

May 14, 2020

To,

Asst. Vice President
Listing & Compliance
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East) Mumbai 400 051

Scrip Code – OFSS

To,

Asst. General Manager
Listing & Compliance
BSE Ltd.
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Scrip Code – 532466

Sub: Decisions taken at the Board Meeting held today

The Board of Directors of the Company at its meeting held today, *inter alia*:

1. Approved audited standalone and consolidated financial statements and results for the quarter and year ended March 31, 2020.
2. Did not recommend final dividend for the financial year ended March 31, 2020.

We enclose herewith the following:

1. The audited standalone and consolidated financial results of the Company for the quarter and year ended March 31, 2020, along with the Unmodified Auditors' Report thereon issued by M/s. Mukund M Chitale & Co., Chartered Accountants, Statutory Auditors of the Company; and
2. A press release.

The above documents will also be uploaded on the Company's website.

The Board meeting commenced today at 19:30 hours (IST) and concluded at 20:55 hours (IST).

This is for your reference and records.

Thanking you,

Yours sincerely,

For Oracle Financial Services Software Limited

ONKAR NATH BANERJEE
Digitally signed by
ONKAR NATH BANERJEE
Date: 2020.05.14
20:58:36 +05'30'

Onkarnath Banerjee
Company Secretary & Compliance Officer
Membership No. ACS8547

Encl: as above

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

Audited standalone financial results for the three month period ended and year ended March 31, 2020

PART I		Three month period ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
1	INCOME					
	(a) Revenue from operations	9,063.56	8,355.98	8,828.27	35,255.08	35,808.97
	(b) Other income, net	447.86	518.07	428.29	1,691.59	1,389.50
	Total income	9,511.42	8,874.05	9,256.56	36,946.67	37,198.47
2	EXPENSES					
	(a) Employee benefit expenses	3,092.64	2,942.52	2,772.13	11,909.23	11,896.09
	(b) Travel related expenses	347.60	415.57	388.10	1,593.78	1,741.70
	(c) Professional fees	346.44	298.53	323.97	1,311.47	1,366.75
	(d) Finance cost	30.11	15.88	-	80.18	-
	(e) Other operating expenses	273.53	114.36	781.20	1,134.50	1,827.80
	(f) Depreciation and amortisation	210.75	210.88	154.16	831.72	501.98
	Total expenses	4,301.07	3,997.74	4,419.56	16,860.88	17,334.32
3	Profit before tax	5,210.35	4,876.31	4,837.00	20,085.79	19,864.15
4	Tax expenses					
	(a) Current tax	647.82	1,145.38	1,387.89	4,560.70	6,428.91
	(b) Deferred tax	(467.59)	23.57	480.09	(301.47)	610.54
	Total tax expenses	180.23	1,168.95	1,867.98	4,259.23	7,039.45
5	Net profit for the period	5,030.12	3,707.36	2,969.02	15,826.56	12,824.70
6	Other Comprehensive Income					
	(a) Items that will not be reclassified subsequently to profit or loss					
	(i) Actuarial (loss) gain on gratuity fund	(52.31)	17.24	9.89	(92.36)	39.87
	(ii) Deferred tax	13.17	(4.34)	(3.46)	23.25	(13.93)
	(b) Items that will be reclassified subsequently to profit or loss					
	(i) Exchange differences on translation of foreign operations	31.88	1.80	(6.45)	35.57	(0.11)
	Total other comprehensive income for the period, net of tax	(7.26)	14.70	(0.02)	(33.54)	25.83
7	Total Comprehensive Income for the period	5,022.86	3,722.06	2,969.00	15,793.02	12,850.53
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	429.40	429.29	428.90	429.40	428.90
9	Reserve excluding Revaluation Reserves as per balance sheet				54,653.61	38,374.36
10	Earnings per equity share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	58.58	43.19	34.62	184.39	149.77
	(b) Diluted (in ₹)	58.36	43.02	34.47	183.62	149.01

See accompanying note to the financial results

Notes to financial results :

- 1 The audited standalone financial results for three month period ended and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 14, 2020. 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, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 respectively and unaudited published year-to-date figures up to December 31, 2019 and December 31, 2018 respectively, being the end of the third quarter of the respective financial years, which were subjected to limited review.
- 4 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of trade receivables, unbilled receivables, contract assets and investment in subsidiaries, which are not significant to the standalone financial results for the three month period ended and year ended March 31, 2020. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial results, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these standalone financial results. The Company will continue to monitor any material impact due to changes in future economic conditions.
- 5 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 results 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 month period ended and year ended March 31, 2020, the Company has recognized depreciation on right-of-use asset of ₹ 73.45 million and ₹ 293.11 million along with interest on lease liability of ₹ 13.63 million and ₹ 63.70 million; respectively. The effect of this standard is not significant on the profit for the period of the Company.
- 6 During the three month period ended and year ended March 31, 2020, the Company allotted 22,253 and 100,151 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.
- 7 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 month period ended and year ended March 31, 2020.
- 8 Upon adoption of the Appendix C on "Uncertainty over Income-tax Treatments" of Ind AS 12, Income Taxes, the Company has reassessed during the three month period ended March 31, 2020 its estimate of uncertain income-tax position. Based on its reassessment, during the three month period ended March 31, 2020, the Company has recorded net tax expense of ₹ 57.46 million, which includes charge of ₹ 103.90 million pertaining to earlier years and credit of ₹ 46.44 million for the current period. Consequent to the tax expense, during the three month period ended March 31, 2020, the Company has recognised the related interest expense of ₹ 16.48 million, including ₹ 8.24 million pertaining to earlier years, which has been disclosed as part of finance cost. Further, the Company in the three month period ended March 31, 2020, has reversed income tax provisions pertaining to earlier years of ₹ 720.27 million arising out of adjudication of certain disputed matters in favour of the Company and its reassessment of existing income tax position. The current tax expense for the three month period and year ended March 31, 2020 of ₹ 647.82 million and ₹ 4,560.70 million respectively includes the income tax expense of ₹ 57.46 million and reversals of income tax provisions of ₹ 720.27 million arising on account of reassessment as mentioned above, thereby having a resultant impact of net tax credit of ₹ 662.81 million in the three month period and year ended March 31, 2020.
- 9 Other operating expenses for the three month period ended March 31, 2020 includes ₹ 242.03 million towards reversal and for three month period ended December 31, 2019 includes ₹ 0.28 million 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 three month period ended and 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.
- 10 During the year ended March 31, 2020 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.
- 11 Particulars of other income, net

(₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Finance income	424.48	395.99	272.33	1,508.73	1,173.47
Exchange gain (loss), net	3.69	104.38	124.89	103.64	110.31
Miscellaneous income, net	19.69	17.70	31.07	79.22	105.72
Total	447.86	518.07	428.29	1,691.59	1,389.50

12 Statement of assets and liabilities

(₹ in million)

	Particulars	As at	
		March 31, 2020	March 31, 2019
		Audited	Audited
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		2,213.94	2,385.67
(b) Capital work-in-progress		0.16	4.05
(c) Right-of-use asset		622.57	-
(d) Investment property		102.00	102.00
(e) Financial assets			
(i) Investments in subsidiaries		7,681.61	7,650.28
(ii) Other non-current financial assets		1,376.59	622.17
(f) Deferred tax assets (net)		740.39	415.67
(g) Income tax assets (net)		7,705.59	7,225.51
(h) Other non-current assets		345.25	661.30
		20,788.10	19,066.65
2 Current assets			
(a) Financial assets			
(i) Trade receivables		4,154.31	4,866.30
(ii) Loan		106.00	-
(iii) Cash and cash equivalents		1,993.84	2,713.65
(iv) Other bank balances		30,545.37	14,351.10
(v) Other current financial assets		1,656.02	2,237.33
(b) Other current assets		1,424.00	1,218.72
		39,879.54	25,387.10
TOTAL - ASSETS		60,667.64	44,453.75
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		429.40	428.90
(b) Other equity		54,653.61	38,374.84
		55,083.01	38,803.74

Statement of assets and liabilities (continued)

(₹ in million)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Audited	Audited
2 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liability	283.25	-
(b) Other non-current liabilities	-	123.46
(c) Provisions	1,150.97	965.71
	1,434.22	1,089.17
3 Current liabilities		
(a) Financial liabilities		
(i) Lease liability	269.35	-
(ii) Trade payables		
- Payable to micro and small enterprises	2.58	3.04
- Payable to others	263.00	420.05
(iii) Other current financial liabilities	1,577.10	1,855.87
(b) Other current liabilities	1,060.07	1,004.54
(c) Provisions	951.83	889.30
(d) Income tax liabilities (net)	26.48	388.04
	4,150.41	4,560.84
TOTAL - EQUITY AND LIABILITIES	60,667.64	44,453.75

13 Statement of cash flows

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit before tax	20,085.79	19,864.15
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :	-	-
Depreciation and amortization	831.72	501.98
Profit on sale of property, plant and equipment, net	(0.23)	(0.69)
Employee stock compensation expense	432.01	488.71
Provision for diminution in value of investment in subsidiary company	-	168.77
Finance income	(1,508.73)	(1,173.47)
Effect of exchange rate changes in cash and cash equivalents	(82.31)	1.78
Unrealized exchange (gain) loss, net	(120.69)	(111.21)
Finance cost	80.18	-
Deferred rent	-	(4.76)
Impairment loss (reversed) on financial assets	(147.86)	(629.89)
Impairment loss recognized on other financial assets	6.90	3.47
Bad debts	193.11	844.82
Operating Profit before Working Capital changes	19,769.89	19,953.66

Statement of cash flows (continued)

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Movements in working capital		
(Increase) in other non-current financial assets	(809.22)	-
Decrease in other non-current assets	138.10	33.61
Decrease in trade receivables	846.80	1,255.50
Decrease in other current financial assets	748.03	793.99
(Increase) in other current assets	(313.39)	(842.40)
(Decrease) in non-current financial liabilities	-	(31.74)
Increase in non-current provisions	75.95	117.41
(Decrease) in trade payables	(157.83)	(8.05)
(Decrease) in other current financial liabilities	(170.59)	(2,642.01)
Increase in other current liabilities	72.65	89.88
Increase (decrease) in current provisions	58.45	(345.26)
Cash from operating activities	20,258.84	18,374.59
Payment of domestic and foreign taxes	(5,412.15)	(7,847.82)
Net cash provided by operating activities	14,846.69	10,526.77
Cash flows from investing activities		
Purchase of property, plant and equipment	(473.18)	(739.04)
Proceeds from sale of property, plant and equipment	0.23	2.83
Income from investment in sublease	24.99	-
(Placement) refund of deposits for premises and others	(0.26)	19.09
Loan to step-down subsidiary company	(106.00)	-
Investment in subsidiary company	(20.28)	-
Bank fixed deposits having maturity of more than three months matured	17,220.00	22,290.54
Bank fixed deposits having maturity of more than three months booked	(33,095.00)	(19,823.00)
Interest received	1,135.27	996.34
Net cash (used in) provided by investing activities	(15,314.23)	2,746.76
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	43.19	749.91
Equity dividend paid	(36.08)	(11,131.51)
Tax on equity dividend paid	-	(2,288.39)
Interest paid	(80.18)	-
Repayment of lease liability	(261.51)	-
Net cash (used in) financing activities	(334.58)	(12,669.99)
Net (decrease) increase in cash and cash equivalents	(802.12)	603.54
Cash and cash equivalents at beginning of the year	2,713.65	2,111.89
Effect of exchange rate changes in cash and cash equivalents	82.31	(1.78)
Cash and cash equivalents at end of the year	1,993.84	2,713.65

Statement of cash flows (continued)

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	1,693.25	910.88
In deposit accounts with original maturity of less than three months	220.04	1,686.14
In unclaimed dividend account *	80.55	116.63
Total cash and cash equivalents at end of the year	1,993.84	2,713.65

* These balances will be utilized only towards the respective unpaid dividend.

