

**Oracle Financial Services Software Limited**

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**Audited Consolidated Financial Results for the Year ended March 31, 2017**

PART I		Three month period ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Particulars		Audited (*)	Unaudited	Audited (*)	Audited	Audited
1	<b>INCOME</b>					
	(a) Revenue from operations	105,180	113,231	106,424	442,653	413,122
	(b) Other income, net	1,004	6,435	4,627	15,637	21,074
	<b>Total income</b>	<b>106,184</b>	<b>119,666</b>	<b>111,051</b>	<b>458,290</b>	<b>434,196</b>
2	<b>EXPENSES</b>					
	(a) Employee costs	49,477	50,900	48,844	207,027	194,958
	(b) Travel related expenses	5,656	5,296	5,322	23,542	21,463
	(c) Professional fees	4,213	3,460	3,632	16,530	14,536
	(d) Other expenses	8,202	3,654	8,608	22,165	20,992
	(e) Depreciation and amortisation	1,639	1,646	1,316	7,019	5,293
	<b>Total Expenses</b>	<b>69,187</b>	<b>64,956</b>	<b>67,722</b>	<b>276,283</b>	<b>257,242</b>
3	<b>Profit from ordinary activities before exceptional item and tax</b>	<b>36,997</b>	<b>54,710</b>	<b>43,329</b>	<b>182,007</b>	<b>176,954</b>
4	Exceptional item [Refer note 9 & 10]	-	(6,283)	-	(6,283)	(2,193)
5	<b>Profit before tax</b>	<b>36,997</b>	<b>48,427</b>	<b>43,329</b>	<b>175,724</b>	<b>174,761</b>
6	Tax expenses					
	(a) Current tax	12,691	18,704	19,414	60,789	70,702
	(b) Deferred tax	1,506	(2,208)	1,457	(3,630)	(832)
	<b>Total tax expenses</b>	<b>14,197</b>	<b>16,496</b>	<b>20,871</b>	<b>57,159</b>	<b>69,870</b>
7	<b>Net profit for the period</b>	<b>22,800</b>	<b>31,931</b>	<b>22,458</b>	<b>118,565</b>	<b>104,891</b>
8	Share of (loss) of associates	-	-	(31)	(27)	(2)
9	<b>Net Profit after taxes and share of profit</b>	<b>22,800</b>	<b>31,931</b>	<b>22,427</b>	<b>118,538</b>	<b>104,889</b>
10	Other Comprehensive Income	(785)	(3,152)	1,979	(2,081)	5,233
11	<b>Total Comprehensive Income</b>	<b>22,015</b>	<b>28,779</b>	<b>24,406</b>	<b>116,457</b>	<b>110,122</b>
12	Paid up equity share capital (face value ₹ 5 each, fully paid)	4,247	4,244	4,235	4,247	4,235
13	Reserve excluding Revaluation Reserves as per balance sheet				321,950	463,123
14	Earnings per share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	26.85	37.63	26.43	139.76	123.78
	(b) Diluted (in ₹)	26.75	37.52	26.32	139.29	123.12
See accompanying note to the financial results						

(\*) Refer note 3

**Notes to financial results :**

- 1 The above audited consolidated financial results have been approved by the Board at its meeting held on May 16, 2017. There are no qualifications in the report issued by the Auditors.
- 2 Oracle Financial Services Software Limited (the 'Company' or the 'Group') adopted Indian Accounting Standards (Ind AS) from April 1, 2016, and accordingly this consolidated financial results have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Consolidated financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS.
- 3 The figures for the three month period ended March 31, 2017 and March 31, 2016 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2017 and March 31, 2016 respectively and unaudited published year-to-date figures up to December 31, 2016 and December 31, 2015 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 and year ended March 31, 2017, the Company allotted 53,557 and 250,228 equity shares, respectively, of face value of Rs.5/- each, on exercise of stock options by the eligible employees under the prevailing ESOP schemes.
- 5 Current tax charge for the year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 4,130 lacs.

