

Oracle Financial Services Software Limited

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Audited Standalone Financial Results for the Year Ended March 31, 2017

(₹ in lacs, except share and per share data)

PART I	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
1	INCOME					
	(a) Revenue from operations	86,471	95,346	91,503	373,631	352,843
	(b) Other income, net	1,800	3,866	5,763	16,367	21,287
	Total income	88,271	99,212	97,266	389,998	374,130
2	EXPENSES					
	(a) Employee costs	43,017	44,997	41,718	181,086	169,086
	(b) Travel related expenses	5,026	4,575	4,702	20,488	18,476
	(c) Professional fees	4,725	4,058	4,086	18,504	16,389
	(d) Other expenses	6,010	2,663	7,458	16,606	18,391
	(e) Depreciation and amortisation	1,555	1,566	1,243	6,680	4,977
	Total expenses	60,333	57,859	59,207	243,364	227,319
3	Profit from ordinary activities before exceptional item and tax	27,938	41,353	38,059	146,634	146,811
4	Exceptional item [Refer Note 10]	8,828	(6,283)	-	21,625	-
5	Profit before tax	36,766	35,070	38,059	168,259	146,811
6	Tax expenses					
	(a) Current tax	6,520	13,630	16,414	43,839	58,096
	(b) Deferred tax	1,089	(2,113)	1,046	(4,389)	(1,061)
	Total tax expenses	7,609	11,517	17,460	39,450	57,035
7	Net profit for the period	29,157	23,553	20,599	128,809	89,776
8	Other Comprehensive Income	1,572	(1,002)	(527)	130	(732)
9	Total Comprehensive Income	30,729	22,551	20,072	128,939	89,044
10	Paid up equity share capital (face value ₹ 5 each, fully paid)	4,255	4,253	4,243	4,255	4,243
11	Reserve excluding Revaluation Reserves as per balance sheet				263,075	391,453
12	Earnings per share (face value ₹ 5 each, fully paid)					
	(a) Basic (in ₹)	34.27	27.70	24.28	151.57	105.95
	(b) Diluted (in ₹)	34.14	27.62	24.18	151.06	105.38

See accompanying note to the financial results

(*) Refer note 3

Notes to financial results :

- The above standalone 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.
- 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.
- 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.
- During the three month period ended and year ended March 31, 2017, the Company allotted 53,557 and 250,228 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.
- Other expenses for the year ended March 31, 2016 include a provision of ₹ 1,578 lacs against equity investment and loan including interest thereon to a subsidiary company.
- Current tax charge for the three month period ended and year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 4,130 lacs.

7 Particulars of other income, net

(₹ 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
Finance income	3,432	3,021	3,652	14,208	21,518
Exchange (loss) / gain, net	(1,892)	366	1,637	(1,574)	(872)
Miscellaneous income, net **	260	479	474	3,733	641
Total	1,800	3,866	5,763	16,367	21,287

(*) Refer note 3

** Miscellaneous income for the year ended March 31, 2017 includes ₹ 2,450 lacs against liability written-back towards amount due to it's wholly owned subsidiary Oracle Financial Services Software, Inc.

8 Statement of assets and liabilities

(₹ in lacs)

Particulars	As at	
	March 31, 2017	March 31, 2016
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	24,281	25,139
(b) Capital work-in-progress	66	245
(c) Investment property	1,020	1,020
(d) Financial assets		
(i) Investments in subsidiaries and associate	75,496	74,833
(ii) Other non-current financial assets	5,502	12,851
(e) Income tax assets (net)	56,805	42,421
(f) Deferred tax assets (net)	11,022	6,465
(g) Other non-current assets	7,135	7,304
	181,327	170,278
2 Current assets		
(a) Financial assets		
(i) Trade receivables	50,751	80,468
(ii) Cash and cash equivalents	209,907	13,582
(iii) Other bank balances	33,860	205,532
(iv) Other current financial assets	30,695	27,523
(b) Other current assets	3,692	4,863
	328,905	331,968
TOTAL - ASSETS	510,232	502,246
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	4,255	4,243
(b) Other equity	263,337	391,483
	267,592	395,726
2 Non-current liabilities		
(a) Financial liabilities	211	230
(b) Other non-current liabilities	1,369	1,615
(c) Employee benefit obligations	7,448	6,337
	9,028	8,182
3 Current liabilities		
(a) Financial liabilities		
(i) Trade payables	755	2,657
(ii) Other current financial liabilities	205,748	70,801
(b) Other current liabilities	10,909	9,818
(c) Employee benefit obligations	11,535	10,754
(d) Income tax liabilities (net)	4,665	4,308
	233,612	98,338
TOTAL - EQUITY AND LIABILITIES	510,232	502,246