14 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)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
(a) Segment revenue					
Product licenses and related activities	8,227.75	7,489.06	7,808.94	31,668.22	31,886.35
IT solutions and consulting services	835.81	866.92	1,019.33	3,586.86	3,922.62
	9,063.56	8,355.98	8,828.27	35,255.08	35,808.97
(b) Segment results					
Product licenses and related activities	4,775.50	4,178.16	4,588.77	18,079.34	18,423.89
IT solutions and consulting services	286.16	316.94	471.34	1,403.85	1,347.84
	5,061.66	4,495.10	5,060.11	19,483.19	19,771.73
Finance Income	424.48	395.99	272.33	1,508.73	1,173.47
Other un-allocable (expenses) income, net	(275.79)	(14.78)	(495.44)	(906.13)	(1,081.05)
Profit before tax	5,210.35	4,876.31	4,837.00	20,085.79	19,864.15

Reporting segment wise revenue, results, assets and liabilities (continued)

(₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
(c) Segment assets					
Product licenses and related activities	8,298.18	8,909.63	8,889.18	8,298.18	8,889.18
IT solutions and consulting services	1,722.75	1,898.34	1,783.53	1,722.75	1,783.53
Unallocable	50,646.71	45,320.60	33,781.04	50,646.71	33,781.04
	60,667.64	56,128.57	44,453.75	60,667.64	44,453.75
(d) Segment liabilities					
Product licenses and related activities	4,628.65	4,823.10	4,342.68	4,628.65	4,342.68
IT solutions and consulting services	719.59	594.88	582.11	719.59	582.11
Unallocable	236.39	769.59	725.22	236.39	725.22
	5,584.63	6,187.57	5,650.01	5,584.63	5,650.01

15 The Board of Directors of the Company at its Meeting held on May 8, 2020, declared an interim dividend of ₹ 180 per equity share of face value of ₹ 5 each for the financial year 2019-20. The Board of Directors did not recommend final dividend for the financial year ended March 31, 2020.

16 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

CHAITANYA
MADHUKAR
KAMAT

Digitally signed by
CHAITANYA MADHUKAR
KAMAT
Date: 2020.05.14 20:49:10
+05'30'

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094

Mumbai, India
May 14, 2020

Independent Auditor's Report on audited Standalone Quarterly Financial Results, and Year to Date Standalone Financial Results of Oracle Financial Services Software Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Oracle Financial Services Software Limited,

Report on the audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying Statement of quarterly and year to date Standalone financial results of Oracle Financial Services Software Limited (the 'Company') for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i) are presented in accordance with the requirements of Listing Regulations in this regard; and
- ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

Basis of Opinion

2. We conducted our audit of the standalone financial results in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial results section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the standalone financial results

3. These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the audited standalone annual financial statements. The Company's Board of Directors is responsible for the preparation of these standalone financial results that give a true and fair view of the of the net profit including other

comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

4. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

iv) Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

5. The standalone financial results includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year ended March 31, 2020, which were subjected to limited review by us, as required under the Listing Regulations.

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Regn. No. 106655W

Chitale

Saurabh

Mukund

(S.M.Chitale)

Partner

M. No. 111383

UDIN : 20111383AAAACZ2745

Date: May 14, 2020

Place: Mumbai

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

Audited Consolidated financial results for the three month period ended and year ended March 31, 2020

PART I		(₹ in million, except per share data)				
		Three month period ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Particulars	Audited	Unaudited	Audited	Audited	Audited
1	<u>INCOME</u>					
	(a) Revenue from operations	12,635.48	11,601.46	12,149.15	48,612.76	49,589.03
	(b) Other income, net	371.22	620.59	613.19	1,773.39	1,760.92
	Total income	13,006.70	12,222.05	12,762.34	50,386.15	51,349.95
2	<u>EXPENSES</u>					
	(a) Employee benefit expenses	5,535.33	5,214.14	5,327.83	21,178.01	21,958.10
	(b) Travel related expenses	481.41	590.82	571.27	2,255.81	2,466.95
	(c) Professional fees	373.52	346.79	283.99	1,452.45	1,492.07
	(d) Finance cost	395.76	24.63	-	473.65	-
	(e) Other operating expenses	592.90	187.60	747.54	1,439.61	2,225.79
	(f) Depreciation and amortization	274.06	268.34	162.17	1,063.81	537.17
	Total Expenses	7,652.98	6,632.32	7,092.80	27,863.34	28,680.08
7	Profit before tax	5,353.72	5,589.73	5,669.54	22,522.81	22,669.87
8	Tax expenses					
	(a) Current tax	1,263.14	1,046.03	1,922.62	6,315.25	8,206.10
	(b) Deferred tax	1,398.31	(23.89)	486.89	1,585.39	604.79
	Total tax expenses	2,661.45	1,022.14	2,409.51	7,900.64	8,810.89
9	Net profit for the period	2,692.27	4,567.59	3,260.03	14,622.17	13,858.98
10	Other Comprehensive Income					
	(a) Items that will not be reclassified subsequently to profit or loss					
	(i) Actuarial (loss) gain on gratuity fund	(56.39)	17.24	16.53	(96.44)	46.51
	(ii) Deferred tax	13.30	(4.34)	(3.60)	23.38	(14.07)
	(b) Items that will be reclassified subsequently to profit and loss					
	(i) Exchange differences on translation of foreign operations	760.05	113.56	(271.43)	1,108.95	194.05
	Total other comprehensive income for the period, net of tax	716.96	126.46	(258.50)	1,035.89	226.49
11	Total comprehensive income for the period	3,409.23	4,694.05	3,001.53	15,658.06	14,085.47
12	Net profit attributable to:					
	Equity holders of the Company	2,692.27	4,567.59	3,260.03	14,622.17	13,858.98
	Non-controlling interests	-	-	-	-	-
13	Total comprehensive income attributable to:					
	Equity holders of the Company	3,409.23	4,694.05	3,001.53	15,658.06	14,085.47
	Non-controlling interests	-	-	-	-	-
14	Paid up equity share capital (face value ₹ 5 each, fully paid)	429.40	429.29	428.76	429.40	428.76
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				65,266.40	48,936.15
16	Earnings per equity share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	31.36	53.21	38.03	170.38	161.94
	(b) Diluted (in ₹)	31.24	53.00	37.86	169.66	161.11
See accompanying note to the financial results						

Notes to financial results :

