

Walker Chandiook & Co LLP

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Independent Auditor's Report on Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Motilal Oswal Securities Limited

1. We have audited the financial results of Motilal Oswal Securities Limited ("the Company") for the year ended 31 March 2018, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 2 to the financial results regarding the figures for the six months period ended 31 March 2018 as reported in these financial results, which are balancing figures between audited figures in respect of the full financial year and the published figures for the six months period ended 30 September 2017. Also, the figures for the six months period ended 30 September 2017 have only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published figures for the six months period ended 30 September 2017 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 the Rule 7 of the Companies (Accounts) Rules 2014 (as amended), read with SEBI circular CIR/IMD/DF1/9/2015 dated 27 November 2015, CIR/CFD/FAC/62/2016 dated 05 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2018 and our review of financial results for the six months period ended 30 September 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 in the 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 audit opinion.



3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
- i) are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular CIR/IMD/DF1/9/2015 dated 27 November 2015, CIR/CFD/FAC/62/2016 dated 05 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable in this regard; and
 - ii) give a true and fair view of the 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 financial results for the corresponding half year ended 30 September 2016, as included in the Statement are based on the management certified accounts and have not been subject to review or audit. However, the financial results for this period were included in the consolidated financial results of the Company's Holding Company, Motilal Oswal Financial Services Limited, for the half year ended 30 September 2016, prepared pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which were audited by the predecessor auditors, Haribhakti & Co. LLP, on which they have expressed an unmodified conclusion vide their review report dated 26 October 2016. Also, the audit of the financial results for the year ended 31 March 2017 included in the Statement were carried out and reported by the predecessor auditor, vide their audit report dated 27 April 2017, who have expressed an unmodified opinion, and whose report has been furnished to us and which has been relied upon by us for the purpose of our audit of the Statement. Our audit report is not qualified in respect of these matters.

Walker Chandiook & Co LLP
For **Walker Chandiook & 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 SECURITIES LIMITED

CIN : U65990MH1994PLC079418

Motilal Oswal Tower, Rahimtullah Sanyani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025

Tel: +91-22-39804200, Fax: +91-22-33124997 email:shareholders@motilaloswal.com, Website : www.motilaloswal.com

STATEMENT OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

(In Rupees.)

PARTICULARS	For the half year ended		Year Ended	
	31.03.2018 (Unaudited)	31.03.2017 (Unaudited)	31.03.2018 (Audited)	31.03.2017 (Audited)
A. Income				
Income from operations	6,08,56,48,632	3,77,52,36,117	10,89,66,01,599	7,13,62,49,166
Other income	5,35,90,913	5,65,62,097	12,32,17,866	7,75,34,154
Total Income (A)	6,13,92,39,545	3,83,17,98,214	11,01,98,19,465	7,21,37,83,320
B. Expenses				
Employee benefit expenses	1,43,00,35,034	97,14,21,207	2,75,44,92,934	1,82,46,14,492
Finance cost	54,62,94,796	33,80,32,574	96,44,82,762	64,33,20,250
Depreciation and amortisation expenses	13,39,63,031	10,51,39,798	22,91,52,317	20,25,33,507
Operating expense	1,87,32,76,809	1,11,87,55,808	3,32,81,16,642	2,13,74,67,931
Other expenses	73,77,07,757	53,49,25,344	1,30,83,92,813	97,69,10,208
Total Expenses (B)	4,72,12,77,427	3,06,82,74,731	8,58,46,37,468	5,78,48,46,388
C. Profit before taxation and exceptional item (A - B)	1,41,79,62,118	76,35,23,483	2,43,51,81,997	1,42,89,36,932
D. Exceptional items	-	-	-	-
E. Profit before taxation (C + D)	1,41,79,62,118	76,35,23,483	2,43,51,81,997	1,42,89,36,932
F. Tax expenses				
Current tax	46,29,08,719	17,18,25,882	74,76,18,221	39,17,00,373
Deferred tax	(4,54,40,035)	(2,55,67,491)	(6,86,20,434)	(5,38,00,139)
Short/(excess) provision for earlier years	20,93,271	42,82,913	2,20,31,862	29,77,905
Total tax expenses (F)	41,95,61,955	15,05,41,304	70,10,29,649	34,08,78,139
G. Profit after tax before extraordinary items (E - F)	99,84,00,163	61,29,82,179	1,73,41,52,348	1,08,80,58,793
H. Extraordinary items	-	-	-	-
I. Profit for the period/year (G-H)	99,84,00,163	61,29,82,179	1,73,41,52,348	1,08,80,58,793
Earnings Per Share (Face Value Rs. 10 Per Share) (EPS for half year and year not Annualised)				
Basic	757.03	464.79	1,314.92	825.02
Diluted	757.03	464.79	1,314.92	825.02

