

Oracle Financial Services Software Limited

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Unaudited Consolidated Financial Results for the Three and Six Month Period Ended September 30, 2018

(₹ in million, except per share data)

PART I	Particulars	Three month period ended			Six month period ended		Year ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	(a) Revenue from operations	12,132.77	13,448.58	11,895.27	25,581.35	23,932.84	45,274.72
	(b) Other income, net	496.60	481.33	84.56	977.93	252.73	906.90
	Total income	12,629.37	13,929.91	11,979.83	26,559.28	24,185.57	46,181.62
2	EXPENSES						
	(a) Employee benefit expenses	5,661.83	5,511.28	5,248.76	11,173.11	10,576.18	20,991.71
	(b) Travel related expenses	638.46	603.70	620.33	1,242.16	1,161.53	2,334.18
	(c) Professional fees	411.01	432.57	393.10	843.58	777.88	1,549.26
	(d) Other operating expenses	433.70	656.13	496.97	1,089.83	1,030.56	2,287.43
	(e) Depreciation and amortisation	124.80	131.38	157.89	256.18	321.33	614.63
	Total Expenses	7,269.80	7,335.06	6,917.05	14,604.86	13,867.48	27,777.21
3	Profit before tax	5,359.57	6,594.85	5,062.78	11,954.42	10,318.09	18,404.41
4	Tax expenses						
	(a) Current tax	1,908.67	2,349.60	1,684.81	4,258.27	3,223.36	5,933.26
	(b) Deferred tax	(69.37)	226.72	(41.14)	157.35	(20.86)	100.74
	Total tax expenses	1,839.30	2,576.32	1,643.67	4,415.62	3,202.50	6,034.00
5	Net profit for the period	3,520.27	4,018.53	3,419.11	7,538.80	7,115.59	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	18.67	48.26	8.38	66.93	2.55	49.83
	(ii) Deferred tax	(6.53)	(16.86)	(2.90)	(23.39)	(0.88)	(15.92)
	(b) Items that will be reclassified subsequently to profit or loss						
	(i) Exchange differences on translation of foreign operations	570.21	352.94	241.70	923.15	356.31	427.71
	Total other comprehensive income for the period, net of tax	582.35	384.34	247.18	966.69	357.98	461.62
7	Total comprehensive income for the period	4,102.62	4,402.87	3,666.29	8,505.49	7,473.57	12,832.03
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	428.36	426.95	425.84	428.36	425.84	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 ₹)	41.15	47.07	40.15	88.22	83.58	145.22
	(b) Diluted (in ₹)	40.93	46.79	40.01	87.71	83.26	144.37
See accompanying note to the financial results							

Notes to financial results :

- 1 The above unaudited consolidated financial results for the three and six month period ended September 30, 2018 have been reviewed by Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 2, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the consolidated financial results for the three and six month period ended September 30, 2018. There are no qualifications in the Report issued by the Statutory 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 During the three and six month period ended September 30, 2018, the Company allotted 270,321 and 304,078 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes of the company.
- 4 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 and six month period ended September 30, 2018.
- 5 Revenue from operations for the three month period ended June 30, 2018 and six month period ended September 30, 2018 includes ₹ 617.84 million pertaining to earlier periods which has been recognised as the certainty of collection from the customer was established in the three month period ended June 30, 2018.
- 6 **Particulars of other income, net**

(₹ in million)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	369.25	345.65	114.71	714.90	293.24	794.84
Exchange gain (loss), net	83.14	83.20	(84.70)	166.34	(152.37)	(143.93)
Miscellaneous income, net	44.21	52.48	54.55	96.69	111.86	255.99
Total	496.60	481.33	84.56	977.93	252.73	906.90

7 **Statement of assets and liabilities**

(₹ in million)

Particulars	As at	
	September 30, 2018	March 31, 2018
	Unaudited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	2,062.34	2,180.07
(b) Capital work-in-progress	10.98	25.86
(c) Investment property	102.00	102.00
(d) Goodwill	6,086.63	6,086.63
(f) Financial assets	545.98	525.96
(g) Deferred tax assets (net)	1,060.76	1,227.65
(h) Income tax assets (net)	5,335.06	5,968.95
(i) Other non-current assets	717.53	672.82
	15,921.28	16,789.94
2 Current assets		
(a) Financial assets		
(i) Trade receivables	11,062.99	10,074.80
(ii) Cash and cash equivalents	9,266.52	8,060.99
(iii) Other bank balances	13,414.41	18,399.68
(iv) Other current financial assets	3,813.29	5,388.90
(b) Income tax assets (net)	169.13	72.22
(c) Other current assets	2,159.87	545.08
	39,886.21	42,541.67
TOTAL - ASSETS	55,807.49	59,331.61

