

**Oracle Financial Services Software Limited**

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

(₹ in million, except share and per share data)

PART I		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
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>INCOME</b>						
	(a) Revenue from operations	9,058.11	10,029.33	9,534.59	29,323.83	28,715.99	37,363.12
	(b) Other income, net	148.42	141.08	386.47	469.62	1,456.59	1,636.59
	<b>Total income</b>	<b>9,206.53</b>	<b>10,170.41</b>	<b>9,921.06</b>	<b>29,793.45</b>	<b>30,172.58</b>	<b>38,999.71</b>
2	<b>EXPENSES</b>						
	(a) Employee costs	4,221.78	4,732.53	4,499.70	13,602.77	13,806.86	18,108.63
	(b) Travel related expenses	560.84	561.54	457.49	1,610.33	1,546.21	2,048.80
	(c) Professional fees	478.21	448.71	405.83	1,365.87	1,377.88	1,850.38
	(d) Other expenses	388.54	183.00	266.27	1,024.37	1,059.61	1,660.57
	(e) Depreciation and amortisation	134.86	147.87	156.53	434.28	512.47	667.99
	<b>Total expenses</b>	<b>5,784.23</b>	<b>6,073.65</b>	<b>5,785.82</b>	<b>18,037.62</b>	<b>18,303.03</b>	<b>24,336.37</b>
3	<b>Profit before exceptional item and tax</b>	<b>3,422.30</b>	<b>4,096.76</b>	<b>4,135.24</b>	<b>11,755.83</b>	<b>11,869.55</b>	<b>14,663.34</b>
4	Exceptional item [Refer Note 7]	-	-	(628.25)	-	1,279.78	2,162.59
5	<b>Profit before tax</b>	<b>3,422.30</b>	<b>4,096.76</b>	<b>3,506.99</b>	<b>11,755.83</b>	<b>13,149.33</b>	<b>16,825.93</b>
6	Tax expenses						
	(a) Current tax	1,231.88	1,052.91	1,362.95	3,566.71	3,731.86	4,383.88
	(b) Deferred tax	(69.27)	(28.25)	(211.32)	(96.32)	(547.83)	(438.92)
	<b>Total tax expenses</b>	<b>1,162.61</b>	<b>1,024.66</b>	<b>1,151.63</b>	<b>3,470.39</b>	<b>3,184.03</b>	<b>3,944.96</b>
7	<b>Net profit for the period</b>	<b>2,259.69</b>	<b>3,072.10</b>	<b>2,355.36</b>	<b>8,285.44</b>	<b>9,965.30</b>	<b>12,880.97</b>
8	Other Comprehensive Income						
	(a) Items that will not be reclassified subsequently to profit or loss						
	(i) Actuarial (loss) gain on gratuity fund	35.73	8.38	(52.93)	38.28	(82.77)	(48.38)
	(ii) Deferred tax	(12.37)	(2.90)	18.31	(13.25)	28.64	16.74
	(b) Items that will be reclassified subsequently to profit or loss						
	(i) Exchange differences on translation of foreign operations	1.69	(2.92)	(65.55)	5.18	(90.09)	44.62
	<b>Total other comprehensive income for the period, net of tax</b>	<b>25.05</b>	<b>2.56</b>	<b>(100.17)</b>	<b>30.21</b>	<b>(144.22)</b>	<b>12.98</b>
9	<b>Total Comprehensive Income for the period</b>	<b>2,284.74</b>	<b>3,074.66</b>	<b>2,255.19</b>	<b>8,315.65</b>	<b>9,821.08</b>	<b>12,893.95</b>
10	Paid up equity share capital (face value ₹ 5 each, fully paid)	426.87	426.55	425.26	426.87	425.26	425.53
11	Reserve excluding Revaluation Reserves as per balance sheet						26,307.51
12	Earnings per share (face value ₹ 5 each, fully paid)						
	(a) Basic (in ₹)	26.48	36.01	27.70	97.14	117.30	151.57
	(b) Diluted (in ₹)	26.35	35.89	27.62	96.65	116.94	151.06

See accompanying note to the financial results

**Notes to financial results :**

- 1 The above unaudited standalone 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 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 The Company 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 of face value of ₹ 5 each on exercise of stock options by the eligible employees under the prevailing ESOP schemes of the Company.
- 4 Other operating expenses for the three month period ended September 30, 2017 and nine month period ended December 31, 2017 includes ₹ 196.75 million towards reversal of provision for diminution in value of investment in ISP Internet Mauritius Company along with reversal of provision for loss in fair value of loan given to ISP Internet Mauritius Company.
- 5 **Particulars of other income, net**