- 1 The audited consolidated financial results for the three month period ended and year ended March 31, 2020 have been reviewed by Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 14, 2020. 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, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 respectively and unaudited published year-to-date figures up to December 31, 2019 and December 31, 2018 respectively, being the end of the third quarter of the respective financial years, which were subjected to limited review.
- 4 The OFSS group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of trade receivables, unbilled receivables, contract assets and goodwill, which are not significant to the consolidated financial results for three month period ended and year ended March 31, 2020. In assessing the recoverability of these assets, the OFSS group has used internal and external sources of information up to the date of approval of these consolidated financial results, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of Covid-19 on the OFSS group's consolidated financial results may differ from that estimated as at the date of approval of these consolidated financial results. The OFSS group will continue to monitor any material impact due to changes in future economic conditions.
- 5 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. During the three month period ended and year ended March 31, 2020, the OFSS group has recognized depreciation on right-of-use asset of ₹ 121.90 million and ₹ 486.03 million along with interest on lease liability of ₹ 21.96 million and ₹ 99.85 million; respectively. The effect of this standard is not significant on the profit for the period of the OFSS group.
- 6 During the three month period ended and year ended March 31, 2020, the Company allotted 22,253 and 100,151 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes.
- 7 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 remeasured 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 month period ended and year ended March 31, 2020.
- 8 Upon adoption of the Appendix C on "Uncertainty over Income-tax Treatments" of Ind AS 12, Income Taxes, the OFSS group has reassessed during the three month period ended March 31, 2020 its estimate of uncertain income-tax position. Based on its reassessment, during the three month period ended and the year ended March 31, 2020, the OFSS group has recorded net tax expense of ₹ 281.33 million and ₹ 485.13 million respectively, both including charge of ₹ 284.51 million pertaining to earlier years. Consequent to the tax expense, during the three month period ended March 31, 2020, the OFSS group has recognised the related interest expense of ₹ 373.80 million, including ₹ 269.75 million pertaining to earlier years, which has been disclosed as part of finance cost.
Further, the OFSS group in the three month period ended March 31, 2020, has reversed income tax provisions pertaining to earlier years of ₹ 720.27 million arising out of adjudication of certain disputed matters in favour of the OFSS group and its reassessment of existing income tax position.
The current tax expense of the OFSS group for the three month period ended and year ended March 31, 2020 of ₹ 1,263.14 million and ₹ 6,315.25 million includes the income tax expense of ₹ 281.33 million and ₹ 485.13 million for the three month period ended and the year ended March 31, 2020 respectively and reversals of income tax provisions of ₹ 720.27 million for the three month period ended March 31, 2020 arising on account of reassessment as mentioned above, thereby having a resultant impact of net tax credit of ₹ 438.94 million and ₹ 235.14 million in the three month period ended and year ended March 31, 2020 respectively.
- 9 The deferred tax charge of the OFSS group for the three month period ended and year ended March 31, 2020 is ₹ 1,398.31 million and ₹ 1,585.39 million respectively. OFSS group recognises deferred tax liability on the undistributed profits of subsidiaries by assessment of the undistributed profits which are expected to be distributed in the foreseeable future for each subsidiary as at every year end. During the three month period ended March 31, 2020, the OFSS group has reassessed its estimate of the quantum of undistributed profits of all the subsidiaries and based on its reassessment has recorded deferred tax expense of ₹ 1,432.62 million, including ₹ 1,252.33 million pertaining to earlier years. This deferred tax charge of ₹ 1,432.62 million, forms part of the deferred tax charge for the three month period ended and year ended March 31, 2020 of OFSS group as mentioned hereinabove.
- 10 The tax expense for the year ended March 31, 2020 includes reversal of tax expense of ₹ 354.21 million which was recognized in the previous year. The tax expense for the three month period ended December 31, 2019 includes reversal of tax expense of ₹ 354.21 million and ₹ 205.05 million which was recognized in the previous year and six month period ended September 30, 2019, respectively. The reversal of tax expense is resulting from the remeasurement of the tax liability pursuant to changes in the US tax legislations.

11 Particulars of Other income, net

(₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Finance income	447.46	432.63	317.90	1,658.14	1,319.73
Exchange (loss) gain, net	(135.56)	151.96	242.27	(66.12)	226.97
Miscellaneous income, net	59.32	36.00	53.02	181.37	214.22
Total	371.22	620.59	613.19	1,773.39	1,760.92

(₹ in million)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	2,305.20	2,450.09
(b) Capital work-in-progress	0.49	4.53
(c) Right-of-use Assets	1,134.40	-
(d) Investment property	102.00	102.00
(e) Goodwill	6,086.63	6,086.63
(f) Financial assets	1,447.09	649.80
(g) Deferred tax assets (net)	1,013.68	617.03
(h) Income tax assets (net)	7,979.21	7,486.56
(i) Other non-current assets	389.63	711.88
	20,458.33	18,108.52
2 Current assets		
(a) Financial assets		
(i) Trade receivables	9,253.66	9,474.76
(ii) Cash and bank balances	13,315.94	11,562.69
(iii) Other bank balances	31,652.17	16,716.93
(iv) Other current financial assets	2,501.59	3,357.06
(b) Income tax assets (net)	806.28	28.45
(c) Other current assets	2,225.47	2,066.01
	59,755.11	43,205.90
TOTAL - ASSETS	80,213.44	61,314.42
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	429.40	428.76
(b) Other equity	65,266.40	48,936.63
	65,695.80	49,365.39
2 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liability	681.50	-
(ii) Other financial liabilities	45.55	32.38
(b) Other non-current liabilities	-	160.62
(c) Provisions	1,198.74	1,005.21
(d) Deferred tax liability (net)	1,975.56	29.80
(e) Income tax liabilities (net)	1,156.30	106.84
	5,057.65	1,334.85
3 Current liabilities		
(a) Financial liabilities		
(i) Lease liability	465.32	-
(ii) Trade payables		
Payable to micro and small enterprises	2.65	3.17
Payable to others	352.27	564.48
(iii) Other current financial liabilities	2,195.30	2,723.47
(b) Other current liabilities	4,967.81	5,064.67
(c) Provisions	1,291.06	1,290.03
(d) Income tax liabilities (net)	185.58	968.36
	9,459.99	10,614.18
TOTAL - EQUITY AND LIABILITIES	80,213.44	61,314.42

