451	1,445
b. Reserves and surplus	71,933	65,473
<b>Total (1)</b>	<b>73,384</b>	<b>66,918</b>
<b>2. Non-current liabilities</b>		
a. Long-term borrowings	-	10,000
b. Deferred tax liabilities (net)	296	427
c. Other long term liabilities	1,112	981
d. Long-term provision	46	24
<b>Total (2)</b>	<b>1,454</b>	<b>11,432</b>
<b>3. Current liabilities</b>		
a. Short-term borrowings	21,829	25,759
b. Other current liabilities	11,893	11,562
c. Short-term provision	691	253
<b>Total (3)</b>	<b>34,412</b>	<b>37,574</b>
<b>TOTAL (1+2+3)</b>	<b>1,09,250</b>	<b>1,15,924</b>
<b><u>II. ASSETS</u></b>		
<b>1. Non-current assets</b>		
a. Property, plant and equipment	13,153	13,763
b. Intangible assets	6	2
c. Non current investments	64,571	57,841
d. Long-term loans and advances	689	1,599
<b>Total (1)</b>	<b>78,418</b>	<b>73,205</b>
<b>2. Current assets</b>		
a. Current investments	-	8,000
b. Cash and bank balances	545	663
c. Short-term loans and advances	29,358	33,799
d. Other current assets	928	257
<b>Total (2)</b>	<b>30,832</b>	<b>42,719</b>
<b>TOTAL (1+2)</b>	<b>1,09,250</b>	<b>1,15,924</b>

(Page 2 of 3)



*[Handwritten signature]*



AIR

**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

**STANDALONE NOTES:-**

- 1) The audited standalone financial results have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 21 May 2018, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 2) The Statutory Auditors have carried out audit of the standalone annual financial results as required under Regulation 33 of Listing Regulations and have issued an unmodified opinion thereon.
- 3) Pursuant to the exercise of Employee Stock Options under various Employee Stock Options Scheme, the Company has allotted 3,62,775 and 6,26,082 equity shares to the employees during the quarter and year ended 31 March 2018, respectively.
- 4) As per AS 17 Para 4, Segment has been disclosed in Consolidated Financial Results, Hence no separate disclosure has been given in standalone financial results of the Company.
- 5) The Company's long term investments in Motilal Oswal's Mutual fund products stands at Rs.42,051 lakhs and Rs.38,151 lakhs as at 31 March 2018 and as at 31 March 2017 respectively. The unrealized gain on these investments is Rs. 26,431 lakhs as of 31 March 2018 as against Rs. 19,556 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 for the quarter and year ended 31 March 2018 and 31 March 2017 respectively.
- 6) During the quarter, CRISIL Limited and India Ratings & Research Private limited has re-affirmed the credit rating of "CRISIL A1+" and "IND A1+" to the Commercial Paper Programme of Rs. 25,000 Lakhs of the Company.
- 7) Effective 1 April 2017, the Company 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 lakhs and Rs. 7 lakhs has been debited to the statement of profit and loss for the quarter and year ended 31 March 2018 respectively. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by Rs. 2 lakhs and Rs. 7 lakhs for the quarter and year ended 31 March 2018.
- 8) The Company 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 recognition of Rs. 1,538 lakhs for the year ended 31 March 2018 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.
- 9) The total Exceptional Items due to Write-off on account of Doubtful Non-performing assets during the year ended 31 March 2018 and 31 March 2017 is Rs. Nil and Rs. 2,788 Lakhs respectively.
- 10) Under the head revenue from operations, profit on sale of investments includes gain from India Business Excellence Funds of Rs. Nil and Rs. 5,828 lakhs for the quarter ended 31 March 2018 and 31 December 2017 respectively and Rs. 8,461 lakhs and Rs. 6,065 lakhs for the year ended 31 March 2018 and 31 March 2017 respectively.
- 11) The Board of Directors ("the Board") of the Company at its Meetings held on 4 November 2017, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") 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"). 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 Limited ("MOCML") or any other wholly owned subsidiary of the Company. Further, pursuant to order dated 22 December, 2017 passed by the Hon'ble NCLT, the Members of the Company at their meeting held on 20 February, 2018 have approved the Scheme. Also, the approval of the Members of the Company, was received for slump sale of the lending business of the Company to MOCML, through Postal Ballot process on 19 February, 2018. The final hearing by Hon'ble NCLT for approving the Scheme is awaited."
- 12) The Board of Directors at its meeting held on 21 May 2018, has recommended a final dividend of Rs. 4.5/- per equity share (on face value of Re 1/- per equity share) for financial year 2017-18 subject to approval of shareholders in forthcoming Annual General Meeting.
- 13) The figures for quarter ended 31 March 2018 and 31 March 2017 represents the balance between audited financial in respect of the full financial year and those published till the third quarter of the respective financial years.
- 14) Previous quarters/year ended figures have been regrouped/reclassified wherever necessary to confirm to the current period/quarter presentation.