(₹ 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
(a) Segment revenue					
Product licenses and related activities	72,949	81,936	78,532	316,787	295,581
IT solutions and consulting services	13,522	13,410	12,971	56,844	57,262
	86,471	95,346	91,503	373,631	352,843
(b) Segment results					
Product licenses and related activities [Refer Note 10(a)]	28,618	31,499	36,049	126,668	129,490
IT solutions and consulting services	1,709	1,524	561	7,219	6,985
	30,327	33,023	36,610	133,887	136,475
Finance Income	3,432	3,021	3,652	14,208	21,518
Other un-allocable income (expenses), net	(5,821)	(974)	(2,203)	(7,744)	(11,182)
Exceptional item [Refer note 10(b)]	8,828	-	-	27,908	-
Profit before taxes	36,766	35,070	38,059	168,259	146,811
(c) Segment assets					
Product licenses and related activities	90,545	117,783	115,188	90,545	115,188
IT solutions and consulting services	19,735	25,197	21,409	19,735	21,409
Unallocable	399,952	340,924	365,649	399,952	365,649
	510,232	483,904	502,246	510,232	502,246
(d) Segment liabilities					
Product licenses and related activities	53,006	58,805	83,455	53,006	83,455
IT solutions and consulting services	10,057	10,961	15,856	10,057	15,856
Unallocable	179,577	8,036	7,209	179,577	7,209
	242,640	77,802	106,520	242,640	106,520

(*) 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.

- 10 (a) During the three month period ended December 31, 2016 and the year ended March 31, 2017, the Company has recorded a charge under the Products 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.
- (b) During the three month period ended March 31, 2017, the Company has received dividend of ₹ 1,753 lacs, ₹ 3,335 lacs and ₹ 3,740 lacs from its wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively.

During the year ended March 31, 2017, the Company has received dividend of ₹ 11,467 lacs, ₹ 12,701 lacs and ₹ 3,740 lacs from its 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 and year ended March 31, 2017 include applicable tax credits on this dividend income.

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

(₹ in lacs)

Particulars	As at	
	March 31, 2016	
	Audited	
Equity under Previous GAAP	298,933	
Adjustments:		
Reversal of proposed final equity dividend including dividend distribution tax thereon		102,131
Deferred taxes		(3,787)
Stock compensation charge		1,110
Fair valuation of financial assets along with expected credit loss thereon		(120)
Deferral of revenue including discounting due to extended payment terms		(2,933)
Exchange differences on translation of foreign operations		397
Others		(5)
Equity under Ind AS	395,726	

12 Reconciliation between 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
Net income for the period under Previous GAAP	18,384	92,885
Stock compensation charge	(633)	(2,941)
Fair valuation of financial assets along with expected credit loss thereon	(558)	(189)
Deferred taxes	(1,550)	189
Deferral of revenue including discounting due to extended payment terms	3,731	(919)
Reclass of actuarial (gain) / loss on gratuity fund to Other Comprehensive Income	707	525
Exchange differences on translation of foreign operations	167	230
Provisions for current period made in subsequent periods	324	-
Others	27	(4)
Net profit for the period under Ind AS	20,599	89,776
Other Comprehensive Income	(527)	(732)
Total comprehensive income for the period under Ind AS	20,072	89,044

(*) Refer note 3

- 13 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.
- 14 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.
- 15 Previous period's / year's figures have been reclassified, where necessary, to conform with current period's / year's presentation.
- 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

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director & Chief Executive Officer