(₹ in million)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit before tax	22,522.81	22,669.87
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	1,063.81	537.17
(Profit) on sale of fixed assets, net	(0.31)	(0.51)
Impairment loss (reversed) on contract assets	(107.23)	(628.50)
Impairment loss recognized on other financial assets	7.06	3.42
Bad debts	200.18	865.89
Finance income	(1,658.14)	(1,319.73)
Employee stock compensation expense	544.01	610.67
Effect of exchange rate changes in cash and cash equivalent	(849.69)	5.75
Effect of exchange rate changes in assets and liabilities	769.91	(205.99)
Finance cost	473.65	-
Deferred rent	-	2.73
Operating Profit before Working Capital changes	22,966.06	22,540.77
Movements in working capital		
(Increase) in other non-current financial assets	(809.22)	-
Decrease in other non-current assets	135.53	21.99
Decrease in trade receivables	633.32	616.44
Decrease in other current financial assets	1,160.39	2,117.45
(Increase) in other current assets	(211.02)	(1,483.53)
Increase (decrease) in non-current financial liabilities	10.20	(1.71)
(Decrease) in other non-current liabilities	(10.39)	(28.35)
Increase in non-current provisions	97.09	125.38
(Decrease) increase in trade payables	(216.52)	44.29
(Decrease) in other current financial liabilities	(439.25)	(615.23)
(Decrease) increase in current liabilities	(347.73)	191.03
(Decrease) in current provisions	(31.78)	(89.51)
Cash from operating activities	22,936.68	23,439.02
Payment of domestic and foreign taxes	(7,718.49)	(9,642.90)
Net cash provided by operating activities	15,218.19	13,796.12
Cash flows from investing activities		
Purchase of property, plant and equipment	(535.86)	(767.41)
Proceeds from sale of property, plant and equipment	0.40	2.82
Refund of deposits for premises and others	5.16	28.18
Bank fixed deposits having maturity of more than three months matured	19,852.25	25,063.29
Bank fixed deposits having maturity of more than three months booked	(34,485.01)	(23,232.79)
Interest received	1,281.42	1,114.20
Income from investment in sublease	40.55	-
Net cash (used in)/provided by investing activities	(13,841.09)	2,208.29
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	43.19	749.91
Sale of treasury shares	85.15	165.75
Equity dividend paid	(36.08)	(11,124.23)
Tax on equity dividend paid	-	(2,288.39)
Repayment of lease liability	(449.47)	-
Interest paid	(116.33)	-
Net cash (used in) financing activities	(473.54)	(12,496.96)
Net increase in cash and cash equivalents	903.56	3,507.45
Cash and cash equivalents at beginning of the year	11,562.69	8,060.99
Effect of exchange rate changes in cash and cash equivalents	849.69	(5.75)
Cash and cash equivalents at end of the year	13,315.94	11,562.69

Consolidated statement of cash flow (continued)

(₹ in million)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Component of cash and cash equivalents		
Balances with banks:		
In current accounts*	12,935.04	9,734.89
In deposit accounts with original maturity of less than 3 months	300.35	1,711.17
In unclaimed dividend account**	80.55	116.63
Total cash and cash equivalents	13,315.94	11,562.69

* Current account includes ₹ 0.76 million (March 31, 2019 ₹ 0.08 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

**These balances will be utilized only towards the respective unclaimed dividend.

14 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 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.

(₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
(a) Segment revenue					
Product licenses and related activities	11,317.22	10,276.86	10,595.36	43,145.69	43,527.29
IT solutions and consulting services	1,014.68	1,013.45	1,277.60	4,275.92	4,945.07
Business process outsourcing services	303.58	311.15	276.19	1,191.15	1,116.67
	12,635.48	11,601.46	12,149.15	48,612.76	49,589.03
(b) Segment results					
Product licenses and related activities	5,719.28	4,934.99	5,179.96	21,359.45	21,465.57
IT solutions and consulting services	160.63	133.60	347.42	778.00	635.61
Business process outsourcing services	85.89	118.20	72.77	388.10	323.37
	5,965.80	5,186.79	5,600.15	22,525.55	22,424.55
Finance income	447.46	432.63	317.90	1,658.14	1,319.73
Other un-allocable (expenses), net	(1,059.54)	(29.69)	(248.51)	(1,660.88)	(1,074.41)
Profit before tax	5,353.72	5,589.73	5,669.54	22,522.81	22,669.87
(c) Segment assets					
Product licenses and related activities	20,482.81	20,489.35	20,650.04	20,482.81	20,650.04
IT solutions and consulting services	2,018.19	2,110.13	2,198.82	2,018.19	2,198.82
Business process outsourcing services	705.31	671.52	447.13	705.31	447.13
Unallocable	57,007.13	50,985.96	38,018.43	57,007.13	38,018.43
	80,213.44	74,256.96	61,314.42	80,213.44	61,314.42
(d) Segment liabilities					
Product licenses and related activities	9,303.69	9,283.14	8,807.22	9,303.69	8,807.22
IT solutions and consulting services	831.99	932.23	845.94	831.99	845.94
Business process outsourcing services	317.63	330.38	117.43	317.63	117.43
Unallocable	4,064.33	1,572.04	2,178.44	4,064.33	2,178.44
	14,517.64	12,117.79	11,949.03	14,517.64	11,949.03

15 The Board of Directors of the Company at its meeting held on May 8, 2020, declared an interim dividend of ₹ 180 per equity share of ₹ 5 each for the financial year 2019-20. The Board of Directors did not recommend final dividend for the financial year ended March 31, 2020.