Mumbai, 21 May 2018



AIR

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

**Motilal Oswal**  
Chairman & Managing Director  
(DIN 00024503)



Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91 22 3980 4200 Fax: +91 22 3312 4997  
CIN: L67190MH2005PLC153397

## **INVESTOR UPDATE**

**Motilal Oswal Financial Services reports Q4FY18 PAT of Rs 1.48 billion, +64% YoY and FY18 PAT of Rs 5.41 billion, +50% YoY.**

**Mumbai, May 21, 2018:** Motilal Oswal Financial Services Ltd. announced its results for the quarter ended and year ended March 31, 2018 post approval by the Board of Directors at a meeting held in Mumbai on May 21, 2018.

### **Performance Highlights**

Rs Million	Q4FY18	Q4FY17	YoY Chg	FY18	FY17	YoY Chg
Revenues	7,556	5,462	↑38%	27,838	19,332	↑44%
PBT	1,955	1,375	↑42%	7,807	5,152	↑52%
PAT	1,478	902	↑64%	5,413	3,600	↑50%
EPS (FV-1)	10	6.1		37	25	

*Final dividend declared of Rs 4.5 per share*

### **Performance for the quarter and year ended March 31, 2018**

- Consolidated revenues were 27.8 billion in FY18, +44% YoY and Rs 7.56 billion in Q4FY18, +38% YoY.
- In FY18, Asset & Wealth Management business top-line was +66% YOY, Capital Market business was +47%YoY and Fund based business was +71% YoY. In FY18, 54% of revenue came from linear sources like Asset & Wealth Management and Housing Finance. Capital Markets share in revenue during the year was 38% led by market tailwinds coupled with operating leverage. Broking business has clocked its highest ever yearly revenues, its distribution arm clocked 71% YoY growth in AUM and Investment banking profits and pipeline continued to grow strongly. Notwithstanding this strong performance in Capital Markets, the share of annuity revenue streams went up, led by AMC's AUM growth of 76% YoY and Housing Finance business reporting a loan book growth of 17% YoY.
- Consolidated PBT was up by 52% YoY at Rs 7.8 billion in FY18. Consolidated PAT was Rs 5.41 billion in FY18, +50% YoY, despite 3 factors – Rs 256 mn impact of MAT credit provisioning, Rs 229 mn impact of change in ESOP accounting policy and accelerated provision of Rs 194 mn and write off of Rs 715 mn in AHFCL. All these 3 charges to income statement were at the discretion of the management. This incremental PAT growth was contributed by Asset & wealth management business, +60% YoY and Capital Market business, +64% YoY. PAT ex-Aspire is up 81% YoY.
- Significant investments have been made in manpower. Ad expenses are +54% YoY in Asset Management. The full impact of operating leverage from these sizeable investments is yet to unfold in our businesses.
- Consolidated net worth stood at Rs 22.5 bn, gross borrowing was Rs 53 bn and net borrowing was Rs 50 bn (including Aspire). Excluding Aspire, gross and net borrowings were Rs 14 bn and Rs 11 bn respectively and this is less than the market value of quoted investments at Rs 15 bn. Overall gearing remains conservative at 2.4x; ex-Aspire it is at 0.7x and considering market value quoted investments, we are effectively net cash balance sheet.
- RoE for FY18 was 27% on the reported PAT. However, this does not include unrealized gains in our quoted investments at Rs 5.6 bn as of March-18. Had this been included, RoE in FY18 would have been ~31%.
- Board has declared final dividend of Rs 4.5 per share (FV Re 1/share) taking total dividend to Rs 8.5 per share. Dividend payout policy is 25%-35% of PAT.

