

Oracle Financial Services Software Limited

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Audited Standalone financial results for the three month period ended and year ended March 31, 2019

(₹ in million, except per share data)

PART I	Particulars	Three month period ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		Audited (*)	Unaudited	Audited (*)	Audited	Audited
1	INCOME					
	(a) Revenue from operations	8,828.27	8,348.02	9,293.44	35,808.97	38,617.27
	(b) Other income, net	428.29	179.70	416.65	1,389.50	886.27
	Total income	9,256.56	8,527.72	9,710.09	37,198.47	39,503.54
2	EXPENSES					
	(a) Employee benefit expenses	2,772.13	2,986.25	4,983.96	11,896.09	18,586.73
	(b) Travel related expenses	388.10	454.90	481.12	1,741.70	2,091.45
	(c) Professional fees	323.97	304.07	373.84	1,366.75	1,739.71
	(d) Other operating expenses	781.20	273.00	618.61	1,827.80	1,642.98
	(e) Depreciation and amortisation	154.16	110.64	139.25	501.98	573.53
	Total expenses	4,419.56	4,128.86	6,596.78	17,334.32	24,634.40
3	Profit before tax	4,837.00	4,398.86	3,113.31	19,864.15	14,869.14
4	Tax expenses					
	(a) Current tax	1,387.89	1,539.43	1,209.05	6,428.91	4,775.76
	(b) Deferred tax	480.09	(35.68)	129.80	610.54	33.48
	Total tax expenses	1,867.98	1,503.75	1,338.85	7,039.45	4,809.24
5	Net profit for the period	2,969.02	2,895.11	1,774.46	12,824.70	10,059.90
6	Other Comprehensive Income					
	(a) Items that will not be reclassified subsequently to profit or loss					
	(i) Actuarial gain (loss) on gratuity fund	9.89	(36.95)	6.33	39.87	44.61
	(ii) Deferred tax	(3.46)	12.92	(2.34)	(13.93)	(15.59)
	(b) Items that will be reclassified subsequently to profit or loss					
	(i) Exchange differences on translation of foreign operations	(6.45)	3.58	(1.41)	(0.11)	3.77
	Total other comprehensive income for the period, net of tax	(0.02)	(20.45)	2.58	25.83	32.79
7	Total Comprehensive Income for the period	2,969.00	2,874.66	1,777.04	12,850.53	10,092.69
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	428.90	428.77	427.08	428.90	427.08
9	Reserve excluding Revaluation Reserves as per balance sheet				38,374.36	37,642.04
10	Earnings per equity share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	34.62	33.77	20.78	149.77	117.91
	(b) Diluted (in ₹)	34.47	33.62	20.66	149.01	117.21

See accompanying note to the financial results

(*) Refer note 3

Notes to financial results :

- 1 The audited standalone financial results for three month period ended and year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 9, 2019. There are no qualifications in the report issued by the Statutory Auditors.
- 2 These financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.
- 3 The figures for the three month period ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and March 31, 2018 respectively and unaudited published year-to-date figures up to December 31, 2018 and December 31, 2017 respectively, being the end of the third quarter of the respective financial years, which were subjected to limited review.
- 4 During the three month period ended and year ended March 31, 2019, the Company allotted 24,390 and 362,254 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.
- 5 Other operating expenses for the three month period ended and year ended March 31, 2019 include ₹ 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.

Other operating expenses for the year ended March 31, 2018 include ₹ 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.

6 Particulars of other income, net (₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
Finance income	272.33	245.39	274.70	1,173.47	722.62
Exchange gain (loss), net	124.89	(113.08)	123.79	110.31	94.95
Miscellaneous income, net	31.07	47.39	18.16	105.72	68.70
Total	428.29	179.70	416.65	1,389.50	886.27