**6 Particulars of other income, net**

Particulars	Three month period ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
Finance income	3,594	3,320	3,747	14,912	21,802
Exchange gain (loss), net	(3,385)	2,404	(20)	(2,214)	(2,220)
Miscellaneous income, net	795	711	900	2,939	1,492
<b>Total</b>	<b>1,004</b>	<b>6,435</b>	<b>4,627</b>	<b>15,637</b>	<b>21,074</b>

(\*) Refer note 3

**7 Statement of assets and liabilities**

Particulars	As at	
	March 31, 2017	March 31, 2016
	Audited	Audited
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, Plant and Equipment	25,092	25,620
(b) Capital work-in-progress	82	479
(c) Investment property	1,020	1,020
(d) Goodwill	60,866	60,866
(e) Investment in an associate	-	27
(f) Financial assets	5,770	4,716
(g) Deferred tax assets (net)	13,463	9,710
(h) Income tax assets (net)	58,586	46,744
(i) Other non-current assets	7,146	7,335
	<b>172,025</b>	<b>156,517</b>
<b>2 Current assets</b>		
(a) Financial assets		
(i) Trade receivables	71,802	83,109
(ii) Cash and cash equivalents	259,147	57,896
(iii) Other bank balances	44,022	220,653
(iv) Other current financial assets	49,168	41,498
(b) Income tax assets (net)	780	1,670
(c) Other current assets	5,140	7,226
	<b>430,059</b>	<b>412,052</b>
<b>TOTAL - ASSETS</b>	<b>602,084</b>	<b>568,569</b>

Statement of assets and liabilities (continued)

(₹ in lacs)

Particulars	As at	
	March 31, 2017	March 31, 2016
	Audited	Audited
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	4,247	4,235
(b) Other equity	322,212	463,152
	<b>326,459</b>	<b>467,387</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities	239	268
(b) Other non-current liabilities	2,448	1,916
(c) Employee benefit obligations	7,842	6,657
(d) Deferred tax liability (net)	66	50
(e) Income tax liabilities (net)	2,613	4,763
	<b>13,208</b>	<b>13,654</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	1,084	3,776
(ii) Other current financial liabilities	197,330	19,262
(b) Other current liabilities	41,369	44,901
(c) Employee benefit obligations	13,177	12,175
(d) Income tax liabilities (net)	9,457	7,414
	<b>262,417</b>	<b>87,528</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>602,084</b>	<b>568,569</b>

8 Reporting segmentwise revenue, results, assets and liabilities

(₹ in lacs)

Particulars	Three month period ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
<b>(a) Segment revenue</b>					
Product licenses and related activities	89,123	97,527	91,164	376,135	346,804
IT solutions and consulting services	13,083	12,682	12,350	54,375	54,757
Business process outsourcing services	2,974	3,022	2,910	12,143	11,561
	<b>105,180</b>	<b>113,231</b>	<b>106,424</b>	<b>442,653</b>	<b>413,122</b>
<b>(b) Segment results</b>					
Product licenses and related activities [Refer note 9]	39,120	41,908	42,399	162,859	158,363
IT solutions and consulting services	1,788	1,419	579	6,822	6,124
Business process outsourcing services [Refer note 10]	881	1,150	951	4,152	1,807
	<b>41,789</b>	<b>44,477</b>	<b>43,929</b>	<b>173,833</b>	<b>166,294</b>
Finance income	3,594	3,320	3,747	14,912	21,802
Other un-allocable income (expenses), net	(8,386)	630	(4,347)	(13,021)	(13,335)
Profit before tax	<b>36,997</b>	<b>48,427</b>	<b>43,329</b>	<b>175,724</b>	<b>174,761</b>

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

(₹ in lacs)

Particulars	Three month period ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
<b>(c) Segment assets</b>					
Product licenses and related activities	177,106	175,371	173,964	177,106	173,964
IT solutions and consulting services	26,842	27,646	26,143	26,842	26,143
Business process outsourcing services	6,871	2,907	2,819	6,871	2,819
Unallocable	391,265	378,184	365,643	391,265	365,643
	<b>602,084</b>	<b>584,108</b>	<b>568,569</b>	<b>602,084</b>	<b>568,569</b>
<b>(d) Segment liabilities</b>					
Product licenses and related activities	70,760	80,693	70,404	70,760	70,404
IT solutions and consulting services	8,040	10,247	8,592	8,040	8,592
Business process outsourcing services	1,090	1,291	1,209	1,090	1,209
Unallocable	195,735	17,716	20,977	195,735	20,977
	<b>275,625</b>	<b>109,947</b>	<b>101,182</b>	<b>275,625</b>	<b>101,182</b>