*[Signature]*







**MOTILAL OSWAL**  
Financial Services

Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91 22 3980 4200 Fax: +91 22 3312 4997  
CIN: L67190MH2005PLC153397

**Speaking on the performance of the company, Mr. Motilal Oswal, CMD said**

*"Our strategy to diversify our business model towards linear sources of earnings like Asset Management and Housing Finance continues to show results, with bulk of the revenue pie now coming from these new businesses. Each of these businesses offers significant headroom for growth and operating leverage as they scale up. Even our traditional businesses also saw strong uptick during the quarter by registering record revenues. With this strategy, we have achieved highest ever annual revenue and profit during FY18. Our brand is now being recognized in each of our businesses".*

**Performance of Business Segments for the quarter and year ended March 31, 2018**

• **Capital markets Businesses (Broking & Investment banking)**

- Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues were Rs 10.7 bn in FY18, +47% YoY for this segment and contributed ~38% of Cons revenues. Profits grew much faster at 64% YoY and contributed ~32% of Cons PAT.
- In **Retail Broking & Distribution**, our Market share in high-yield cash segment has improved strongly on YoY basis. Overall market share has been maintained at 2% in FY18 despite higher F&O volumes.
- Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution Net Sales were Rs 35 bn in FY18, +119% YoY, and AUM was Rs 75 billion, +71% YoY. With only 10% of the near million client base tapped, Distribution income is already at 17.5% of retail broking gross revenues. We expect a meaningful increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.
- In **Institutional Broking**, rankings with existing clients improved, domestic institutions contribution improved and new client additions were encouraging. Every aspect of the business, research, sales, sales trading and corporate access is being strengthened. Tailwinds for local firms remain strong.
- **Investment Banking** revenues grew strongly by 29% YoY to Rs 1.13 bn in FY18 while profits grew much faster at 62% at Rs 603 mn. We have completed 15 ECM transactions in FY18. Some significant transactions have been closed in Q4FY18 and the overall transaction pipeline remains quite encouraging.

• **Asset Management businesses are nearing critical mass**

- **Asset Management** business across MF, PMS & AIF reached the mark of Rs 356 bn AUM, +76% YoY this year, comprising of Rs 182 bn MF AUM, Rs 150 bn PMS AUM and Rs 24 bn of AIF AUM. Our AMC now ranks among the Top-10 players by total equity assets, PMS ranks #1 while AIF is growing rapidly. Net Sales were Rs 128 bn in FY18, +125% YoY and compares with Rs 57 bn in all of FY17. Net yield was ~0.9% in Q4FY18 and 0.92% for FY18. Revenues were Rs 6.7 bn in FY18, +96% YoY and PAT is Rs 1.31 bn, +164% YoY. The asset management business offers the highest scalability and operating leverage among all our businesses.
- Our Equity MF AUM of Rs 182 bn is just 2% of the Industry Equity AUM of Rs 8.3 tn. However, our market share in Equity MF Net Sales has scaled up to ~4% in FY18. Our endeavor would be sharpen the QGLP philosophy to sustain alpha generation, to increase our share of Net Sales as funds form part of performance league tables and there is stronger distribution pull. This will aid closing the gap between our share in AUM and Net Sales while improving our share in Net Sales. Ad & marketing spends were Rs 279 mn in FY18, +54% YoY, forming 9%



