

**Oracle Financial Services Software Limited**

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**Unaudited standalone financial results for the three and nine month period ended December 31, 2019**

(₹ in million, except per share data)

PART I	Particulars	Three month period ended			Nine month period ended		Year ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>INCOME</b>						
	(a) Revenue from operations	8,355.98	8,489.23	8,348.02	26,191.52	26,980.70	35,808.97
	(b) Other income, net	518.07	346.75	179.70	1,243.73	961.21	1,389.50
	<b>Total income</b>	<b>8,874.05</b>	<b>8,835.98</b>	<b>8,527.72</b>	<b>27,435.25</b>	<b>27,941.91</b>	<b>37,198.47</b>
2	<b>EXPENSES</b>						
	(a) Employee benefit expenses	2,942.52	2,994.03	2,986.25	8,816.59	9,123.96	11,896.09
	(b) Travel related expenses	415.57	419.91	454.90	1,246.18	1,353.60	1,741.70
	(c) Professional fees	298.53	313.22	304.07	965.03	1,042.78	1,366.75
	(d) Finance cost	15.88	16.68	-	50.07	-	-
	(e) Other operating expenses	114.36	149.12	273.00	860.97	1,046.60	1,827.80
	(f) Depreciation and amortisation	210.88	200.28	110.64	620.97	347.82	501.98
	<b>Total expenses</b>	<b>3,997.74</b>	<b>4,093.24</b>	<b>4,128.86</b>	<b>12,559.81</b>	<b>12,914.76</b>	<b>17,334.32</b>
3	<b>Profit before tax</b>	<b>4,876.31</b>	<b>4,742.74</b>	<b>4,398.86</b>	<b>14,875.44</b>	<b>15,027.15</b>	<b>19,864.15</b>
4	Tax expenses						
	(a) Current tax	1,145.38	831.04	1,539.43	3,912.88	5,041.02	6,428.91
	(b) Deferred tax	23.57	291.49	(35.68)	166.12	130.45	610.54
	<b>Total tax expenses</b>	<b>1,168.95</b>	<b>1,122.53</b>	<b>1,503.75</b>	<b>4,079.00</b>	<b>5,171.47</b>	<b>7,039.45</b>
5	<b>Net profit for the period</b>	<b>3,707.36</b>	<b>3,620.21</b>	<b>2,895.11</b>	<b>10,796.44</b>	<b>9,855.68</b>	<b>12,824.70</b>
6	Other Comprehensive Income						
	(a) Items that will not be reclassified subsequently to profit or loss						
	(i) Actuarial gain (loss) on gratuity fund	17.24	(16.24)	(36.95)	(40.05)	29.98	39.87
	(ii) Deferred tax	(4.34)	0.07	12.92	10.08	(10.47)	(13.93)
	(b) Items that will be reclassified subsequently to profit or loss						
	(i) Exchange differences on translation of foreign operations	1.80	4.33	3.58	3.69	6.34	(0.11)
	<b>Total other comprehensive income for the period, net of tax</b>	<b>14.70</b>	<b>(11.84)</b>	<b>(20.45)</b>	<b>(26.28)</b>	<b>25.85</b>	<b>25.83</b>
7	<b>Total Comprehensive Income for the period</b>	<b>3,722.06</b>	<b>3,608.37</b>	<b>2,874.66</b>	<b>10,770.16</b>	<b>9,881.53</b>	<b>12,850.53</b>
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	429.29	429.20	428.77	429.29	428.77	428.90
9	Reserve excluding Revaluation Reserves as per balance sheet						38,374.36
10	Earnings per equity share (face value ₹ 5 each, fully paid)						
	(a) Basic (in ₹)	43.19	42.18	33.77	125.80	115.15	149.77
	(b) Diluted (in ₹)	43.02	42.02	33.62	125.28	114.53	149.01

See accompanying note to the financial results

**Notes to financial results :**

- The unaudited standalone financial results for the three and nine month period ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 4, 2020. There are no qualifications in the Review 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 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.
- The Company 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 Company has not restated comparative information. Accordingly, the Company has recognized right-of-use asset of ₹ 916.21 million and a lease liability of ₹ 806.68 million in the 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. During the three and nine month period ended December 31, 2019, the Company has recognized depreciation on right-of-use asset of ₹ 73.35 million and ₹ 219.66 million along with interest on lease liability of ₹ 15.88 million and ₹ 50.07 million; respectively. The effect of this standard is not significant on the profit for the period of the Company.

