

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 Six Month Period Ended September 30, 2017

PART I		Three month period ended			Six month period ended		Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	(a) Revenue from operations	11,895.27	12,037.57	10,652.85	23,932.84	22,424.19	44,265.33
	(b) Other income, net	84.56	168.17	284.71	252.73	819.85	1,563.69
	Total income	11,979.83	12,205.74	10,937.56	24,185.57	23,244.04	45,829.02
2	EXPENSES						
	(a) Employee benefit expenses	5,248.76	5,327.42	5,169.71	10,576.18	10,665.05	20,702.67
	(b) Travel related expenses	620.33	541.20	653.53	1,161.53	1,259.01	2,354.24
	(c) Professional fees	393.10	384.78	448.04	777.88	885.66	1,652.98
	(d) Other operating expenses	496.97	533.59	549.70	1,030.56	1,030.86	2,216.46
	(e) Depreciation and amortisation	157.89	163.44	181.65	321.33	373.46	701.92
	Total Expenses	6,917.05	6,950.43	7,002.63	13,867.48	14,214.04	27,628.27
3	Profit before Share of (loss) of an associate, exceptional item and tax	5,062.78	5,255.31	3,934.93	10,318.09	9,030.00	18,200.75
4	Share in (loss) of associate	-	-	(1.11)	-	(2.72)	(2.72)
5	Profit before exceptional item and tax	5,062.78	5,255.31	3,933.82	10,318.09	9,027.28	18,198.03
6	Exceptional item [Refer note 7]	-	-	-	-	-	(628.25)
7	Profit before tax	5,062.78	5,255.31	3,933.82	10,318.09	9,027.28	17,569.78
8	Tax expenses						
	(a) Current tax	1,684.81	1,538.55	1,239.27	3,223.36	2,939.38	6,078.91
	(b) Deferred tax	(41.14)	20.28	(223.93)	(20.86)	(292.81)	(362.98)
	Total tax expenses	1,643.67	1,558.83	1,015.34	3,202.50	2,646.57	5,715.93
9	Net profit for the period	3,419.11	3,696.48	2,918.48	7,115.59	6,380.71	11,853.85
10	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit and loss						
	(i) Actuarial (loss) gain on gratuity fund	8.38	(5.83)	(16.04)	2.55	(29.84)	(48.50)
	(ii) Deferred tax	(2.90)	2.02	5.55	(0.88)	10.33	16.79
	(b) Items that will be reclassified subsequently to profit and loss						
	(i) Exchange differences on translation of foreign operations	241.70	114.61	69.06	356.31	205.14	(176.45)
	Total other comprehensive income for the period, net of tax	247.18	110.80	58.57	357.98	185.63	(208.16)
11	Total comprehensive income for the period	3,666.29	3,807.28	2,977.05	7,473.57	6,566.34	11,645.69
12	Paid up equity share capital (face value ₹ 5 each, fully paid)	425.84	425.73	424.25	425.84	424.25	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 ₹)	40.15	43.43	34.42	83.58	75.29	139.76
	(b) Diluted (in ₹)	40.01	43.27	34.31	83.26	75.04	139.29
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, 2017 have been approved by the Board of Directors of the Company at its meeting held on November 10, 2017. 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, 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 six month period ended September 30, 2017, the Company allotted 16,648 and 202,642 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			Six month period ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	114.71	178.53	384.80	293.24	799.85	1,491.16
Exchange (loss) gain, net	(84.70)	(67.67)	(178.37)	(152.37)	(123.27)	(221.35)
Miscellaneous income, net	54.55	57.31	78.28	111.86	143.27	293.88
Total	84.56	168.17	284.71	252.73	819.85	1,563.69

5 **Statement of assets and liabilities**

(₹ in millions)

Particulars	As at	
	September 30, 2017	March 31, 2017
	Unaudited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	2,322.89	2,509.24
(b) Capital work-in-progress	14.11	8.16
(c) Investment property	102.00	102.00
(d) Goodwill	6,086.63	6,086.63
(e) Investment in an associate	-	-
(f) Financial assets	581.06	577.02
(g) Deferred tax assets (net)	1,369.63	1,346.28
(h) Income tax assets (net)	5,440.45	5,858.54
(i) Other non-current assets	689.66	714.59
	16,606.43	17,202.46
2 Current assets		
(a) Financial assets		
(i) Trade receivables	10,749.67	7,180.14
(ii) Cash and bank balances	9,214.44	25,914.71
(iii) Other bank balances	9,107.00	4,402.24
(iv) Other current financial assets	6,101.95	4,916.81
(b) Income tax assets (net)	-	78.03
(c) Other current assets	766.22	513.97
	35,939.28	43,005.90
TOTAL - ASSETS	52,545.71	60,208.36