*[Signature]*





**MOTILAL OSWAL**  
Financial Services

Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91 22 3980 4200 Fax: +91 22 3312 4997  
CIN: L67190MH2005PLC153397

of net revenue. Our ongoing ad campaign "Think Equity Think Motilal Oswal" is reiterating our positioning as equity specialist. Separately, our pricing power in MF is improving and the direct net sales contribution is rising – up from 17% in Q4FY17 to 31% in Q4FY18. This will help improve net yields.

- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~50% and continues to grow very strongly. Yields and profitability of Alternates is higher. As of March 2018, ~20% of Alternates AUM is performance-fee linked, and our target is to increase this further.
- **Private Equity** manages an AUM of Rs 47 bn across 3 growth capital PE funds & 3 real estate funds. This business has delivered on profitability and scalability fronts. The 1st growth fund (IBEF 1) has delivered an XIRR of 28%, and alpha of 10% and is expected to return nearly 5.4x MoC (Multiple of Cost). Till date, 3.3x MoC has been returned for INR investors and 2.2x for USD investors. Strong performance and positioning has also aided new fund raise. We launched IBEF-3 this year and received phenomenal response by garnering Rs 15 bn and expected to achieve targeted size of Rs 20 bn by June 2018.
- **Wealth Management** business AUM grew by 46% YoY at Rs 147 bn with highest-ever Net adds in FY18 at Rs 27 bn, +50% YoY, revenues grew 47% YoY and PAT grew 134% YoY. EBITDA margins improved to 35% in FY18 vs 31% in FY17. RM count of this business has reached 118 in FY18 from 78 in FY17, +51% YoY. Investments in strong RM addition suppressed reported profitability of past years. As ratio of new adds to opening RM's falls and the vintage of RM's improve, both productivity and profitability of the business will scale up.
- Overall **Asset and Wealth Management** revenues were Rs 8.44 bn in FY18, +66% YoY and contributed 30% of consolidated revenues. Profits grew by 60% YoY and this segment now contributes 37% of consolidated profits, with highest scalability and with least capital employed among our portfolio of businesses.

• **Housing finance business**

- **Aspire Home Finance's** loan book grew by +17% YoY at Rs 48.6 bn. We plan to grow loan book at about 15% in FY19.
- In FY18, profits of the company declined on account of provisioning of Rs 564 mn and write off of Rs 715 mn.
- In FY18, AHFCL has accelerated provisions of Rs 194 mn over the regulatory requirements resulting into substantial increase in PCR to 35% from 18% in FY17. We plan to increase PCR further in coming quarters.
- Strong ramp-up in collection headcount, +60% QoQ to ~215 officers. Average age of collection officers into the system is ~35-40 days. We expect meaningful traction in collection as their customer touch base increases in-line with their vintage. Cost to Income ratio stood at 38% in FY18
- Disbursements in Q4FY18 were Rs 1.8 bn versus Rs 9 bn in Q4FY17. Overall, disbursements in FY18 were Rs 14.3 bn versus Rs 24 bn in FY17.
- NNPA stood at 3.3% in Q4FY18 from 3.6% in Q3FY18. In FY18, overall rise in NPA was on account of seasoning of book coupled with delay in setting up collection organisation. Further, prolonged impact of external shocks in economy also affected asset quality. Impact of collection organization has now started showing positive results.
- We remain confident of the long term outlook of the home finance business. Rs 500 million equity capital has been infused during the quarter and we are committed to provide further capital as the business scales up.
- Management team has been strengthened with additions and changes in Heads of Credit, Technical, Collections, Operations, HR, Business Process & Quality and Compliance. The process of strengthening the team further will continue in the coming quarters.
- Margins stood at 4.1% in FY18 versus 3.6% in FY17. This margin expansion, despite interest reversals, was on account of lower cost of funds.







