

Oracle Financial Services Software Limited

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Unaudited Consolidated financial results for the three month period ended June 30, 2019

PART I		( ₹ in million, except per share data)			
		Three month period ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
Particulars		Unaudited	Audited (*)	Unaudited	Audited
1	<b>INCOME</b>				
	(a) Revenue from operations	12,751.01	12,149.15	13,448.58	49,589.03
	(b) Other income, net	320.21	613.19	481.33	1,760.92
	<b>Total income</b>	<b>13,071.22</b>	<b>12,762.34</b>	<b>13,929.91</b>	<b>51,349.95</b>
2	<b>EXPENSES</b>				
	(a) Employee benefit expenses	5,130.06	5,327.83	5,511.28	21,958.10
	(b) Travel related expenses	584.25	571.27	603.70	2,466.95
	(c) Professional fees	394.40	283.99	432.57	1,492.07
	(d) Finance cost	27.29	-	-	-
	(e) Other operating expenses	453.88	747.54	656.13	2,225.79
	(f) Depreciation and amortization	265.37	162.17	131.38	537.17
	<b>Total Expenses</b>	<b>6,855.25</b>	<b>7,092.80</b>	<b>7,335.06</b>	<b>28,680.08</b>
3	<b>Profit before tax</b>	<b>6,215.97</b>	<b>5,669.54</b>	<b>6,594.85</b>	<b>22,669.87</b>
4	Tax expenses				
	(a) Current tax	2,500.09	1,922.62	2,349.60	8,206.10
	(b) Deferred tax	(57.98)	486.89	226.72	604.79
	<b>Total tax expenses</b>	<b>2,442.11</b>	<b>2,409.51</b>	<b>2,576.32</b>	<b>8,810.89</b>
5	<b>Net profit for the period</b>	<b>3,773.86</b>	<b>3,260.03</b>	<b>4,018.53</b>	<b>13,858.98</b>
6	<b>Other Comprehensive Income</b>				
	(a) Items that will not be reclassified subsequently to profit or loss				
	(i) Actuarial (loss) gain on gratuity fund	(41.05)	16.53	48.26	46.51
	(ii) Deferred tax	14.35	(3.60)	(16.86)	(14.07)
	(b) Items that will be reclassified subsequently to profit and loss				
	(i) Exchange differences on translation of foreign operations	94.44	(271.43)	352.94	194.05
	<b>Total other comprehensive income for the period, net of tax</b>	<b>67.74</b>	<b>(258.50)</b>	<b>384.34</b>	<b>226.49</b>
7	<b>Total comprehensive income for the period</b>	<b>3,841.60</b>	<b>3,001.53</b>	<b>4,402.87</b>	<b>14,085.47</b>
8	<b>Net profit attributable to:</b>				
	Equity holders of the Company	3,773.86	3,260.03	4,018.53	13,858.98
	Non-controlling interests	-	-	-	-
9	<b>Total comprehensive income attributable to:</b>				
	Equity holders of the Company	3,841.60	3,001.53	4,402.87	14,085.47
	Non-controlling interests	-	-	-	-
10	Paid up equity share capital (face value ₹ 5 each, fully paid)	428.96	428.76	426.95	428.76
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				48,936.15
12	Earnings per equity share (face value ₹ 5 each, fully paid)				
	(a) Basic (in ₹)	44.00	38.03	47.07	161.94
	(b) Diluted (in ₹)	43.81	37.86	46.79	161.11

See accompanying note to the financial results

(\*) Refer note 3

**Notes to financial results :**

- 1 The above unaudited consolidated financial results for the three month period ended June 30, 2019 have been reviewed by Audit Committee and approved by the Board of Directors of the Company at its meeting held on August 7, 2019. There are no qualifications in the Review Report issued by the Statutory Auditors.
- 2 These financials results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the other accounting principles generally accepted in India.
- 3 The figures for the three month period ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and unaudited published year-to-date figures up to December 31, 2018, being the end of the third quarter of the financial year, which were subjected to limited review.
- 4 The OFSS group has adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the OFSS group has not restated comparative information. Accordingly, the OFSS group has recognized Right-of-use asset of ₹ 1,605.51 million and a lease liability of ₹ 1,562.11 million in the consolidated financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. The OFSS group has recognized depreciation on right-of-use asset of ₹ 120.60 million and interest on lease liability of ₹ 27.29 million for the three month period ended June 30, 2019. The effect of this standard is not significant on the profit for the period of the OFSS group.
- 5 During the three month period ended June 30, 2019, the Company allotted 27,112 equity shares of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing Employee Stock Option Plan ("ESOP") schemes.
- 6 Revenue from operations for the three month period ended June 30, 2018 includes ₹ 617.84 million pertaining to earlier periods which was recognized as the certainty of collection from the customer was established in the three month period ended June 30, 2018.

