

Oracle Financial Services Software Limited

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Audited Consolidated Financial Results for the Year ended March 31, 2018

PART I

(₹ in million, except per share data)

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>1 INCOME</b>					
(a) Revenue from operations	10,750.67	10,591.21	10,518.08	45,274.72	44,265.33
(b) Other income, net	489.38	164.79	100.33	906.90	1,563.69
<b>Total income</b>	<b>11,240.05</b>	<b>10,756.00</b>	<b>10,618.41</b>	<b>46,181.62</b>	<b>45,829.02</b>
<b>2 EXPENSES</b>					
(a) Employee benefit expenses	5,594.27	4,821.26	4,947.72	20,991.71	20,702.67
(b) Travel related expenses	546.83	625.82	565.65	2,334.18	2,354.24
(c) Professional fees	328.48	442.90	421.24	1,549.26	1,652.98
(d) Other operating expenses	757.49	499.38	820.18	2,287.43	2,216.46
(e) Depreciation and amortisation	148.95	144.35	163.87	614.63	701.92
<b>Total Expenses</b>	<b>7,376.02</b>	<b>6,533.71</b>	<b>6,918.66</b>	<b>27,777.21</b>	<b>27,628.27</b>
<b>3 Profit before Share of (loss) of an associate, exceptional item and tax</b>	<b>3,864.03</b>	<b>4,222.29</b>	<b>3,699.75</b>	<b>18,404.41</b>	<b>18,200.75</b>
4 Share in (loss) of associate	-	-	-	-	(2.72)
<b>5 Profit before exceptional item and tax</b>	<b>3,864.03</b>	<b>4,222.29</b>	<b>3,699.75</b>	<b>18,404.41</b>	<b>18,198.03</b>
6 Exceptional item [Refer note 8]	-	-	-	-	(628.25)
<b>7 Profit before tax</b>	<b>3,864.03</b>	<b>4,222.29</b>	<b>3,699.75</b>	<b>18,404.41</b>	<b>17,569.78</b>
<b>8 Tax expenses</b>					
(a) Current tax	1,389.64	1,320.26	1,269.11	5,933.26	6,078.91
(b) Deferred tax	116.50	5.10	150.60	100.74	(362.98)
<b>Total tax expenses</b>	<b>1,506.14</b>	<b>1,325.36</b>	<b>1,419.71</b>	<b>6,034.00</b>	<b>5,715.93</b>
<b>9 Net profit for the period</b>	<b>2,357.89</b>	<b>2,896.93</b>	<b>2,280.04</b>	<b>12,370.41</b>	<b>11,853.85</b>
<b>10 Other Comprehensive Income</b>					
(a) Items that will not be reclassified to profit and loss					
(i) Actuarial gain (loss) on gratuity fund	11.55	35.73	34.27	49.83	(48.50)
(ii) Deferred tax	(2.67)	(12.37)	(11.86)	(15.92)	16.79
(b) Items that will be reclassified subsequently to profit and loss					
(i) Exchange differences on translation of foreign operations	231.87	(160.47)	(100.95)	427.71	(176.45)
<b>Total other comprehensive income for the period, net of tax</b>	<b>240.75</b>	<b>(137.11)</b>	<b>(78.54)</b>	<b>461.62</b>	<b>(208.16)</b>
<b>11 Total comprehensive income for the period</b>	<b>2,598.64</b>	<b>2,759.82</b>	<b>2,201.50</b>	<b>12,832.03</b>	<b>11,645.69</b>
12 Paid up equity share capital (face value ₹ 5 each, fully paid)	426.73	426.24	424.70	426.73	424.70
13 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				46,645.29	32,195.00
14 Earnings per share (face value ₹ 5 each, fully paid)					
(a) Basic (in ₹)	27.65	34.01	26.85	145.22	139.76
(b) Diluted (in ₹)	27.49	33.83	26.75	144.37	139.29
See accompanying note to the financial results					

(\*) Refer note 3

**Notes to financial results :**

- 1 The above audited consolidated financial results for the year ended March 31, 2018 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 Oracle Financial Services Software Limited (the 'Company' or the 'Group') 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 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 eligible employees under the prevailing ESOP schemes.

