

Oracle Financial Services Software Limited

Registered Office : Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400 063

Tel: + 91 22 6718 3000 Fax: + 91 22 6718 3001

CIN: L72200MH1989PLC053666

Website: www.oracle.com/financialservices

E-mail: investors-vp-ofss_in_grp@oracle.com

Unaudited Consolidated Financial Results for the Three and Nine Month Period Ended December 31, 2017

PART I		(₹ in millions, except share and per share data)					
		Three month period ended			Nine month period ended		Year ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	(a) Revenue from operations	10,591.21	11,895.27	11,323.06	34,524.05	33,747.25	44,265.33
	(b) Other income, net	164.79	84.56	643.51	417.52	1,463.36	1,563.69
	Total income	10,756.00	11,979.83	11,966.57	34,941.57	35,210.61	45,829.02
2	EXPENSES						
	(a) Employee benefit expenses	4,821.26	5,248.76	5,089.90	15,397.44	15,754.95	20,702.67
	(b) Travel related expenses	625.82	620.33	529.58	1,787.35	1,788.59	2,354.24
	(c) Professional fees	442.90	393.10	346.08	1,220.78	1,231.74	1,652.98
	(d) Other operating expenses	499.38	496.97	365.42	1,529.94	1,396.28	2,216.46
	(e) Depreciation and amortisation	144.35	157.89	164.59	465.68	538.05	701.92
	Total Expenses	6,533.71	6,917.05	6,495.57	20,401.19	20,709.61	27,628.27
3	Profit before Share of (loss) of an associate, exceptional item and tax	4,222.29	5,062.78	5,471.00	14,540.38	14,501.00	18,200.75
4	Share in (loss) of associate	-	-	-	-	(2.72)	(2.72)
5	Profit before exceptional item and tax	4,222.29	5,062.78	5,471.00	14,540.38	14,498.28	18,198.03
6	Exceptional item [Refer note 6]	-	-	(628.25)	-	(628.25)	(628.25)
7	Profit before tax	4,222.29	5,062.78	4,842.75	14,540.38	13,870.03	17,569.78
8	Tax expenses						
	(a) Current tax	1,320.26	1,684.81	1,870.42	4,543.62	4,809.80	6,078.91
	(b) Deferred tax	5.10	(41.14)	(220.77)	(15.76)	(513.58)	(362.98)
	Total tax expenses	1,325.36	1,643.67	1,649.65	4,527.86	4,296.22	5,715.93
9	Net profit for the period	2,896.93	3,419.11	3,193.10	10,012.52	9,573.81	11,853.85
10	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit and loss						
	(i) Actuarial gain (loss) on gratuity fund	35.73	8.38	(52.93)	38.28	(82.77)	(48.50)
	(ii) Deferred tax	(12.37)	(2.90)	18.32	(13.25)	28.65	16.79
	(b) Items that will be reclassified subsequently to profit and loss						
	(i) Exchange differences on translation of foreign operations	(160.47)	241.70	(280.64)	195.84	(75.50)	(176.45)
	Total other comprehensive income for the period, net of tax	(137.11)	247.18	(315.25)	220.87	(129.62)	(208.16)
11	Total comprehensive income for the period	2,759.82	3,666.29	2,877.85	10,233.39	9,444.19	11,645.69
12	Paid up equity share capital (face value ₹ 5 each, fully paid)	426.24	425.84	424.43	426.24	424.43	424.70
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						32,195.00
14	Earnings per share (face value ₹ 5 each, fully paid)						
	(a) Basic (in ₹)	34.01	40.15	37.63	117.59	112.91	139.76
	(b) Diluted (in ₹)	33.83	40.01	37.52	116.99	112.56	139.29
See accompanying note to the financial results							

Notes to financial results :

- 1 The above unaudited consolidated financial results for the three and nine month period ended December 31, 2017 have been approved by the Board of Directors of the Company at its meeting held on February 6, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the consolidated financial results for the three and nine month period ended December 31, 2017. There are no qualifications in the Limited Review Report issued by the Auditors.
- 2 Oracle Financial Services Software Limited (the 'Company' or the 'Group') adopted Indian Accounting Standards (Ind AS) from April 1, 2016, and accordingly these financials results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 During the three and nine month period ended December 31, 2017, the Company allotted 64,067 and 266,709 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes.