**MOTILAL OSWAL**  
Financial Services

Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91 22 3980 4200 Fax: +91 22 3312 4997  
CIN: L67190MH2005PLC153397

- Branch expansion is being pursued in the new states where we commenced operations year ago. 4 new states launched in FY17 are performing better.
- Gearing remains conservative, with the Debt/Equity ratio at 4.9x.
- **Fund based business** includes sponsor commitments to our AMC & PE funds, equity investments and NBFC LAS book.
  - **Fund Based** activities like commitments to our asset management products, not only helped seed these new businesses by investing in highly scalable opportunities, but they also represent liquid resources for future opportunities.
  - Investments in quoted equity investments stood at Rs 9.8 bn at cost, while the unrealised gain on these investments as of March-18 stood at Rs 5.6 bn. These gains are not reflected in the reported PAT. The post-tax cumulative XIRR of these investments is ~25%, which is the see-through RoE vs reported RoE of this business just 12%. As per IND-AS, these gains will form a part of reported earnings from FY19.
  - Investment in seeding our PE funds is Rs 2.7 bn at cost. IBEF-1 is expected to deliver a 5x MoC. NBFC LAS book is Rs 1.8 bn as of March-18, which is now run as a spread business.
  - In line with the goal to achieve a sustainable 20%+ RoE, consolidated RoE for the Group for FY18 was 27% (without including unrealized gains on quoted equity investments of Rs 5.6 billion). Within this, Asset and Wealth Management RoE was 200%, Capital Markets RoE was 156% and Fund based RoE was 12%.

#### About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. is a financial services company. Its offerings include capital markets businesses (Retail broking, Institutional broking & Investment banking), Asset & Wealth Management (Asset Management, Private Equity & Wealth Management), Housing Finance & Equity based treasury investments. Motilal Oswal Financial Service won the 'Brand of the Year' award at the IBLA CNBC TV 18. Motilal Oswal Securities won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards for the 6<sup>th</sup> time. It was ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services & Best Roadshows/Company Visits & amongst the Top-3 in Best Local Brokerage, Best Execution & Sales Trading Visits at the Asia Money Awards 2015. Motilal Oswal Private Equity won the 'Best Growth Capital Investor-2012' award at the Awards for PE Excellence 2013. Motilal Oswal Private Wealth Management won at the UTI-MF CNBC Financial Advisor Award in HNI Wealth Management category for 2015. Aspire Housing Finance was awarded 'India's Most Admired & Valuable Housing Finance Company' at India Leadership Conclave 2015.

#### For further details contact:

Mrs. Rohini Kute (Head of Corporate Communication) Motilal Oswal Financial Services Ph- +91-22-30102340, Mob- +91-9820196838	Mr. Shalibhadra Shah (Chief Financial Officer) Motilal Oswal Financial Services Ph- +91-22-38464917 Mob- +91-9819060032	Mr. Alpesh Nakrani Paradigm Shift Public Relations Ph- +91-22 22813797 Mob- +91-9892343828 / +91-9869121167
--	---	--

  
**Mr. Motilal Oswal**  
Chairman & Managing Director







**MOTILAL OSWAL**  
Financial Services

Motilal Oswal Financial Services Limited  
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.  
Board: +91 22 3980 4200 Fax: +91 22 3312 4997  
CIN: L67190MH2005PLC153397

May 21, 2018

**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: MOTILALOF5

Sub: Declaration regarding Audit Reports with unmodified opinion for the Audited Financial Results (Consolidated and Standalone)

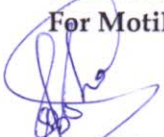
Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), we hereby declare that M/s. Walker Chandiok & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company have issued Audit Reports with unmodified opinion on the Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended March 31, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Motilal Oswal Financial Services Limited

  
Shalibhadra Shah  
Chief Financial Officer