

Oracle Financial Services Software Limited

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Unaudited Consolidated Financial Results for the Three and Nine Month Period Ended December 31, 2016

PART I		(₹ in lacs, except share and per share data)					
		Three month period ended			Nine month period ended		Year ended
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	Revenue from operations	113,231	106,529	102,453	337,473	306,698	413,122
	Total income from operations	113,231	106,529	102,453	337,473	306,698	413,122
2	EXPENSES						
	(a) Employee costs	50,900	51,697	50,442	157,550	146,114	194,958
	(b) Travel related expenses	5,296	6,535	5,835	17,886	16,141	21,463
	(c) Professional fees	3,460	4,481	3,857	12,317	10,904	14,536
	(d) Other expenses	3,654	5,498	4,109	13,963	12,384	20,992
	(e) Depreciation and amortisation	1,646	1,816	1,257	5,380	3,977	5,293
	Total Expenses	64,956	70,027	65,500	207,096	189,520	257,242
3	Profit from operations before other income and exceptional items	48,275	36,502	36,953	130,377	117,178	155,880
4	Other income, net	6,435	2,847	2,437	14,633	16,447	21,074
5	Profit from ordinary activities before exceptional items	54,710	39,349	39,390	145,010	133,625	176,954
6	Exceptional item [Refer note 7 & 8]	(6,283)	-	2,179	(6,283)	(2,193)	(2,193)
7	Profit before tax	48,427	39,349	41,569	138,727	131,432	174,761
8	Tax expenses						
	(a) Current tax	18,704	12,393	15,416	48,098	51,288	70,702
	(b) Deferred tax	(2,208)	(2,240)	(267)	(5,136)	(2,289)	(832)
	Total tax expenses	16,496	10,153	15,149	42,962	48,999	69,870
9	Net profit for the period	31,931	29,196	26,420	95,765	82,433	104,891
10	Share of (loss) profit of associates	-	(11)	45	(27)	29	(2)
11	Net Profit after taxes and share of profit	31,931	29,185	26,465	95,738	82,462	104,889
12	Other Comprehensive Income	(3,152)	585	1,199	(1,296)	3,254	5,233
13	Total Comprehensive Income	28,779	29,770	27,664	94,442	85,716	110,122
14	Paid up equity share capital (face value ₹ 5 each, fully paid)	4,244	4,243	4,233	4,244	4,233	4,235
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						463,123
16	Earnings per share (face value ₹ 5 each, fully paid)						
	(a) Basic (in ₹)	37.63	34.42	31.21	112.91	97.36	123.78
	(b) Diluted (in ₹)	37.52	34.31	30.98	112.56	96.64	123.12
See accompanying note to the financial results							

Notes to financial results :

- The above unaudited consolidated financial results for the three and nine month period ended December 31, 2016 have been approved by the Board of Directors of the Company at its meeting held on February 8, 2017. The Statutory Auditors of the Company have carried out a Limited Review of the consolidated financial results for the three and nine month period ended December 31, 2016. There are no qualifications in the Limited Review Report issued by the Auditors.
- 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 laid down in the Ind AS 34, 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with 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 34.
- During the three and nine month period ended December 31, 2016, the Company allotted 35,848 and 196,671 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes.
- Current tax charge for the year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 4,130 lacs.

5 Particulars of other income, net

(₹ in lacs)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	3,320	3,848	3,751	11,318	18,055	21,802
Exchange gain (loss), net	2,404	(1,784)	(1,652)	1,171	(2,200)	(2,220)
Miscellaneous income, net	711	783	338	2,144	592	1,492
Total	6,435	2,847	2,437	14,633	16,447	21,074

6 Reporting segmentwise revenue, results, assets and liabilities

(₹ in lacs)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	97,527	89,665	86,426	287,012	255,640	346,804
IT solutions and consulting services	12,682	13,636	13,161	41,292	42,407	54,757
Business process outsourcing services	3,022	3,227	2,866	9,169	8,651	11,561
	113,231	106,528	102,453	337,473	306,698	413,122
(b) Segment results						
Product licenses and related activities [Refer note 7]	41,908	36,431	37,504	123,739	115,964	158,363
IT solutions and consulting services	1,419	1,716	1,126	5,034	5,545	6,124
Business process outsourcing services [Refer note 8]	1,150	1,229	3,090	3,271	856	1,807
	44,477	39,376	41,720	132,044	122,365	166,294
Finance income	3,320	3,848	3,751	11,318	18,055	21,802
Other un-allocable income (expenses), net	630	(3,875)	(3,902)	(4,635)	(8,988)	(13,335)
Profit before tax	48,427	39,349	41,569	138,727	131,432	174,761
(c) Segment assets						
Product licenses and related activities	175,371	183,580	155,628	175,371	155,628	173,964
IT solutions and consulting services	27,646	29,173	28,193	27,646	28,193	26,143
Business process outsourcing services	2,907	3,222	2,762	2,907	2,762	2,819
Unallocable	378,184	329,872	350,388	378,184	350,388	365,643
	584,108	545,847	536,971	584,108	536,971	568,569
(d) Segment liabilities						
Product licenses and related activities	80,693	75,924	68,561	80,693	68,561	70,404
IT solutions and consulting services	10,247	8,824	10,365	10,247	10,365	8,592
Business process outsourcing services	1,291	1,211	1,526	1,291	1,526	1,209
Unallocable	17,716	17,108	16,389	17,716	16,389	20,977
	109,947	103,067	96,841	109,947	96,841	101,182

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 fixed assets. Segment liabilities primarily includes deferred revenues, advance from customers, accrued employee cost and other current liabilities. While most 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.

7 During the three and nine 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.

8 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.

9 Unaudited standalone results for the three and nine month period ended December 31, 2016

(₹ in lacs, except per share data)

Particulars	Three month period ended			Nine month period ended		Year ended
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	95,346	90,782	89,362	287,160	261,340	352,843
Net profit after tax for the period	23,553	46,541	21,962	99,652	69,176	89,776
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	27.70	54.78	25.90	117.30	81.67	105.95
Diluted (in ₹)	27.62	54.60	25.71	116.94	81.07	105.38

10 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	Nine month period ended	Year ended
	December 31, 2015	December 31, 2015	March 31, 2016
	Unaudited	Unaudited	Audited
Net income for the period under Previous GAAP	28,948	94,142	116,578
Stock Compensation Charge	(807)	(2,691)	(3,489)
Fair valuation of Financial Assets along with Expected Credit Loss thereon	(199)	65	(442)
Provisions for current period made in subsequent periods	44	(324)	-
Deferred Taxes including taxes on undistributed earnings of subsidiaries	396	1,805	(170)
Reclass of actuarial loss/(gain) on gratuity fund to other comprehensive income	(147)	(183)	585
Deferral of revenue including discounting due to extended payment terms	(1,105)	(5,455)	(972)
Exchange differences on translation of foreign operations	(757)	(5,013)	(7,273)
Others	92	116	72
Net Profit under Ind AS	26,465	82,462	104,889
Other Comprehensive Income	1,199	3,254	5,233
Total Comprehensive Income under Ind AS	27,664	85,716	110,122

11 Previous period's / year's figures have been reclassified, where necessary, to conform with current period's / year's presentation.

12 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
February 8, 2017

Chaitanya Kamat
Managing Director & Chief Executive Officer