16 **Audited standalone results for the three month period ended and year ended March 31, 2020**

(₹ in million, except per share data)

Particulars	Three month period ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	9,063.56	8,355.98	8,828.27	35,255.08	35,808.97
Net profit for the period	5,030.12	3,707.36	2,969.02	15,826.56	12,824.70
Earnings per equity share (face value ₹ 5 each, fully paid)					
Basic (in ₹)	58.58	43.19	34.62	184.39	149.77
Diluted (in ₹)	58.36	43.02	34.47	183.62	149.01

17 The above results are also available on Company's website: www.oracle.com/financialservices

Mumbai, India
May 14, 2020

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

CHAITANYA
MADHUKAR KAMAT

Digitally signed by CHAITANYA
MADHUKAR KAMAT
Date: 2020.05.14 20:49:57 +05'30'

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094

Independent Auditor's Report on Consolidated audited Quarterly Financial Results and Year to Date Consolidated audited Financial Results of Oracle Financial Services Software Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Oracle Financial Services Software Limited,

Report on the audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of quarterly and year to date Consolidated financial results of Oracle Financial Services Software Limited (the 'Company') and its subsidiaries listed in Annexure '1' (collectively referred to as 'the Group') for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate financial statements and the other financial information of subsidiaries these quarterly consolidated financial results as well as the year to date consolidated financial results:

- i) includes the quarterly financial results and the year to date financial results of the entities mentioned in the Annexure '1' to this report.
- ii) is presented in accordance with the requirements of Regulation 33 of the SEBI Listing Regulations, 2015 as amended; and
- iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net profit including other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2020.

Basis of Opinion

2. We conducted our audit of the consolidated financial results in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial results section of our report. We are Independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial results

3. These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the audited consolidated annual financial statements.

The Company's Board of Directors is responsible for the preparation of these consolidated financial results that give a true and fair view of the of the net profit including other comprehensive income of the Group and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial results

4. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

iv) Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

vi) Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the Independent Auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial results of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

5. We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements and other financial information include total assets of Rs. 24,431.77 million as at March 31, 2020; total revenues of Rs. 10,946.44 million and Rs. 41,498.60 million for the quarter and year ended March 31, 2020 respectively; total profit/(loss) after tax (net) of Rs. (123.02) million and Rs. 807.85 million for the quarter and year ended March 31, 2020 respectively; total comprehensive income of Rs. 647.63 million and Rs. 1,970.58 million for the quarter and year ended March 31, 2020 respectively and net cash inflows of Rs.1,835.59 million for the year ended March 31, 2020. These Ind AS financial statements and other financial information have been audited by other auditor whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion on the quarterly and the year to date consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on the report of other auditors and the procedures performed by us are as stated in paragraph above. Our opinion is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditor.
6. The consolidated financial results includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year ended March 31, 2020, which were subjected to limited review by us, as required under the Listing Regulations.

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Regn. No. 106655W

Chitale

Saurabh

Mukund

(S.M.Chitale)

Partner

M. No. 111383

UDIN : 20111383AAAADA5008

Date: May 14, 2020

Place: Mumbai

Annexure 'A'

(referred to in point No. 1 of our Independent Auditor's Report on Consolidated audited Quarterly Financial Results and Year to Date Consolidated audited Financial Results)

Particulars	Name of the Subsidiary
Direct Subsidiaries	1) Oracle Financial Services Software B.V.
	2) Oracle Financial Services Software Pte. Ltd.
	3) Oracle Financial Services Software Chile Limitada
	4) Oracle Financial Services Software (Shanghai) Limited
	5) Oracle Financial Services Software America, Inc.
	6) ISP Internet Mauritius Company
	7) Oracle (OFSS) Processing Services Limited
	8) Oracle (OFSS) ASP Private Limited
	9) Mantas India Private Limited (Refer Note 1 below)
Subsidiaries of Subsidiaries	Subsidiary of Oracle Financial Services Software B.V.:
	10) - Oracle Financial Services Software SA
	Subsidiary of Oracle Financial Services Software Pte Ltd:
	11) - Oracle Financial Services Consulting Pte. Ltd.
	Subsidiaries of Oracle Financial Services Software America, Inc.:
	12) - Oracle Financial Services Software, Inc.
	13) - Mantas Inc.
	Subsidiaries of Mantas Inc.:
	14) - Sotas Inc.
	Subsidiaries of ISP Internet Mauritius Company:
	15) - Oracle (OFSS) BPO Services Inc.
	16) - Oracle (OFSS) BPO Services Limited
Controlled Trust	17) i-flex ESOP Stock Trust

Note 1: Mantas India Private Limited was subsidiary of Sotas Inc upto May 29, 2019, subsequent to which it has become subsidiary of the Company i.e. Oracle Financial Services Software Limited.



FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q4 Fiscal Year 2020 Revenue of Rs. 1,264 Crore, up 4% year-over-year; Net Income for the quarter at Rs. 269 Crore, down 17% year-over-year; Revenue for the Fiscal Year 2020 at Rs. 4,861 Crore, down 2%; Net Income for Fiscal Year 2020 of Rs. 1,462 Crore, up 6%;

Mumbai, India, May 14, 2020: Oracle Financial Services Software Limited (Reuters: ORCL.BO and ORCL.NS), a majority owned subsidiary of Oracle, today announced results for the quarter and full year ended March 31, 2020. On a consolidated basis, Net income for the fiscal year 2020 was Rs. 1,462 Crore, up 6% compared to fiscal year 2019. Revenue for fiscal year 2020 was Rs. 4,861 Crore, down 2% as compared to fiscal year 2019. The operating income for fiscal year was Rs.2,075 Crore, down 1% compared to fiscal year 2019. Net income for the Quarter ended March 31, 2020 Rs. 269 Crore, down 17% year-over-year. Revenue for the same quarter was Rs.1,264 Crore, up 4% year-over-year and the operating income was Rs.498 Crore, down 1% year-over-year.

For the full year ended March 31, 2020, the Products business posted revenue of Rs.4,315 Crore, down 1% compared to fiscal year 2019; and the operating income of Rs. 2,136 Crore, which was in line with fiscal year 2019. For the same period, the Services business posted revenue of Rs.428 Crore, down 14% year-over-year; and the operating income of Rs.78 Crore, up 22% as compared to fiscal year 2019. For the quarter ended March 31, 2020, the Products business posted revenue of Rs. 1,132 Crore, up 7% year-over-year; and the operating income of Rs.572 Crore, up 10% year-over-year.