Place: Mumbai
Dated: 21 May 2018

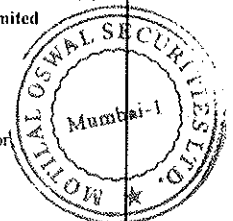


AIR

For and on behalf of the Board of Directors
Motilal Oswal Securities Limited

Ajay Menon

Ajay Menon
Chairman & Managing Director
(DIN: 00024589)



MOTILAL OSWAL SECURITIES LIMITED

CIN : U65990MH1994PLC079418

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Website : www.motilaloswal.com

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 March 2018

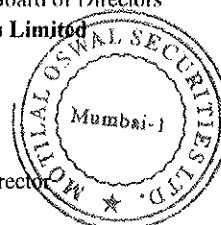
(Amount in Rupees)

PARTICULARS	AS AT 31-Mar-18 (Audited)	AS AT 31-Mar-17 (Audited)
<u>I. EQUITY AND LIABILITIES:</u>		
(A) Shareholder's Funds:		
(a) Share Capital	1,31,88,300	1,31,88,300
(b) Reserves and Surplus	10,43,71,16,810	8,70,29,64,461
TOTAL(A)	10,45,03,05,110	8,71,61,52,761
(B) Non-Current Liabilities:		
(a) Long-term borrowings	2,00,00,00,000	1,50,00,00,000
(a) Deferred tax liabilities (Net)	1,97,53,482	8,83,73,917
(b) Long term liabilities	5,17,92,196	1,79,09,896
(c) Long term provisions	7,17,27,942	7,50,63,852
TOTAL(B)	2,14,32,73,620	1,68,13,47,665
(C) Current Liabilities:		
(a) Short-term borrowings	8,83,79,40,453	7,38,50,81,680
(b) Trade payables	9,76,08,34,870	7,19,07,90,284
(c) Other current liabilities	3,51,83,51,929	1,26,20,93,537
(d) Short-term provisions	1,21,13,31,658	51,40,22,208
TOTAL(C)	23,32,84,58,910	16,35,19,87,709
TOTAL(A+B+C)	35,92,20,37,640	26,74,94,88,135
<u>II. ASSETS:</u>		
(A) Non-Current Assets		
(a) Property, plant and equipment	1,03,06,66,213	98,23,60,888
(b) Intangible assets	10,78,57,424	7,42,05,887
(c) Non-current investments	15,46,92,37,631	12,51,26,30,451
(d) Long term loans and advances	32,89,57,729	28,88,92,140
(e) Other non-current assets	2,20,07,427	2,50,00,000
TOTAL(A)	16,95,87,26,424	13,88,30,89,366
(B) Current assets		
(a) Current investments	2,79,99,99,999	85,00,00,076
(b) Inventories	26,29,295	17,73,551
(c) Trade receivables	7,31,19,84,683	9,45,93,70,366
(d) Cash and bank balances	2,26,73,08,287	2,04,25,16,489
(e) Short-term loans and advances	6,46,00,28,978	36,13,71,168
(f) Other current assets	12,13,59,974	15,13,67,119
TOTAL(B)	18,96,33,11,216	12,86,63,98,769
TOTAL(A+B)	35,92,20,37,640	26,74,94,88,135

For and on behalf of the Board of Directors
Motilal Oswal Securities Limited



Ajay Menon
Chairman & Managing Director
(DIN: 00024589)



Place: Mumbai
Dated: 21 May 2018



AIR

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Notes :

1) The above audited results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on Monday, 21 May 2018. The annual financial results have been audited by the Statutory Auditors of the Company and have issued an unmodified opinion thereon.