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	187.56	99.53	302.11	447.92	1,077.57	1,420.83
Exchange (loss) / gain, net	(49.67)	21.66	36.57	(28.84)	31.82	(157.41)
Miscellaneous income, net *	10.53	19.89	47.79	50.54	347.20	373.17
<b>Total</b>	<b>148.42</b>	<b>141.08</b>	<b>386.47</b>	<b>469.62</b>	<b>1,456.59</b>	<b>1,636.59</b>

\* Miscellaneous income for the nine month period ended December 31, 2016 and for the year ended March 31, 2017 includes ₹ 245.04 million against liability written-back towards amount due to it's wholly owned subsidiary Oracle Financial Services Software, Inc.

- 6 Reporting segmentwise revenue, results, assets and liabilities

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
<b>(a) Segment revenue</b>						
Product licenses and related activities	7,824.94	8,712.06	8,193.62	25,465.49	24,383.80	31,678.70
IT solutions and consulting services	1,233.17	1,317.27	1,340.97	3,858.34	4,332.19	5,684.42
	<b>9,058.11</b>	<b>10,029.33</b>	<b>9,534.59</b>	<b>29,323.83</b>	<b>28,715.99</b>	<b>37,363.12</b>
<b>(b) Segment results</b>						
Product licenses and related activities [Refer Note 7(a)]	3,360.34	3,896.10	3,149.86	11,582.38	9,805.02	12,666.81
IT solutions and consulting services	128.73	139.19	152.37	358.23	551.00	721.94
	<b>3,489.07</b>	<b>4,035.29</b>	<b>3,302.23</b>	<b>11,940.61</b>	<b>10,356.02</b>	<b>13,388.75</b>
Finance Income	187.56	99.53	302.11	447.92	1,077.57	1,420.83
Other un-allocable income (expenses), net	(254.33)	(38.06)	(97.35)	(632.70)	(192.29)	(774.49)
Exceptional item [Refer note 7(b)]	-	-	-	-	1,908.03	2,790.84
<b>Profit before taxes</b>	<b>3,422.30</b>	<b>4,096.76</b>	<b>3,506.99</b>	<b>11,755.83</b>	<b>13,149.33</b>	<b>16,825.93</b>
<b>(c) Segment assets</b>						
Product licenses and related activities	10,648.51	14,208.60	11,778.30	10,648.51	11,778.30	9,054.47
IT solutions and consulting services	2,259.15	2,248.43	2,519.72	2,259.15	2,519.72	1,973.51
Unallocable	31,120.53	25,077.42	34,092.42	31,120.53	34,092.42	39,995.22
	<b>44,028.19</b>	<b>41,534.45</b>	<b>48,390.44</b>	<b>44,028.19</b>	<b>48,390.44</b>	<b>51,023.20</b>
<b>(d) Segment liabilities</b>						
Product licenses and related activities	6,242.07	6,296.40	5,880.52	6,242.07	5,880.52	5,300.61
IT solutions and consulting services	1,103.27	1,092.88	1,096.10	1,103.27	1,096.10	1,005.66
Unallocable	617.34	665.96	803.60	617.34	803.60	17,957.73
	<b>7,962.68</b>	<b>8,055.24</b>	<b>7,780.22</b>	<b>7,962.68</b>	<b>7,780.22</b>	<b>24,264.00</b>

**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. The income and expenses which are not directly attributable to a business segment are shown 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.

- 7 (a) During the three and nine month period ended December 31, 2016, the Company has recorded a charge under the Products segment of ₹ 628.25 million 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.
- (b) During the nine month period ended December 31, 2016, the Company has received dividend of ₹ 971.43 million and ₹ 936.60 million from its wholly owned subsidiaries Oracle Financial Services Software B.V. and Oracle Financial Services Software Pte. Ltd respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the nine month period ended December 31, 2016 includes applicable tax credits on this dividend income.

During the year ended March 31, 2017, the Company has received dividend of ₹ 1,146.73 million, ₹ 1,270.10 million and ₹ 374.01 million from its wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the year ended March 31, 2017 includes applicable tax credits on this dividend income.

- 8 The above financial results are also available on the Company's website: [www.oracle.com/financialservices](http://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