The Company has declared an interim dividend of Rs. 180 per equity share of Rs. 5 each on May 8, 2020. The Board of Directors did not recommend any final dividend for the financial year ended March 31, 2020.

Chet Kamat, Managing Director and Chief Executive Officer, Oracle Financial Services Software said, “We are pleased to report a solid quarter, which included more than a month of impact of COVID-19. We signed \$23 million of new licenses in the quarter, 12% higher year-over-year. For the full year, the net income rose 6% with net margins at 30%.

I am very proud that our robust infrastructure, processes, and most importantly our people, have ensured that we continue to deliver the commitments with minimal disruptions caused by the global COVID-19 pandemic. We have been proactive to respond to these challenges and were early to switch to work from home globally without impacting customer deliverables.

The COVID-19 pandemic is resulting in a series of government interventions around the globe to help alleviate the economic distress, and we have seamlessly helped our customers to meet these challenges. Our processes enable us to deliver our support, services and software, anytime anywhere.

While we experienced, and may continue to experience, some delays in new deal signings, especially from regions with ‘in-person’ cultures for Board Meetings and financial institutions conserving budgets in the face of cost pressures, our value proposition remains very relevant, and even more so when the economic recovery begins.”

Makarand Padalkar, Executive Director and Chief Financial Officer, Oracle Financial Services Software said, “In the midst of the COVID-19 pandemic, we are conducting business with some modification to employee travel and employee work locations, including but not limited to, work from home. Our robust IT infrastructure and business continuity processes has allowed us to respond to the situation quickly as it continues to evolve. The solid results for the quarter and year are a testimony to this.

For the full year, our margins improved across the board with Product business operating margins improving from 49% to 50%, Services business from 13% to 18%, BPO business from 29% to 33%, and overall the Company’s operating margins from 42% to 43%. Our balance sheet is strong with a healthy cash and liquidity position, and we continue to generate strong cash flows each quarter.”

Business Highlights

- The Company signed license deals of US\$ 23 million during this quarter with customers in 33 countries.
- 13 customers went live on Oracle Financial Services software products during the quarter.
- A leading bank based in the United Kingdom has upgraded its existing Oracle technology portfolio by signing a deal for Oracle FLEXCUBE Investor Servicing as well as Oracle Revenue Management and Billing for their operations in Hong Kong.
- Digital Business Solutions SA, the IT Arm of Atlantic Financial Group C&EA, has signed a deal with Oracle for Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience, Oracle Banking APIs, Oracle FLEXCUBE Enterprise Limits and Collateral Management and Oracle Banking Payments to implement across four African countries. The implementation has begun with Banque Atlantique, Cameroon.
- An established Australian bank has extended its relationship with Oracle by signing a deal for Oracle Banking Platform.

- A path breaking Romanian bank has signed a deal for Oracle FLEXCUBE Universal Banking, Oracle Banking Payments, Oracle Banking Corporate Lending and Oracle Financial Services Analytical Applications to extend its existing technology partnership with Oracle.
- International Bank of Azerbaijan Ojsc, a market leading financial service provider offering retail and corporate banking products in Azerbaijan, has extended its relationship with Oracle by signing a deal for Oracle FLEXCUBE Universal Banking.
- A Nigerian financial services player has chosen to implement Oracle FLEXCUBE Universal Banking.
- A Libya-based Islamic Bank, Al-Andalus Bank has signed a deal with Oracle for Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience and Oracle Banking Payments.
- A leading micro-finance deposit-taking institution with 25 years of service in the Cambodian market, Hattha Kaksekar Limited is present across 177 branches with 250,000+ depositors and 160,000+ borrowers. The bank has extended its relationship with Oracle by signing a deal for Oracle FLEXCUBE Universal Banking and Oracle Banking Payments.
- A leading UAE-based bank has extended its partnership for technology with Oracle by signing a deal for Oracle FLEXCUBE Enterprise Limits and Collateral Management as well as Oracle Banking Credit Facilities Process Management.
- A Thailand-headquartered bank has chosen Oracle banking technology to lead a digital transformation with the implementation of Oracle FLEXCUBE Universal Banking, Oracle FLEXCUBE Enterprise Limits and Collateral Management, Oracle Banking Payments, Oracle Banking Process Management for Corporate Lending, Credit Facilities and Trade Finance, as well as Oracle Banking Corporate Lending.
- A Yemen-based bank has signed a deal with Oracle to forge a new path in digital banking by implementing Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience and Oracle Banking Payments.
- A leading Abu Dhabi-based bank has extended its relationship with Oracle by signing a deal for Oracle FLEXCUBE Universal Banking.

- A commercial bank headquartered in Afghanistan has reinvested in Oracle's banking technology by choosing to implement Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience, Oracle Banking Payments, Oracle FLEXCUBE Enterprise Limits and Collateral Management, as well as Oracle Financial Services Analytical Applications.
- A Laos-based bank with an aim of connecting Laos with overseas financial markets has chosen to implement Oracle FLEXCUBE Universal Banking, Oracle Banking Payments, Oracle Banking Corporate Lending as well Oracle FLEXCUBE Enterprise Limits and Collateral Management for its Vietnam operations.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP					
FY 2019-20 YEAR TO DATE : FINANCIAL RESULTS					
CONSOLIDATED STATEMENTS OF OPERATIONS					
(In INR Million, except per share data)					
Particulars	Year Ended				% Increase (Decrease)
	Mar 31, 2020	% of Revenues	Mar 31, 2019	% of Revenues	
REVENUES					
Products	43,146	89%	43,527	88%	(1%)
Services	4,276	9%	4,945	10%	(14%)
BPO - Services	1,191	2%	1,117	2%	7%
Total Revenues	48,613	100%	49,589	100%	(2%)
SEGMENT RESULTS					
Products	21,360	50%	21,466	49%	(0%)
Services	778	18%	636	13%	22%
BPO - Services	388	33%	323	29%	20%
Total	22,526	46%	22,425	44%	0%
Unallocable expenses	(1,776)	(3%)	(1,516)	(2%)	17%
OPERATING INCOME	20,750	43%	20,909	42%	(1%)
Interest and other income, net	1,773	3%	1,761	4%	1%
INCOME BEFORE PROVISION OF TAXES	22,523	46%	22,670	46%	(1%)
Provision for taxes	7,901	16%	8,811	18%	(10%)
NET INCOME	14,622	30%	13,859	28%	6%
Earnings per share of Rs 5/- each (in Rs)					
Basic	170.38		161.94		5%
Diluted	169.66		161.11		5%