(*) Refer note 3

7 Statement of assets and liabilities (₹ in million)

Particulars	As at	
	March 31, 2019	March 31, 2018
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	2,385.67	2,109.81
(b) Capital work-in-progress	4.05	24.48
(c) Investment property	102.00	102.00
(d) Financial assets		
(i) Investments in subsidiaries	7,650.28	7,780.49
(ii) Other non-current financial assets	622.17	523.17
(e) Deferred tax assets (net)	415.67	1,053.11
(f) Income tax assets (net)	7,225.51	5,794.41
(g) Other non-current assets	661.30	672.81
	19,066.65	18,060.28
2 Current assets		
(a) Financial assets		
(i) Trade receivables	4,866.30	6,317.93
(ii) Cash and cash equivalents	2,713.65	2,111.89
(iii) Other bank balances	14,351.10	16,689.01
(iv) Other current financial assets	2,237.33	2,971.79
(b) Other current assets	1,218.72	356.09
	25,387.10	28,446.71
TOTAL - ASSETS	44,453.75	46,506.99

Statement of assets and liabilities (continued)

(₹ in million)

Particulars	As at	
	March 31, 2019	March 31, 2018
	Audited	Audited
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	428.90	427.08
(b) Other equity	38,374.84	37,643.95
	38,803.74	38,071.03
2 Non-current liabilities		
(a) Financial liabilities	-	31.74
(b) Other non-current liabilities	123.46	133.20
(c) Employee benefit obligations	965.71	888.17
	1,089.17	1,053.11
3 Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
Payable to micro and small enterprises	3.04	-
Payable to others	420.05	555.40
(ii) Other current financial liabilities	1,855.87	4,319.65
(b) Other current liabilities	1,004.54	906.58
(c) Employee benefit obligations	889.30	1,228.95
(d) Income tax liabilities (net)	388.04	372.27
	4,560.84	7,382.85
TOTAL - EQUITY AND LIABILITIES	44,453.75	46,506.99

- 8 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 the three month period ended and year ended March 31, 2019.
- 9 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.
- 10 Reporting segmentwise 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 and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations 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)

Particulars	Three month period ended			Year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
(a) Segment revenue					
Product licenses and related activities	7,808.94	7,430.16	8,043.76	31,886.35	33,509.25
IT solutions and consulting services	1,019.33	917.86	1,249.68	3,922.62	5,108.02
	8,828.27	8,348.02	9,293.44	35,808.97	38,617.27
(b) Segment results					
Product licenses and related activities	4,588.77	4,165.89	3,159.33	18,423.89	14,741.71
IT solutions and consulting services	471.34	261.06	49.99	1,347.84	408.22
	5,060.11	4,426.95	3,209.32	19,771.73	15,149.93
Finance Income	272.33	245.39	274.70	1,173.47	722.62
Other un-allocable (expenses) income, net	(495.44)	(273.48)	(370.71)	(1,081.05)	(1,003.41)
Profit before tax	4,837.00	4,398.86	3,113.31	19,864.15	14,869.14
(c) Segment assets					
Product licenses and related activities	8,889.18	9,737.99	9,438.73	8,889.18	9,438.73
IT solutions and consulting services	1,783.53	1,935.58	2,335.93	1,783.53	2,335.93
Unallocable	33,781.04	30,824.45	34,732.33	33,781.04	34,732.33
	44,453.75	42,498.02	46,506.99	44,453.75	46,506.99
(d) Segment liabilities					
Product licenses and related activities	4,342.68	5,324.00	6,654.15	4,342.68	6,654.15
IT solutions and consulting services	582.11	819.32	1,139.82	582.11	1,139.82
Unallocable	725.22	686.68	641.99	725.22	641.99
	5,650.01	6,830.00	8,435.96	5,650.01	8,435.96

(*) Refer note 3

- 11 Ms. Maria Smith resigned as Non Executive Non Independent Director of the Company with effect from close of day on May 9, 2019.
- 12 The Board of Directors approved appointment of Mr. Makarand Padalkar, Chief Financial Officer of the Company, as an Additional Director in the capacity of Whole-time Director and Chief Financial Officer of the Company with immediate effect, to hold office until the ensuing Annual General Meeting of the Company.
- 13 The above financial results are also available on the Company's website: www.oracle.com/financialservices

For and on behalf of the Board of Directors
Oracle Financial Services Software Limited

Mumbai, India
May 9, 2019

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094