Statement of assets and liabilities (continued)

(₹ in million)

Particulars	As at	
	September 30, 2018	March 31, 2018
	Unaudited	Audited
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	428.36	426.73
(b) Other equity	42,895.52	46,647.20
	43,323.88	47,073.93
2 Non-current liabilities		
(a) Financial liabilities	39.23	35.45
(b) Other non-current liabilities	165.90	190.53
(c) Employee benefit obligations	968.90	926.34
(d) Deferred tax liability (net)	27.24	5.30
(e) Income tax liabilities (net)	229.25	144.34
	1,430.52	1,301.95
3 Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Payable to micro and small enterprises	-	-
- Payable to others	595.85	646.43
(ii) Other current financial liabilities	3,133.23	3,230.23
(b) Other current liabilities	5,151.57	4,838.40
(c) Employee benefit obligations	1,379.46	1,378.29
(d) Income tax liabilities (net)	792.98	862.37
	11,053.09	10,955.72
TOTAL-EQUITY AND LIABILITIES	55,807.49	59,331.61

8 Reporting segmentwise revenue, results, assets and liabilities

(₹ in million)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	10,567.84	11,969.98	10,373.28	22,537.82	20,898.03	39,378.60
IT solutions and consulting services	1,287.20	1,189.51	1,229.23	2,476.71	2,458.63	4,770.92
Business process outsourcing services	277.73	289.09	292.76	566.82	576.18	1,125.20
	12,132.77	13,448.58	11,895.27	25,581.35	23,932.84	45,274.72
(b) Segment results						
Product licenses and related activities	4,979.85	6,319.00	5,107.52	11,298.85	10,443.34	18,586.26
IT solutions and consulting services	154.77	42.74	114.01	197.51	201.77	321.82
Business process outsourcing services	76.06	84.92	128.28	160.98	219.18	332.35
	5,210.68	6,446.66	5,349.81	11,657.34	10,864.29	19,240.43
Finance income	369.25	345.65	114.71	714.90	293.24	794.84
Other un-allocable (expenses), net	(220.36)	(197.46)	(401.74)	(417.82)	(839.44)	(1,630.86)
Profit before tax	5,359.57	6,594.85	5,062.78	11,954.42	10,318.09	18,404.41

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

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(c) Segment assets						
Product licenses and related activities	21,969.83	21,959.14	22,807.32	21,969.83	22,807.32	20,884.53
IT solutions and consulting services	2,501.40	2,219.49	2,437.93	2,501.40	2,437.93	2,623.65
Business process outsourcing services	510.18	510.41	431.13	510.18	431.13	490.74
Unallocable	30,826.08	40,251.10	26,869.33	30,826.08	26,869.33	35,332.69
	55,807.49	64,940.14	52,545.71	55,807.49	52,545.71	59,331.61
(d) Segment liabilities						
Product licenses and related activities	9,449.83	9,741.17	8,186.94	9,449.83	8,186.94	9,010.82
IT solutions and consulting services	995.04	955.16	851.44	995.04	851.44	909.79
Business process outsourcing services	107.95	115.45	122.63	107.95	122.63	124.77
Unallocable	1,930.79	2,312.14	2,486.24	1,930.79	2,486.24	2,212.30
	12,483.61	13,123.92	11,647.25	12,483.61	11,647.25	12,257.68

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 and six month period ended September 30, 2018**

(₹ in million, except per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	8,778.42	9,854.26	10,029.33	18,632.68	20,265.72	38,617.27
Net profit after tax for the period	3,222.54	3,738.03	3,072.10	6,960.57	6,025.75	10,059.90
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	37.65	43.75	36.01	81.39	70.66	117.91
Diluted (in ₹)	37.45	43.49	35.89	80.93	70.38	117.21

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 Board of Directors approved the appointment of Mr. Yong Meng Kau and Mr. Vincent Secondo Grelli as Non Executive Non Independent Directors of the Company with immediate effect as Additional Directors to hold office until the ensuing Annual General Meeting of the Company.

11 The above financial 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
November 2, 2018

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094