- 4 During the three and nine month period ended December 31, 2019, the Company allotted 16,813 and 77,898 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by the eligible employees under the prevailing Employee Stock Option Plan ('ESOP') schemes of the Company.
- 5 The Company has exercised the option permitted under Section 115BAA of the Indian Income Tax Act, 1961 as introduced by The Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax and re-measured its deferred tax asset at the rate prescribed in the said section. Impact of this change has been recognized in the statement of profit and loss account for the three and nine month period ended December 31, 2019.
- 6 Other operating expenses for the three and nine month period ended December 31, 2019 includes ₹ 0.28 million and ₹ 242.03 million respectively; towards provision for impairment of inter-company loan (including commitment thereof) granted to Oracle (OFSS) BPO Services Limited, a step-down subsidiary company.

Other operating expenses for the year ended March 31, 2019 includes ₹ 209.47 million towards provision for diminution in value of investment along with provision for loss in fair value of loan given to ISP Internet Mauritius Company and reversal of provision for diminution in value of investment in Oracle (OFSS) ASP Private Limited for ₹ 40.70 million.

- 7 During the nine month period ended December 31, 2019, the Company has acquired 100% equity shares of Mantas India Private Limited at ₹ 20.28 million towards restructuring of ownership in Indian step-down subsidiary of the Company.
- 8 Particulars of other income, net

(₹ in million)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	395.99	366.13	245.39	1,084.25	901.14	1,173.47
Exchange gain (loss), net	104.38	(35.30)	(113.08)	99.95	(14.58)	110.31
Miscellaneous income, net	17.70	15.92	47.39	59.53	74.65	105.72
<b>Total</b>	<b>518.07</b>	<b>346.75</b>	<b>179.70</b>	<b>1,243.73</b>	<b>961.21</b>	<b>1,389.50</b>

- 9 Reporting segment wise revenue, results, assets and liabilities

**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. 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, 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.

(₹ in million)

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	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(a) Segment revenue</b>						
Product licenses and related activities	7,489.06	7,540.48	7,430.16	23,440.47	24,077.41	31,886.35
IT solutions and consulting services	866.92	948.75	917.86	2,751.05	2,903.29	3,922.62
	<b>8,355.98</b>	<b>8,489.23</b>	<b>8,348.02</b>	<b>26,191.52</b>	<b>26,980.70</b>	<b>35,808.97</b>
<b>(b) Segment results</b>						
Product licenses and related activities	4,178.16	4,198.56	4,165.89	13,303.84	13,835.12	18,423.89
IT solutions and consulting services	316.94	391.42	261.06	1,117.69	876.50	1,347.84
	<b>4,495.10</b>	<b>4,589.98</b>	<b>4,426.95</b>	<b>14,421.53</b>	<b>14,711.62</b>	<b>19,771.73</b>
Finance Income	395.99	366.13	245.39	1,084.25	901.14	1,173.47
Other un-allocable (expenses) income, net	(14.78)	(213.37)	(273.48)	(630.34)	(585.61)	(1,081.05)
<b>Profit before tax</b>	<b>4,876.31</b>	<b>4,742.74</b>	<b>4,398.86</b>	<b>14,875.44</b>	<b>15,027.15</b>	<b>19,864.15</b>

Particulars	Three month period ended			Nine month period ended		Year ended
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	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(c) Segment assets</b>						
Product licenses and related activities	8,909.63	8,791.88	9,737.99	8,909.63	9,737.99	8,889.18
IT solutions and consulting services	1,898.34	1,881.49	1,935.58	1,898.34	1,935.58	1,783.53
Unallocable	45,320.60	41,680.78	30,824.45	45,320.60	30,824.45	33,781.04
	<b>56,128.57</b>	<b>52,354.15</b>	<b>42,498.02</b>	<b>56,128.57</b>	<b>42,498.02</b>	<b>44,453.75</b>
<b>(d) Segment liabilities</b>						
Product licenses and related activities	4,823.10	4,820.33	5,324.00	4,823.10	5,324.00	4,342.68
IT solutions and consulting services	594.88	610.97	819.32	594.88	819.32	582.11
Unallocable	769.59	801.22	686.68	769.59	686.68	725.22
	<b>6,187.57</b>	<b>6,232.52</b>	<b>6,830.00</b>	<b>6,187.57</b>	<b>6,830.00</b>	<b>5,650.01</b>

10 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 4, 2020

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