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q4 FY 2019-20 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Million, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Mar 31, 2020	% of Revenues	Mar 31, 2019	% of Revenues	
REVENUES					
Products	11,317	89%	10,595	87%	7%
Services	1,015	8%	1,278	11%	(21%)
BPO - Services	304	2%	276	2%	10%
Total Revenues	12,636	100%	12,149	100%	4%
SEGMENT RESULTS					
Products	5,719	51%	5,180	49%	10%
Services	161	16%	347	27%	(54%)
BPO - Services	86	28%	73	26%	18%
Total	5,966	47%	5,600	46%	7%
Unallocable expenses	(983)	(8%)	(544)	(4%)	81%
OPERATING INCOME	4,983	39%	5,056	42%	(1%)
Interest and other income, net	371	3%	613	5%	(39%)
INCOME BEFORE PROVISION OF TAXES	5,354	42%	5,669	47%	(6%)
Provision for taxes	2,662	21%	2,409	20%	11%
NET INCOME	2,692	21%	3,260	27%	(17%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	31.36		38.03		(18%)
Diluted	31.24		37.86		(17%)

Oracle Financial Services Software Limited Q4 FY 2019-20 Financial Results SUPPLEMENTAL OPERATING MATRICES										
	Financial Year 2018-19					Financial Year 2019-20				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Geographic Revenues</u>										
Products Business										
India	7%	5%	6%	6%	6%	6%	7%	7%	7%	7%
Outside India										
Americas										
United States of America	20%	23%	22%	25%	22%	20%	21%	21%	22%	21%
Rest of America	7%	8%	7%	6%	7%	6%	9%	8%	6%	7%
Europe	14%	15%	17%	15%	16%	16%	16%	17%	18%	17%
Asia Pacific	29%	29%	27%	29%	28%	27%	27%	27%	30%	28%
Middle East and Africa	23%	20%	21%	19%	21%	25%	20%	20%	17%	20%
Services Business (incl. BPO Services)										
India	2%	0%	1%	0%	1%	0%	1%	1%	0%	1%
Outside India										
Americas										
United States of America	61%	67%	70%	71%	68%	74%	70%	73%	72%	72%
Rest of America	3%	2%	2%	1%	2%	1%	1%	1%	1%	1%
Europe	21%	19%	14%	17%	18%	13%	16%	12%	15%	14%
Asia Pacific	9%	9%	9%	7%	8%	8%	8%	11%	9%	9%
Middle East and Africa	4%	3%	4%	4%	4%	5%	4%	2%	3%	3%
Total Company										
India	7%	5%	6%	5%	6%	5%	6%	6%	6%	6%
Outside India										
Americas										
United States of America	25%	28%	28%	31%	28%	26%	27%	27%	27%	27%
Rest of America	6%	7%	6%	6%	6%	6%	8%	7%	6%	7%
Europe	15%	16%	16%	15%	16%	16%	16%	16%	17%	16%
Asia Pacific	26%	26%	25%	26%	26%	25%	25%	26%	28%	26%
Middle East and Africa	21%	18%	19%	17%	19%	22%	18%	18%	16%	18%
<u>Revenue Analysis</u>										
Products Business										
License Fees	17%	10%	10%	13%	12%	19%	9%	8%	15%	13%
Maintenance Fees	28%	33%	32%	30%	31%	29%	34%	35%	32%	32%
Consulting fees										
Fixed Price	30%	31%	32%	31%	31%	28%	29%	29%	30%	29%
Time & Material Basis	25%	26%	26%	26%	26%	24%	28%	28%	23%	26%
Services Business (incl. BPO Services)										
Fixed Price	29%	22%	25%	27%	25%	24%	27%	24%	24%	25%
Time & Material Basis	71%	78%	75%	73%	75%	76%	73%	76%	76%	75%
<u>Trade Receivables</u>										
0-180 days	93%	94%	91%	88%	88%	92%	91%	92%	93%	93%
More than 180 days	7%	6%	9%	12%	12%	8%	9%	8%	7%	7%
DSO (Days)	58	71	63	63	63	68	62	65	63	63
<u>Attrition Rate (TTM)</u>	17%	17%	18%	20%	20%	22%	22%	22%	21%	21%
<u>Staff Data</u>										
Products Business	6,330	6,490	6,339	6,135	6,135	5,998	6,119	6,122	6,188	6,188
Services Business	1,278	1,219	1,182	1,080	1,080	946	957	954	958	958
BPO Business	669	672	654	633	633	635	653	654	664	664
Corporate	209	208	208	206	206	195	188	189	191	191
Total	8,486	8,589	8,383	8,054	8,054	7,774	7,917	7,919	8,001	8,001

About Oracle Financial Services Software Limited

Oracle Financial Services Software Limited (referred to as "Oracle Financial Services Software") (Reuters: ORCL.BO & ORCL.NS) is a world leader in providing products and services to the financial services industry and is a majority owned subsidiary of Oracle Corporation. Oracle Corporation [NASDAQ: ORCL] is the world's most complete, open and integrated business software and hardware systems company. For more information, visit www.oracle.com/financialservices.

About Oracle

The Oracle Cloud offers a complete suite of integrated applications for Sales, Service, Marketing, Human Resources, Finance, Supply Chain and Manufacturing, plus Highly-Automated and Secure Generation 2 Infrastructure featuring the Oracle Autonomous Database. For more information about Oracle (NYSE: ORCL), please visit us at oracle.com.

Trademarks

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

“Safe Harbor” Statement: Statements in this press release relating to Oracle Financial Services Software Limited future plans and prospects are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. All information set forth in this release is current as of May 14, 2020. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

#

Contact Info

Judi Palmer
Oracle Public Relations
+1.650.784.7901
Judi.palmer@oracle.com

Ken Bond
Oracle Investor Relations
+1.650.607.0349
ken.bond@oracle.com