

Oracle Financial Services Software Limited

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Audited Standalone Financial Results for the Year Ended March 31, 2018

(₹ in million, except per share data)

PART I

	Particulars	Three month period ended			Year ended	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		Audited (*)	Unaudited	Audited (*)	Audited	Audited
1	<b>INCOME</b>					
	(a) Revenue from operations	9,293.44	9,058.11	8,647.13	38,617.27	37,363.12
	(b) Other income, net	416.65	148.42	180.00	886.27	1,636.59
	<b>Total income</b>	<b>9,710.09</b>	<b>9,206.53</b>	<b>8,827.13</b>	<b>39,503.54</b>	<b>38,999.71</b>
2	<b>EXPENSES</b>					
	(a) Employee costs	4,983.96	4,221.78	4,301.77	18,586.73	18,108.63
	(b) Travel related expenses	481.12	560.84	502.59	2,091.45	2,048.80
	(c) Professional fees	373.84	478.21	472.50	1,739.71	1,850.38
	(d) Other expenses	618.61	388.54	600.96	1,642.98	1,660.57
	(e) Depreciation and amortisation	139.25	134.86	155.52	573.53	667.99
	<b>Total expenses</b>	<b>6,596.78</b>	<b>5,784.23</b>	<b>6,033.34</b>	<b>24,634.40</b>	<b>24,336.37</b>
3	<b>Profit before exceptional item and tax</b>	<b>3,113.31</b>	<b>3,422.30</b>	<b>2,793.79</b>	<b>14,869.14</b>	<b>14,663.34</b>
4	Exceptional item [Refer note 9]	-	-	882.81	-	2,162.59
5	<b>Profit before tax</b>	<b>3,113.31</b>	<b>3,422.30</b>	<b>3,676.60</b>	<b>14,869.14</b>	<b>16,825.93</b>
6	Tax expenses					
	(a) Current tax	1,209.05	1,231.88	652.02	4,775.76	4,383.88
	(b) Deferred tax	129.80	(69.27)	108.91	33.48	(438.92)
	<b>Total tax expenses</b>	<b>1,338.85</b>	<b>1,162.61</b>	<b>760.93</b>	<b>4,809.24</b>	<b>3,944.96</b>
7	<b>Net profit for the period</b>	<b>1,774.46</b>	<b>2,259.69</b>	<b>2,915.67</b>	<b>10,059.90</b>	<b>12,880.97</b>
8	Other Comprehensive Income					
	(a) Items that will not be reclassified subsequently to profit or loss					
	(i) Actuarial gain (loss) on gratuity fund	6.33	35.73	34.39	44.61	(48.38)
	(ii) Deferred tax	(2.34)	(12.37)	(11.90)	(15.59)	16.74
	(b) Items that will be reclassified subsequently to profit or loss					
	(i) Exchange differences on translation of foreign operations	(1.41)	1.69	134.71	3.77	44.62
	<b>Total other comprehensive income for the period, net of tax</b>	<b>2.58</b>	<b>25.05</b>	<b>157.20</b>	<b>32.79</b>	<b>12.98</b>
9	<b>Total Comprehensive Income for the period</b>	<b>1,777.04</b>	<b>2,284.74</b>	<b>3,072.87</b>	<b>10,092.69</b>	<b>12,893.95</b>
10	Paid up equity share capital (face value ₹ 5 each, fully paid)	427.08	426.87	425.53	427.08	425.53
11	Reserve excluding Revaluation Reserves as per balance sheet				37,642.04	26,307.51
12	Earnings per share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	20.78	26.48	34.27	117.91	151.57
	(b) Diluted (in ₹)	20.66	26.35	34.14	117.21	151.06

See accompanying note to the financial results

(\*) Refer note 3

**Notes to financial results :**

- 1 The above standalone financial results have been approved by the Board of Directors of the Company at its meeting held on May 11, 2018. There are no qualifications in the report issued by the Auditors.
- 2 The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2016, and accordingly these financials results have been prepared in accordance with the recognition and measurement principles stated there in, 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. 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, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and March 31, 2017 respectively and unaudited published year-to-date figures up to December 31, 2017 and December 31, 2016 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, 2018, the Company allotted 43,778 and 310,487 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 expenses for the year ended March 31, 2018 includes ₹ 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, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
Finance income	274.70	187.56	343.26	722.62	1,420.83
Exchange gain / (loss), net	123.79	(49.67)	(189.23)	94.95	(157.41)
Miscellaneous income, net **	18.16	10.53	25.97	68.70	373.17
<b>Total</b>	<b>416.65</b>	<b>148.42</b>	<b>180.00</b>	<b>886.27</b>	<b>1,636.59</b>

(\*) Refer note 3

\*\* Miscellaneous income for the year ended March 31, 2017 includes ₹ 245.04 million against liability written-back towards amount due to it's wholly owned subsidiary Oracle Financial Services Software, Inc.