2) Figures for the half year ended 31 March 2018 and 31 March 2017 are the balancing figures between the audited financials in respect of the full financial year and the reviewed unaudited half year financial result published of the respective financial year.

3) Additional Disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as below :

a) ICRA has affirmed the rating of ICRA AA rating with stable outlook (pronounced ICRA double A rating with Stable Outlook) to the Long Term Debt Programme of the company for Rs. 50 Crores. ICRA has affirmed the rating of ICRA AA rating with stable outlook (pronounced ICRA double A rating with Stable Outlook) to the Long Term Debt Programme of the company for Rs. 150 Crores. CRISIL has reaffirmed the rating of CRISIL A1+ to the Commercial Paper Programme of the company for Rs. 1,050 Crores and India Ratings & Research has affirmed the rating of IND A1+ to the Commercial Paper Programme of the company for Rs. 1,050 Crores. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

b) Assets Cover available in case of Non Convertible Debt Securities :

i) (i) First Gala no. L- 105 on first floor, Rajlaxmi Commercial Complex, Village Klaker, Taluka Bhiwandi (District Thane) admeasuring about 1718 square feet built up equivalent to 159.66 sq mt

ii) The Loan receivables of the Company of both present and future to the extent of required security cover.

iii) Mutual fund investment by the Company of both present and future to the extent of required security cover.

iv) units of Private Equity funds owned by the Company.

c) Previous due date for the payment of interest (Non Convertible Debenture - Series A - Rs 25 Crores, Series B - Rs. 25 Crores) was 5 February 2018 and principal (Non Convertible Debenture - Series A - Rs 25 Crores, Series B - Rs. 25 Crores, Series C -150 Crores) - NA

d) Next due date for the payment of interest and principal (Non Convertible Debenture - Series A - Rs 25 Crores, Series B - Rs. 25 Crores, Series C -150 Crores)

Coupon Payment Dates

Series A - 4 February 2019, 30 April 2019

Series B - 4 February 2019, 5 June 2019

Series C - 4 July 2018, 4 July 2019, 3 July 2020

Redemption Date

Series A - 30th April 2019

Series B - 5th June 2019

Series C - 3 July 2020

e) Financial Key Ratios :

Particulars	Half year ended (Unaudited)		Year Ended (Audited)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Debt Equity Ratio	1.13	1.02	1.13	1.02
Debt Service Coverage Ratio	0.20	0.16	0.33	0.28
Interest Service Coverage Ratio	3.67	3.33	3.62	3.32

f) Debenture Redemption Reserve as at 31 March 2018 - Rs. 15,58,42,039 (as at 31 March 2017 - Rs. 85,36,901).

g) Net worth of the company (As per section 2 (57) of the Companies Act,2013) for the year ended 31 March 2018 is Rs. 10,45,03,05,110 (31 March 2017 Rs. 8,71,61,52,761).

4) During the year, 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 Financial Services Limited (Holding Company) with the Company and their respective shareholders ("Scheme"), subject to the approval of the Members and obtaining other requisite statutory/ regulatory approval. 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. The final hearing by Hon'ble NCLT for approving the Scheme is awaited.

5) Effective 1st 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. 4,50,02,369 has been debited to the statement of profit and loss for the half 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. 18,30,66,374 for the year ended 31 March 2018.

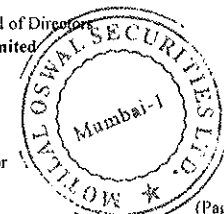
6) Previous half year/year ended figures have been reclassified wherever necessary to confirm the current period presentation.



Place: Mumbai
Date: 21 May 2018

For and on behalf of the Board of Directors
Motilal Oswal Securities Limited

Ajay Menon
Ajay Menon
Chairman & Managing Director
(DIN: 00024589)



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