

**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 Standalone 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
<b>1 INCOME</b>						
(a) Revenue from operations	8,778.42	9,854.26	10,029.33	18,632.68	20,265.72	38,617.27
(b) Other income, net	429.48	352.03	141.08	781.51	321.20	886.27
<b>Total income</b>	<b>9,207.90</b>	<b>10,206.29</b>	<b>10,170.41</b>	<b>19,414.19</b>	<b>20,586.92</b>	<b>39,503.54</b>
<b>2 EXPENSES</b>						
(a) Employee benefit expenses	3,139.57	2,998.14	4,732.53	6,137.71	9,380.99	18,586.73
(b) Travel related expenses	456.57	442.13	561.54	898.70	1,049.49	2,091.45
(c) Professional fees	376.61	362.10	448.71	738.71	887.66	1,739.71
(d) Other expenses	285.63	487.97	183.00	773.60	635.83	1,642.98
(e) Depreciation and amortisation	115.04	122.14	147.87	237.18	299.42	573.53
<b>Total expenses</b>	<b>4,373.42</b>	<b>4,412.48</b>	<b>6,073.65</b>	<b>8,785.90</b>	<b>12,253.39</b>	<b>24,634.40</b>
<b>3 Profit before tax</b>	<b>4,834.48</b>	<b>5,793.81</b>	<b>4,096.76</b>	<b>10,628.29</b>	<b>8,333.53</b>	<b>14,869.14</b>
<b>4 Tax expenses</b>						
(a) Current tax	1,662.69	1,838.90	1,052.91	3,501.59	2,334.83	4,775.76
(b) Deferred tax	(50.75)	216.88	(28.25)	166.13	(27.05)	33.48
<b>Total tax expenses</b>	<b>1,611.94</b>	<b>2,055.78</b>	<b>1,024.66</b>	<b>3,667.72</b>	<b>2,307.78</b>	<b>4,809.24</b>
<b>5 Net profit for the period</b>	<b>3,222.54</b>	<b>3,738.03</b>	<b>3,072.10</b>	<b>6,960.57</b>	<b>6,025.75</b>	<b>10,059.90</b>
<b>6 Other Comprehensive Income</b>						
(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	44.61
(ii) Deferred tax	(6.53)	(16.86)	(2.90)	(23.39)	(0.88)	(15.59)
(b) Items that will be reclassified subsequently to profit or loss						
(i) Exchange differences on translation of foreign operations	(0.93)	3.69	(2.92)	2.76	3.49	3.77
<b>Total other comprehensive income for the period, net of tax</b>	<b>11.21</b>	<b>35.09</b>	<b>2.56</b>	<b>46.30</b>	<b>5.16</b>	<b>32.79</b>
<b>7 Total Comprehensive Income for the period</b>	<b>3,233.75</b>	<b>3,773.12</b>	<b>3,074.66</b>	<b>7,006.87</b>	<b>6,030.91</b>	<b>10,092.69</b>
<b>8 Paid up equity share capital (face value ₹ 5 each, fully paid)</b>	<b>428.60</b>	<b>427.25</b>	<b>426.55</b>	<b>428.60</b>	<b>426.55</b>	<b>427.08</b>
<b>9 Reserve excluding Revaluation Reserves as per balance sheet</b>						<b>37,642.04</b>
<b>10 Earnings per share (face value ₹ 5 each, fully paid)</b>						
(a) Basic (in ₹)	37.65	43.75	36.01	81.39	70.66	117.91
(b) Diluted (in ₹)	37.45	43.49	35.89	80.93	70.38	117.21

See accompanying note to the financial results

**Notes to financial results :**

- The above unaudited standalone financial results have been reviewed by the 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 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.
- 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.
- 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 the eligible employees under the prevailing ESOP schemes of the Company.
- Other expenses for the three and six month period ended September 30, 2017 and for the year ended March 31, 2018 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.
- 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.

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	335.33	320.42	99.53	655.75	260.36	722.62
Exchange gain, net	80.06	18.44	21.66	98.50	20.83	94.95
Miscellaneous income, net	14.09	13.17	19.89	27.26	40.01	68.70
<b>Total</b>	<b>429.48</b>	<b>352.03</b>	<b>141.08</b>	<b>781.51</b>	<b>321.20</b>	<b>886.27</b>

7 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 ₹ 26.26 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.

8 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.