Statement of assets and liabilities (continued)

(₹ in millions)

Particulars	As at	
	September 30, 2017	March 31, 2017
	Unaudited	Audited
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	425.84	424.70
(b) Other equity	40,472.62	32,221.16
	40,898.46	32,645.86
2 Non- current liabilities		
(a) Financial liabilities	27.38	23.90
(b) Other non-current liabilities	216.84	244.77
(c) Employee benefit obligations	832.47	784.21
(d) Deferred tax liability (net)	8.39	6.57
(e) Income tax liabilities (net)	294.76	261.33
	1,379.84	1,320.78
3 Current liabilities		
(a) Financial liabilities		
(i) Trade payables	149.58	108.37
(ii) Other current financial liabilities	3,394.16	19,733.03
(b) Other current liabilities	4,467.66	4,136.93
(c) Employee benefit obligations	1,349.78	1,317.73
(d) Income tax liabilities (net)	906.23	945.66
	10,267.41	26,241.72
TOTAL-EQUITY AND LIABILITIES	52,545.71	60,208.36

6 Reporting segmentwise revenue, results, assets and liabilities

(₹ in millions)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	10,373.28	10,524.75	8,966.46	20,898.03	18,948.48	37,613.50
IT solutions and consulting services	1,229.23	1,229.40	1,363.61	2,458.63	2,860.97	5,437.54
Business process outsourcing services	292.76	283.42	322.78	576.18	614.74	1,214.29
	11,895.27	12,037.57	10,652.85	23,932.84	22,424.19	44,265.33
(b) Segment results						
Product licenses and related activities [Refer note 7]	5,107.52	5,335.82	3,643.02	10,443.34	8,183.05	16,285.90
IT solutions and consulting services	114.01	87.76	171.63	201.77	361.52	682.16
Business process outsourcing services	128.28	90.90	122.92	219.18	212.11	415.25
	5,349.81	5,514.48	3,937.57	10,864.29	8,756.68	17,383.31
Finance income	114.71	178.53	384.80	293.24	799.85	1,491.16
Other un-allocable (expenses), net	(401.74)	(437.70)	(388.55)	(839.44)	(529.25)	(1,304.69)
Profit before tax	5,062.78	5,255.31	3,933.82	10,318.09	9,027.28	17,569.78

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

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(c) Segment assets						
Product licenses and related activities	22,807.32	21,054.10	18,358.02	22,807.32	18,358.02	17,710.60
IT solutions and consulting services	2,437.93	2,222.42	2,917.31	2,437.93	2,917.31	2,684.22
Business process outsourcing services	431.13	406.82	322.23	431.13	322.23	687.12
Unallocable	26,869.33	25,187.41	32,987.21	26,869.33	32,987.21	39,126.42
	52,545.71	48,870.75	54,584.77	52,545.71	54,584.77	60,208.36
(d) Segment liabilities						
Product licenses and related activities	8,186.94	8,185.36	7,592.41	8,186.94	7,592.41	7,076.01
IT solutions and consulting services	851.44	988.58	882.38	851.44	882.38	804.02
Business process outsourcing services	122.63	127.97	121.09	122.63	121.09	109.02
Unallocable	2,486.24	2,561.98	1,710.87	2,486.24	1,710.87	19,573.45
	11,647.25	11,863.89	10,306.75	11,647.25	10,306.75	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.

7 During the year ended March 31, 2017, 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.

8 Unaudited standalone results for the three and six month period ended September 30, 2017

(₹ in millions, except per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	10,029.33	10,236.39	9,078.22	20,265.72	19,181.40	37,363.12
Net profit after tax for the period	3,072.10	2,953.65	4,654.18	6,025.75	7,609.94	12,880.97
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	36.01	34.64	54.78	70.66	89.62	151.57
Diluted (in ₹)	35.89	34.51	54.60	70.38	89.32	151.06

9 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
November 10, 2017

Chaitanya Kamat
Managing Director & Chief Executive Officer