4 Particulars of other income, net

(₹ in millions)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	205.99	114.71	331.98	499.23	1,131.83	1,491.16
Exchange (loss) gain, net	(77.01)	(84.70)	240.40	(229.38)	117.13	(221.35)
Miscellaneous income, net	35.81	54.55	71.13	147.67	214.40	293.88
Total	164.79	84.56	643.51	417.52	1,463.36	1,563.69

5 Reporting segmentwise revenue, results, assets and liabilities

(₹ in millions)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	9,157.57	10,373.28	9,752.72	30,055.60	28,701.20	37,613.50
IT solutions and consulting services	1,159.93	1,229.23	1,268.20	3,618.56	4,129.17	5,437.54
Business process outsourcing services	273.71	292.76	302.14	849.89	916.88	1,214.29
	10,591.21	11,895.27	11,323.06	34,524.05	33,747.25	44,265.33
(b) Segment results						
Product licenses and related activities [Refer note 6]	4,201.25	5,107.52	4,190.87	14,644.59	12,373.92	16,285.90
IT solutions and consulting services	114.32	114.01	141.89	316.09	503.41	682.16
Business process outsourcing services	60.55	128.28	114.93	279.73	327.04	415.25
	4,376.12	5,349.81	4,447.69	15,240.41	13,204.37	17,383.31
Finance income	205.99	114.71	331.98	499.23	1,131.83	1,491.16
Other un-allocable (expenses) income, net	(359.82)	(401.74)	63.08	(1,199.26)	(466.17)	(1,304.69)
Profit before tax	4,222.29	5,062.78	4,842.75	14,540.38	13,870.03	17,569.78

Reporting segmentwise revenue, results, assets and liabilities (continued)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(c) Segment assets						
Product licenses and related activities	19,366.90	22,807.32	17,537.12	19,366.90	17,537.12	17,710.60
IT solutions and consulting services	2,131.93	2,437.93	2,764.61	2,131.93	2,764.61	2,684.22
Business process outsourcing services	630.16	431.13	290.65	630.16	290.65	687.12
Unallocable	33,738.62	26,869.33	37,818.45	33,738.62	37,818.45	39,126.42
	55,867.61	52,545.71	58,410.83	55,867.61	58,410.83	60,208.36
(d) Segment liabilities						
Product licenses and related activities	8,444.40	8,186.94	8,069.35	8,444.40	8,069.35	7,076.01
IT solutions and consulting services	915.23	851.44	1,024.66	915.23	1,024.66	804.02
Business process outsourcing services	145.27	122.63	129.12	145.27	129.12	109.02
Unallocable	2,334.52	2,486.24	1,771.56	2,334.52	1,771.56	19,573.45
	11,839.42	11,647.25	10,994.69	11,839.42	10,994.69	27,562.50

Notes on segment information:

Segment revenue and expense:

Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services and business process outsourcing services. The income and expenses which are not directly attributable to a business segment are classified as unallocable income and expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables, net of allowances, unbilled revenue, deposits for premises and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations and other current liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

6 During the three and nine month period ended December 31, 2016, the Company has recorded a charge under the "Product licenses and related activities" segment of ₹ 628.25 millions on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government. The same has been disclosed as an exceptional item.

7 Unaudited standalone results for the three and nine month period ended December 31, 2017

(₹ in millions, except per share data)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	9,058.11	10,029.33	9,534.59	29,323.83	28,715.99	37,363.12
Net profit after tax for the period	2,259.69	3,072.10	2,355.36	8,285.44	9,965.30	12,880.97
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	26.48	36.01	27.70	97.14	117.30	151.57
Diluted (in ₹)	26.35	35.89	27.62	96.65	116.94	151.06

8 The above results are also available on Company's website: www.oracle.com/financialservices

For and on behalf of the Board of Directors
Oracle Financial Services Software Limited

Mumbai, India
February 6, 2018

Chaitanya Kamat
Managing Director & Chief Executive Officer