9 Statement of assets and liabilities

Particulars	As at	
	September 30, 2018	March 31, 2018
	Unaudited	Audited
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	1,995.20	2,109.81
(b) Capital work-in-progress	9.68	24.48
(c) Investment property	102.00	102.00
(d) Financial assets		
(i) Investments in subsidiaries	7,804.04	7,780.49
(ii) Other non-current financial assets	539.22	523.17
(e) Deferred tax assets (net)	850.62	1,053.11
(f) Income tax assets (net)	5,004.83	5,794.41
(g) Other non-current assets	673.41	672.81
	<b>16,979.00</b>	<b>18,060.28</b>
<b>2 Current assets</b>		
(a) Financial assets		
(i) Trade receivables	4,558.58	6,317.93
(ii) Cash and cash equivalents	1,253.56	2,111.89
(iii) Other bank balances	11,421.29	16,689.01
(iv) Other current financial assets	3,917.10	2,971.79
(b) Other current assets	1,378.20	356.09
	<b>22,528.73</b>	<b>28,446.71</b>
<b>TOTAL - ASSETS</b>	<b>39,507.73</b>	<b>46,506.99</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	428.60	427.08
(b) Other equity	32,192.78	37,643.95
	<b>32,621.38</b>	<b>38,071.03</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities	33.27	31.74
(b) Other non-current liabilities	128.95	133.20
(c) Employee benefit obligations	930.74	888.17
	<b>1,092.96</b>	<b>1,053.11</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
- Payable to micro and small enterprises	-	-
- Payable to others	438.21	555.40
(ii) Other current financial liabilities	2,661.51	4,319.65
(b) Other current liabilities	1,145.29	906.58
(c) Employee benefit obligations	1,145.93	1,228.95
(d) Income tax liabilities (net)	402.45	372.27
	<b>5,793.39</b>	<b>7,382.85</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>39,507.73</b>	<b>46,506.99</b>

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
<b>(a) Segment revenue</b>						
Product licenses and related activities	7,726.51	8,920.74	8,712.06	16,647.25	17,640.55	33,509.25
IT solutions and consulting services	1,051.91	933.52	1,317.27	1,985.43	2,625.17	5,108.02
	<b>8,778.42</b>	<b>9,854.26</b>	<b>10,029.33</b>	<b>18,632.68</b>	<b>20,265.72</b>	<b>38,617.27</b>
<b>(b) Segment results</b>						
Product licenses and related activities	4,249.58	5,419.64	3,896.10	9,669.22	8,222.04	14,741.71
IT solutions and consulting services	379.95	235.49	139.19	615.44	229.50	408.22
	<b>4,629.53</b>	<b>5,655.13</b>	<b>4,035.29</b>	<b>10,284.66</b>	<b>8,451.54</b>	<b>15,149.93</b>
Finance Income	335.33	320.42	99.53	655.75	260.36	722.62
Other un-allocable (expenses) income, net	(130.38)	(181.74)	(38.06)	(312.12)	(378.37)	(1,003.41)
<b>Profit before tax</b>	<b>4,834.48</b>	<b>5,793.81</b>	<b>4,096.76</b>	<b>10,628.29</b>	<b>8,333.53</b>	<b>14,869.14</b>
<b>(c) Segment assets</b>						
Product licenses and related activities	10,002.86	9,078.00	14,208.60	10,002.86	14,208.60	9,438.73
IT solutions and consulting services	1,915.37	1,923.79	2,248.43	1,915.37	2,248.43	2,335.93
Unallocable	27,589.50	37,971.49	25,077.42	27,589.50	25,077.42	34,732.33
	<b>39,507.73</b>	<b>48,973.28</b>	<b>41,534.45</b>	<b>39,507.73</b>	<b>41,534.45</b>	<b>46,506.99</b>
<b>(d) Segment liabilities</b>						
Product licenses and related activities	5,440.93	5,428.09	6,296.40	5,440.93	6,296.40	6,654.15
IT solutions and consulting services	778.49	826.19	1,092.88	778.49	1,092.88	1,139.82
Unallocable	666.93	660.22	665.96	666.93	665.96	641.99
	<b>6,886.35</b>	<b>6,914.50</b>	<b>8,055.24</b>	<b>6,886.35</b>	<b>8,055.24</b>	<b>8,435.96</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.

11 The Board of Directors approved the appointment of Mr. Yong Meng Kau and Mr. Vincent Secondo Grelli as the 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.

12 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  
November 2, 2018

**Chaitanya Kamat**  
Managing Director & Chief Executive Officer  
DIN: 00969094