(\*) Refer note 3

**Notes on segment information:**
**Segment revenue and expense:**

Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services 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 and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations and other current liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

- 9 During the three month period ended December 31, 2016, the Company has recorded a charge under the "Product licenses and related activities" segment of ₹ 6,283 lacs on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government. The same has been disclosed as an exceptional item.
- 10 During the three month period ended June 30, 2015, the Company had recorded a charge under the "Business process outsourcing services" segment of ₹ 4,372 lacs in the consolidated financial results in relation to an Arbitration award passed against a wholly owned subsidiary company. During the three month period ended December 31, 2015, the subsidiary company has settled the said dispute for full release of all claims and accordingly, has reversed the resultant excess provision of ₹ 2,179 lacs. The same has been disclosed as an exceptional item.

**11 Audited standalone results for the year ended March 31, 2017**

(₹ in lacs, except per share data)

Particulars	Three month period ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
<b>Revenue from operations</b>	<b>86,471</b>	<b>95,346</b>	<b>91,503</b>	<b>373,631</b>	<b>352,843</b>
<b>Net profit after tax for the period</b>	<b>29,157</b>	<b>23,553</b>	<b>20,599</b>	<b>128,809</b>	<b>89,776</b>
Earnings per share (face value ₹ 5 each, fully paid)					
Basic (in ₹)	34.27	27.70	24.28	151.57	105.95
Diluted (in ₹)	34.14	27.62	24.18	151.06	105.38

(\*) Refer note 3

12 Reconciliation between equity as previously reported (referred to as 'Previous GAAP') and Ind AS :

(₹ in lacs)

Particulars	As at March 31, 2016
	Audited
<b>Equity under Previous GAAP</b>	<b>367,541</b>
Adjustments:	
Fair valuation of Financial Assets along with Expected Credit Loss thereon	(1,541)
Deferred Taxes including taxes on undistributed earnings of subsidiaries	(1,422)
Consolidation of i-flex Employee Stock Option Trust	3,281
Deferral of revenue including discounting due to extended payment terms	(3,129)
Reversal of proposed final equity dividend including dividend distribution tax thereon	102,430
Exchange differences on translation of foreign operations	137
Others	90
<b>Equity under Ind AS</b>	<b>467,387</b>

13 Reconciliation between consolidated statement of profit and loss as previously reported (referred to as 'Previous GAAP') and Ind AS :

(₹ in lacs)

Particulars	Three month period ended	Year ended
	March 31, 2016	March 31, 2016
	Audited	Audited
<b>Net income for the period under Previous GAAP</b>	<b>22,436</b>	<b>116,578</b>
Stock Compensation Charge	(799)	(3,489)
Fair valuation of Financial Assets along with Expected Credit Loss thereon	(507)	(442)
Provisions for current period made in subsequent periods	324	-
Deferred Taxes including taxes on undistributed earnings of subsidiaries	(1,975)	(170)
Reclass of actuarial loss/(gain) on gratuity fund to other comprehensive income	767	585
Deferral of revenue including discounting due to extended payment terms	4,483	(972)
Exchange differences on translation of foreign operations	(2,259)	(7,273)
Others	(43)	72
<b>Net Profit under Ind AS</b>	<b>22,427</b>	<b>104,889</b>
Other Comprehensive Income	1,979	5,233
<b>Total Comprehensive Income under Ind AS</b>	<b>24,406</b>	<b>110,122</b>

- 14 The Board of Directors of the Company at its Meeting held on March 29, 2017, declared an interim dividend of ₹ 170 per equity share of face value of ₹ 5 each for the financial year 2016-17. The Board of Directors at their meeting held today have confirmed such interim dividend of ₹ 170 per equity share as the final dividend for the financial year 2016-17.
- 15 The Board of Directors at its Meeting held on March 29, 2017, approved appointment of Ms. Kimberly Woolley as a Non Executive, Non Independent Director of the Company with immediate effect as an Additional Director to hold office until the ensuing Annual General Meeting of the Company.
- 16 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  
May 16, 2017

Chaitanya Kamat  
Managing Director & Chief Executive Officer