5 **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	295.61	205.99	359.33	794.84	1,491.16
Exchange gain (loss), net	85.45	(77.01)	(338.48)	(143.93)	(221.35)
Miscellaneous income, net	108.32	35.81	79.48	255.99	293.88
<b>Total</b>	<b>489.38</b>	<b>164.79</b>	<b>100.33</b>	<b>906.90</b>	<b>1,563.69</b>

(\*) Refer note 3

6 **Statement of assets and liabilities**

(₹ in million)

Particulars	As at	
	March 31, 2018	March 31, 2017
	Audited	Audited
<b>A ASSETS</b>		
1 <b>Non-current assets</b>		
(a) Property, Plant and Equipment	2,180.07	2,509.24
(b) Capital work-in-progress	25.86	8.16
(c) Investment property	102.00	102.00
(d) Goodwill	6,086.63	6,086.63
(e) Investment in an associate	-	-
(f) Financial assets	525.96	577.02
(g) Deferred tax assets (net)	1,227.65	1,346.28
(h) Income tax assets (net)	5,968.95	5,858.54
(i) Other non-current assets	672.82	714.59
	<b>16,789.94</b>	<b>17,202.46</b>
2 <b>Current assets</b>		
(a) Financial assets		
(i) Trade receivables	10,074.80	7,180.14
(ii) Cash and bank balances	8,060.99	25,914.71
(iii) Other bank balances	18,399.68	4,402.24
(iv) Other current financial assets	5,388.90	4,916.81
(b) Income tax assets (net)	72.22	78.03
(c) Other current assets	545.08	513.97
	<b>42,541.67</b>	<b>43,005.90</b>
<b>TOTAL - ASSETS</b>	<b>59,331.61</b>	<b>60,208.36</b>

## Statement of assets and liabilities (continued)

(₹ 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	426.73	424.70
(b) Other equity	46,647.20	32,221.16
	<b>47,073.93</b>	<b>32,645.86</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities	35.45	23.90
(b) Other non-current liabilities	190.53	244.77
(c) Employee benefit obligations	926.34	784.21
(d) Deferred tax liability (net)	5.30	6.57
(e) Income tax liabilities (net)	144.34	261.33
	<b>1,301.96</b>	<b>1,320.78</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	646.43	108.37
(ii) Other current financial liabilities	3,230.23	19,733.03
(b) Other current liabilities	4,838.40	4,136.93
(c) Employee benefit obligations	1,378.29	1,317.73
(d) Income tax liabilities (net)	862.37	945.66
	<b>10,955.72</b>	<b>26,241.72</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>59,331.61</b>	<b>60,208.36</b>

## 7 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	9,323.00	9,157.57	8,912.30	39,378.60	37,613.50
IT solutions and consulting services	1,152.36	1,159.93	1,308.37	4,770.92	5,437.54
Business process outsourcing services	275.31	273.71	297.41	1,125.20	1,214.29
	<b>10,750.67</b>	<b>10,591.21</b>	<b>10,518.08</b>	<b>45,274.72</b>	<b>44,265.33</b>
<b>(b) Segment results</b>					
Product licenses and related activities [Refer note 8]	3,941.67	4,201.25	3,911.98	18,586.26	16,285.90
IT solutions and consulting services	5.73	114.32	178.75	321.82	682.16
Business process outsourcing services	52.62	60.55	88.21	332.35	415.25
	<b>4,000.02</b>	<b>4,376.12</b>	<b>4,178.94</b>	<b>19,240.43</b>	<b>17,383.31</b>
Finance income	295.61	205.99	359.33	794.84	1,491.16
Other un-allocable (expenses) income, net	(431.60)	(359.82)	(838.52)	(1,630.86)	(1,304.69)
<b>Profit before tax</b>	<b>3,864.03</b>	<b>4,222.29</b>	<b>3,699.75</b>	<b>18,404.41</b>	<b>17,569.78</b>

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

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>(c) Segment assets</b>					
Product licenses and related activities	20,884.53	19,366.90	17,710.60	20,884.53	17,710.60
IT solutions and consulting services	2,623.65	2,131.93	2,684.22	2,623.65	2,684.22
Business process outsourcing services	490.74	630.16	687.12	490.74	687.12
Unallocable	35,332.69	33,738.62	39,126.42	35,332.69	39,126.42
	<b>59,331.61</b>	<b>55,867.61</b>	<b>60,208.36</b>	<b>59,331.61</b>	<b>60,208.36</b>
<b>(d) Segment liabilities</b>					
Product licenses and related activities	9,010.82	8,444.40	7,076.01	9,010.82	7,076.01
IT solutions and consulting services	909.79	915.23	804.02	909.79	804.02
Business process outsourcing services	124.77	145.27	109.02	124.77	109.02
Unallocable	2,212.30	2,334.52	19,573.45	2,212.30	19,573.45
	<b>12,257.68</b>	<b>11,839.42</b>	<b>27,562.50</b>	<b>12,257.68</b>	<b>27,562.50</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.

- 8 During the year ended March 31, 2017, the Company has recorded a charge under the "Product licenses and related activities" segment of ₹ 628.25 millions 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.
- 9 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.
- 10 **Audited standalone results for the year ended March 31, 2018**

(₹ in million, except per share data)

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>Revenue from operations</b>	<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>Net profit after tax 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>
Earnings per share (face value ₹ 5 each, fully paid)					
Basic (in ₹)	20.78	26.48	34.27	117.91	151.57
Diluted (in ₹)	20.66	26.35	34.14	117.21	151.06

(\*) Refer note 3

- 11 The above results are also available on 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