- 7 Statement of assets and liabilities

(₹ in million)

Particulars	As at	
	March 31, 2018	March 31, 2017
	Audited	Audited
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	2,109.81	2,428.13
(b) Capital work-in-progress	24.48	6.55
(c) Investment property	102.00	102.00
(d) Financial assets		
(i) Investments in subsidiaries and associate	7,780.49	7,549.57
(ii) Other non-current financial assets	523.17	550.17
(e) Deferred tax assets (net)	1,053.11	1,102.19
(f) Income tax assets (net)	5,794.41	5,680.53
(g) Other non-current assets	672.81	713.52
	<b>18,060.28</b>	<b>18,132.66</b>
<b>2 Current assets</b>		
(a) Financial assets		
(i) Trade receivables	6,317.93	5,075.12
(ii) Cash and cash equivalents	2,111.89	20,990.75
(iii) Other bank balances	16,689.01	3,385.97
(iv) Other current financial assets	2,971.79	3,069.48
(b) Other current assets	356.09	369.22
	<b>28,446.71</b>	<b>32,890.54</b>
<b>TOTAL - ASSETS</b>	<b>46,506.99</b>	<b>51,023.20</b>

(₹ in million)

Particulars	As at	
	March 31, 2018	March 31, 2017
	Audited	Audited
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	427.08	425.53
(b) Other equity	37,643.95	26,333.67
	<b>38,071.03</b>	<b>26,759.20</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities	31.74	21.14
(b) Other non-current liabilities	133.20	136.86
(c) Employee benefit obligations	888.17	744.83
	<b>1,053.11</b>	<b>902.83</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	555.40	75.49
(ii) Other current financial liabilities	4,319.65	20,574.82
(b) Other current liabilities	906.58	1,090.85
(c) Employee benefit obligations	1,228.95	1,153.48
(d) Income tax liabilities (net)	372.27	466.53
	<b>7,382.85</b>	<b>23,361.17</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>46,506.99</b>	<b>51,023.20</b>

8 Reporting segmentwise revenue, results, assets and liabilities

(₹ in million)

Particulars	Three month period ended			Year ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
	Audited (*)	Unaudited	Audited (*)	Audited	Audited
<b>(a) Segment revenue</b>					
Product licenses and related activities	8,043.76	7,824.94	7,294.90	33,509.25	31,678.70
IT solutions and consulting services	1,249.68	1,233.17	1,352.23	5,108.02	5,684.42
	<b>9,293.44</b>	<b>9,058.11</b>	<b>8,647.13</b>	<b>38,617.27</b>	<b>37,363.12</b>
<b>(b) Segment results</b>					
Product licenses and related activities [Refer Note 9(a)]	3,159.33	3,360.34	2,861.79	14,741.71	12,666.81
IT solutions and consulting services	49.99	128.73	170.94	408.22	721.94
	<b>3,209.32</b>	<b>3,489.07</b>	<b>3,032.73</b>	<b>15,149.93</b>	<b>13,388.75</b>
Finance Income	274.70	187.56	343.26	722.62	1,420.83
Other un-allocable income (expenses), net	(370.71)	(254.33)	(582.20)	(1,003.41)	(774.49)
Exceptional item [Refer note 9(b)]	-	-	882.81	-	2,790.84
<b>Profit before taxes</b>	<b>3,113.31</b>	<b>3,422.30</b>	<b>3,676.60</b>	<b>14,869.14</b>	<b>16,825.93</b>
<b>(c) Segment assets</b>					
Product licenses and related activities	9,438.73	10,648.51	9,054.47	9,438.73	9,054.47
IT solutions and consulting services	2,335.93	2,259.15	1,973.51	2,335.93	1,973.51
Unallocable	34,732.33	31,120.53	39,995.22	34,732.33	39,995.22
	<b>46,506.99</b>	<b>44,028.19</b>	<b>51,023.20</b>	<b>46,506.99</b>	<b>51,023.20</b>
<b>(d) Segment liabilities</b>					
Product licenses and related activities	6,654.15	6,242.07	5,300.61	6,654.15	5,300.61
IT solutions and consulting services	1,139.82	1,103.27	1,005.66	1,139.82	1,005.66
Unallocable	641.99	617.34	17,957.73	641.99	17,957.73
	<b>8,435.96</b>	<b>7,962.68</b>	<b>24,264.00</b>	<b>8,435.96</b>	<b>24,264.00</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. 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 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 (a) During the year ended March 31, 2017, the Company has recorded a charge under the Products segment of ₹ 628.25 million 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.
- (b) During the three month period ended March 31, 2017, the Company has received dividend of ₹ 175.30 million, ₹ 333.50 million and ₹ 374.01 million from it's wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the three month period ended March 31, 2017 includes applicable tax credits on this dividend income.
- During the year ended March 31, 2017, the Company has received dividend of ₹ 1,146.73 million, ₹ 1,270.10 million and ₹ 374.01 million from it's wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the year ended March 31, 2017 includes applicable tax credits on this dividend income.
- 10 The Board of Directors of the Company has recommended a final dividend of ₹ 130 per equity share of face value of ₹ 5 each for the financial year 2017-18. This final dividend is subject to the approval of the shareholders.
- 11 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 11, 2018**

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