

Oracle Financial Services Software Limited

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Unaudited Consolidated Financial Results for the Three Month Period Ended June 30, 2018

PART I		Three month period ended			Year ended
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
Particulars		Unaudited	Audited *	Unaudited	Audited
1	INCOME				
	(a) Revenue from operations	13,448.58	10,750.67	12,037.57	45,274.72
	(b) Other income, net	481.33	489.38	168.17	906.90
	Total income	13,929.91	11,240.05	12,205.74	46,181.62
2	EXPENSES				
	(a) Employee benefit expenses	5,511.28	5,594.27	5,327.42	20,991.71
	(b) Travel related expenses	603.70	546.83	541.20	2,334.18
	(c) Professional fees	432.57	328.48	384.78	1,549.26
	(d) Other operating expenses	656.13	757.49	533.59	2,287.43
	(e) Depreciation and amortisation	131.38	148.95	163.44	614.63
	Total Expenses	7,335.06	7,376.02	6,950.43	27,777.21
3	Profit before tax	6,594.85	3,864.03	5,255.31	18,404.41
4	Tax expenses				
	(a) Current tax	2,349.60	1,389.64	1,538.55	5,933.26
	(b) Deferred tax	226.72	116.50	20.28	100.74
	Total tax expenses	2,576.32	1,506.14	1,558.83	6,034.00
5	Net profit for the period	4,018.53	2,357.89	3,696.48	12,370.41
6	Other Comprehensive Income				
	(a) Items that will not be reclassified subsequently to profit or loss				
	(i) Actuarial gain (loss) on gratuity fund	48.26	11.55	(5.83)	49.83
	(ii) Deferred tax	(16.86)	(2.67)	2.02	(15.92)
	(b) Items that will be reclassified subsequently to profit or loss				
	(i) Exchange differences on translation of foreign operations	352.94	231.87	114.61	427.71
	Total other comprehensive income for the period, net of tax	384.34	240.75	110.80	461.62
7	Total comprehensive income for the period	4,402.87	2,598.64	3,807.28	12,832.03
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	426.95	426.73	425.73	426.73
9	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				46,645.29
10	Earnings per share (face value ₹ 5 each, fully paid)				
	(a) Basic (in ₹)	47.07	27.65	43.43	145.22
	(b) Diluted (in ₹)	46.79	27.49	43.27	144.37
See accompanying note to the financial results					

(*) Refer note 3

Notes to financial results :

- 1 The above unaudited consolidated financial results for the three month period ended June 30, 2018 have been reviewed by Audit Committee and approved by the Board of Directors of the Company at its meeting held on August 13, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the consolidated financial results for the three month period ended June 30, 2018. There are no qualifications in the Report issued by the Auditors.
- 2 These financial 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 The figures for the three month period ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and unaudited published year-to-date figures up to December 31, 2017, being the end of the third quarter of the financial year, which were subjected to limited review.
- 4 During the three month period ended June 30, 2018, the Company allotted 33,757 equity shares of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes of the company.
- 5 Effective April 1, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' retrospectively with the cumulative effect recognised at the date of initial application. The standard is applied only to contracts that are not completed as of April 1, 2018 and the comparative information is not restated in the financial results. The cumulative effect of applying Ind AS 115 primarily relates to capitalisation of incremental cost associated with contracts and has been adjusted to the opening balance of retained earnings resulting in an increase of ₹ 93.64 million, net of tax. The adoption of Ind AS 115 did not have a material impact on the statement of profit and loss for three month period ended June 30, 2018.
- 6 Revenue from operations for the three month period ended June 30, 2018 includes ₹ 617.84 million pertaining to earlier periods which has now been recognised as the certainty of collection from the customer was established in the current period.

7 Particulars of other income, net

(₹ in million)

Particulars	Three month period ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited *	Unaudited	Audited
Finance income	345.65	295.61	178.53	794.84
Exchange gain (loss), net	83.20	85.45	(67.67)	(143.93)
Miscellaneous income, net	52.48	108.32	57.31	255.99
Total	481.33	489.38	168.17	906.90

(*) Refer note 3

8 Reporting segmentwise revenue, results, assets and liabilities

(₹ in million)

Particulars	Three month period ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited *	Unaudited	Audited
(a) Segment revenue				
Product licenses and related activities	11,969.98	9,323.00	10,524.75	39,378.60
IT solutions and consulting services	1,189.51	1,152.36	1,229.40	4,770.92
Business process outsourcing services	289.09	275.31	283.42	1,125.20
	13,448.58	10,750.67	12,037.57	45,274.72
(b) Segment results				
Product licenses and related activities	6,319.00	3,941.67	5,335.82	18,586.26
IT solutions and consulting services	42.74	5.73	87.76	321.82
Business process outsourcing services	84.92	52.62	90.90	332.35
	6,446.66	4,000.02	5,514.48	19,240.43
Finance income	345.65	295.61	178.53	794.84
Other un-allocable (expenses), net	(197.46)	(431.60)	(437.70)	(1,630.86)
Profit before tax	6,594.85	3,864.03	5,255.31	18,404.41

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

Particulars	Three month period ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited *	Unaudited	Audited
(c) Segment assets				
Product licenses and related activities	21,959.14	20,884.53	21,054.10	20,884.53
IT solutions and consulting services	2,219.49	2,623.65	2,222.42	2,623.65
Business process outsourcing services	510.41	490.74	406.82	490.74
Unallocable	40,251.10	35,332.69	25,187.41	35,332.69
	64,940.14	59,331.61	48,870.75	59,331.61
(d) Segment liabilities				
Product licenses and related activities	9,741.17	9,010.82	8,185.36	9,010.82
IT solutions and consulting services	955.16	909.79	988.58	909.79
Business process outsourcing services	115.45	124.77	127.97	124.77
Unallocable	2,312.14	2,212.30	2,561.98	2,212.30
	13,123.92	12,257.68	11,863.89	12,257.68

(*) Refer note 3

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.

9 Unaudited standalone results for the three month period ended June 30, 2018

(₹ in million, except per share data)

Particulars	Three month period ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited *	Unaudited	Audited
Revenue from operations	9,854.26	9,293.44	10,236.39	38,617.27
Net profit after tax for the period	3,738.03	1,774.46	2,953.65	10,059.90
Earnings per share (face value ₹ 5 each, fully paid)				
Basic (in ₹)	43.75	20.78	34.64	117.91
Diluted (in ₹)	43.49	20.66	34.51	117.21

(*) Refer note 3

Notes on unaudited standalone results:

With effect from April 1, 2018, the Company has amended its commercial arrangements with its subsidiary companies without modifying the substance of the arrangements and functions undertaken by the Company and its subsidiary companies. Consequently, there is reduction in the revenue earned and the expenditure incurred by the Company in the current period and they are not comparable with the previous periods.

10 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
 August 13, 2018

Chaitanya Kamat
 Managing Director & Chief Executive Officer
 DIN: 00969094