

Oracle Financial Services Software Limited

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Unaudited Consolidated Financial Results for the Three and Nine Month Period Ended December 31, 2018

PART I

(₹ in million, except per share data)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations	11,858.53	12,132.77	10,591.21	37,439.88	34,524.05	45,274.72
(b) Other income, net	169.80	496.60	164.79	1,147.73	417.52	906.90
Total income	12,028.33	12,629.37	10,756.00	38,587.61	34,941.57	46,181.62
2 EXPENSES						
(a) Employee benefit expenses	5,457.16	5,661.83	4,821.26	16,630.27	15,397.44	20,991.71
(b) Travel related expenses	653.52	638.46	625.82	1,895.68	1,787.35	2,334.18
(c) Professional fees	364.50	411.01	442.90	1,208.08	1,220.78	1,549.26
(d) Other operating expenses	388.42	433.70	499.38	1,478.25	1,529.94	2,287.43
(e) Depreciation and amortisation	118.82	124.80	144.35	375.00	465.68	614.63
Total Expenses	6,982.42	7,269.80	6,533.71	21,587.28	20,401.19	27,777.21
3 Profit before tax	5,045.91	5,359.57	4,222.29	17,000.33	14,540.38	18,404.41
4 Tax expenses						
(a) Current tax	2,025.21	1,908.67	1,320.26	6,283.48	4,543.62	5,933.26
(b) Deferred tax	(39.45)	(69.37)	5.10	117.90	(15.76)	100.74
Total tax expenses	1,985.76	1,839.30	1,325.36	6,401.38	4,527.86	6,034.00
5 Net profit for the period	3,060.15	3,520.27	2,896.93	10,598.95	10,012.52	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	(36.95)	18.67	35.73	29.98	38.28	49.83
(ii) Deferred tax	12.92	(6.53)	(12.37)	(10.47)	(13.25)	(15.92)
(b) Items that will be reclassified subsequently to profit or loss						
(i) Exchange differences on translation of foreign operations	(457.67)	570.21	(160.47)	465.48	195.84	427.71
Total other comprehensive income for the period, net of tax	(481.70)	582.35	(137.11)	484.99	220.87	461.62
7 Total comprehensive income for the period	2,578.45	4,102.62	2,759.82	11,083.94	10,233.39	12,832.03
8 Paid up equity share capital (face value ₹ 5 each, fully paid)	428.58	428.36	426.24	428.58	426.24	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 ₹)	35.71	41.15	34.01	123.90	117.59	145.22
(b) Diluted (in ₹)	35.56	40.93	33.83	123.23	116.99	144.37
See accompanying note to the financial results						

Notes to financial results :

- The above unaudited consolidated financial results for the three and nine month period ended December 31, 2018 have been reviewed by Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 13, 2019. 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, 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 nine month period ended December 31, 2018, the Company allotted 33,786 and 337,864 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 nine month period ended December 31, 2018.
- 5 **Particulars of other income, net**

(₹ in million)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	286.93	369.25	205.99	1,001.83	499.23	794.84
Exchange (loss) gain, net	(181.64)	83.14	(77.01)	(15.30)	(229.38)	(143.93)
Miscellaneous income, net	64.51	44.21	35.81	161.20	147.67	255.99
Total	169.80	496.60	164.79	1,147.73	417.52	906.90

6 **Reporting segmentwise revenue, results, assets and liabilities**

(₹ in million)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	10,394.11	10,567.84	9,157.57	32,931.93	30,055.60	39,378.60
IT solutions and consulting services	1,190.76	1,287.20	1,159.93	3,667.47	3,618.56	4,770.92
Business process outsourcing services	273.66	277.73	273.71	840.48	849.89	1,125.20
	11,858.53	12,132.77	10,591.21	37,439.88	34,524.05	45,274.72
(b) Segment results						
Product licenses and related activities	4,986.76	4,979.85	4,201.25	16,285.61	14,644.59	18,586.26
IT solutions and consulting services	90.68	154.77	114.32	288.19	316.09	321.82
Business process outsourcing services	89.62	76.06	60.55	250.60	279.73	332.35
	5,167.06	5,210.68	4,376.12	16,824.40	15,240.41	19,240.43
Finance income	286.93	369.25	205.99	1,001.83	499.23	794.84
Other un-allocable (expenses), net	(408.08)	(220.36)	(359.82)	(825.90)	(1,199.26)	(1,630.86)
Profit before tax	5,045.91	5,359.57	4,222.29	17,000.33	14,540.38	18,404.41

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

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(c) Segment assets						
Product licenses and related activities	20,125.43	21,969.83	19,366.90	20,125.43	19,366.90	20,884.53
IT solutions and consulting services	2,809.19	2,501.40	2,131.93	2,809.19	2,131.93	2,623.65
Business process outsourcing services	475.09	510.18	630.16	475.09	630.16	490.74
Unallocable	35,924.66	30,826.08	33,738.62	35,924.66	33,738.62	35,332.69
	59,334.37	55,807.49	55,867.61	59,334.37	55,867.61	59,331.61
(d) Segment liabilities						
Product licenses and related activities	9,996.32	9,449.83	8,444.40	9,996.32	8,444.40	9,010.82
IT solutions and consulting services	1,078.70	995.04	915.23	1,078.70	915.23	909.79
Business process outsourcing services	123.32	107.95	145.27	123.32	145.27	124.77
Unallocable	2,000.68	1,930.79	2,334.52	2,000.68	2,334.52	2,212.30
	13,199.02	12,483.61	11,839.42	13,199.02	11,839.42	12,257.68

Notes on segment information:

Segment revenue and expense:

Revenue is generated through licensing of software products, maintenance fees 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.

7 **Unaudited standalone results for the three and nine month period ended December 31, 2018**

(₹ in million, except per share data)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	8,348.02	8,778.42	9,058.11	26,980.70	29,323.83	38,617.27
Net profit after tax for the period	2,895.11	3,222.54	2,259.69	9,855.68	8,285.44	10,059.90
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	33.77	37.65	26.48	115.15	97.14	117.91
Diluted (in ₹)	33.62	37.45	26.35	114.53	96.65	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 periods and they are not comparable with the previous periods.

8 The Board of Directors approved appointment of Ms. Jane Murphy as the Non Executive Independent Director of the Company with immediate effect as an Additional Director to hold office until the ensuing Annual General Meeting of the Company.

9 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
February 13, 2019

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094