**7 Particulars of Other income, net**

(₹ in million)

Particulars	Three month period ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (*)	Unaudited	Audited
Finance income	369.25	317.90	345.65	1,319.73
Exchange (loss) gain, net	(101.36)	242.27	83.20	226.97
Miscellaneous income, net	52.32	53.02	52.48	214.22
<b>Total</b>	<b>320.21</b>	<b>613.19</b>	<b>481.33</b>	<b>1,760.92</b>

(\*) Refer note 3

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

(₹ in million)

Particulars	Three month period ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (*)	Unaudited	Audited
<b>(a) Segment revenue</b>				
Product licenses and related activities	11,353.27	10,595.36	11,969.98	43,527.29
IT solutions and consulting services	1,116.89	1,277.60	1,189.51	4,945.07
Business process outsourcing services	280.85	276.19	289.09	1,116.67
	<b>12,751.01</b>	<b>12,149.15</b>	<b>13,448.58</b>	<b>49,589.03</b>
<b>(b) Segment results</b>				
Product licenses and related activities	5,821.48	5,179.96	6,319.00	21,465.57
IT solutions and consulting services	286.27	347.42	42.74	635.61
Business process outsourcing services	86.71	72.77	84.92	323.37
	<b>6,194.46</b>	<b>5,600.15</b>	<b>6,446.66</b>	<b>22,424.55</b>
Finance income	369.25	317.90	345.65	1,319.73
Other un-allocable (expenses), net	(347.74)	(248.51)	(197.46)	(1,074.41)
<b>Profit before tax</b>	<b>6,215.97</b>	<b>5,669.54</b>	<b>6,594.85</b>	<b>22,669.87</b>

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

Particulars	Three month period ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (*)	Unaudited	Audited
<b>(c) Segment assets</b>				
Product licenses and related activities	21,997.53	20,650.04	21,959.14	20,650.04
IT solutions and consulting services	2,323.70	2,198.82	2,219.49	2,198.82
Business process outsourcing services	652.70	447.13	510.41	447.13
Unallocable	42,076.70	38,018.43	40,251.10	38,018.43
	<b>67,050.63</b>	<b>61,314.42</b>	<b>64,940.14</b>	<b>61,314.42</b>
<b>(d) Segment liabilities</b>				
Product licenses and related activities	10,147.60	8,807.22	9,741.17	8,807.22
IT solutions and consulting services	1,010.90	845.94	955.16	845.94
Business process outsourcing services	347.09	117.43	115.45	117.43
Unallocable	2,130.74	2,178.44	2,312.14	2,178.44
	<b>13,636.33</b>	<b>11,949.03</b>	<b>13,123.92</b>	<b>11,949.03</b>

(\*) Refer note 3

**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 property, plant and equipment and right-of-use asset. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations, lease liability and other 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 month period ended June 30, 2019**

(₹ in million, except per share data)

Particulars	Three month period ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (*)	Unaudited	Audited
<b>Revenue from operations</b>	<b>9,346.31</b>	<b>8,828.27</b>	<b>9,854.26</b>	<b>35,808.97</b>
<b>Net profit for the period</b>	<b>3,468.87</b>	<b>2,969.02</b>	<b>3,738.03</b>	<b>12,824.70</b>
Earnings per equity share (face value ₹ 5 each, fully paid)				
Basic (in ₹)	40.43	34.62	43.75	149.77
Diluted (in ₹)	40.26	34.47	43.49	149.01

(\*) Refer note 3

10 The above results are also available on 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  
 August 07, 2019

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