

Oracle Financial Services Software Limited

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Unaudited Standalone Financial Results for the Three Month Period Ended June 30, 2016

PART I		(₹ in lacs, except share and per share data)			
		Three month period ended		Year ended	
Particulars	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016	
	Unaudited	Audited (*)	Unaudited	Audited	
1 INCOME					
Revenue from operations	101,032	91,503	88,727	352,843	
Total income from operations	101,032	91,503	88,727	352,843	
2 EXPENSES					
(a) Employee costs	47,685	41,718	42,125	169,086	
(b) Travel related expenses	5,189	4,702	4,313	18,476	
(c) Professional fees	4,858	4,086	3,899	16,389	
(d) Other expenses	3,698	7,458	5,574	18,391	
(e) Depreciation and amortisation	1,832	1,243	1,341	4,977	
Total Expenses	63,262	59,207	57,252	227,319	
3 Profit before other income	37,770	32,296	31,475	125,524	
4 Other income, net	4,737	5,763	7,351	21,287	
5 Profit before tax	42,507	38,059	38,826	146,811	
6 Tax expenses					
(a) Current tax	13,296	16,414	15,703	58,096	
(b) Deferred tax	(347)	1,046	(1,789)	(1,061)	
Total tax expenses	12,949	17,460	13,914	57,035	
7 Net profit for the period	29,558	20,599	24,912	89,776	
8 Other Comprehensive Income	(679)	(527)	(404)	(732)	
9 Total Comprehensive Income	28,879	20,072	24,508	89,044	
10 Paid up equity share capital (face value ₹ 5 each, fully paid)	4,245	4,243	4,232	4,243	
11 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				391,483	
12 Earnings per share (face value ₹ 5 each, fully paid)					
(a) Basic (in ₹)	34.02	23.66	28.96	105.08	
(b) Diluted (in ₹)	33.93	23.56	28.81	104.52	
See accompanying note to the financial results					

(*) Refer note 4

Notes to financial results :

- The above unaudited standalone financial results for the three month period ended June 30, 2016 have been approved by the Board of Directors of the Company at its meeting held on August 12, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the financial results for the three month period ended June 30, 2016. There are no qualifications in the Limited Review Report issued by the Auditors.
- The Company adopted Indian Accounting Standard (Ind AS) from April 1, 2016, and accordingly these 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.
- As required by Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by the Securities and Exchange Board of India ('SEBI'), the financial results and financial information for the quarter ended June 30, 2015 have been compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS. These have neither been audited nor reviewed. The Ind AS financial results and other financial information as of and for the year ended March 31, 2016 have been audited.

4 The figures for the three month period ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2016 and unaudited year-to-date figures up to December 31, 2015, being the end of the third quarter of the financial year, which were subjected to limited review.

5 The Company has prepared reconciliation of profit under Indian GAAP vis-à-vis total comprehensive income under Ind AS for the year ended March 31, 2016 and for the three month periods ended March 31, 2016 and June 30, 2015.

6 During the three month period ended June 30, 2016, the Company allotted 51,434 equity shares of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes.

7 Current tax charge for the three month period and year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 4,130 lacs.

8 Other expenses for the three month period ended June 30, 2015 and year ended March 31, 2016 include a provision of ₹1,545 lacs against equity investment and loan including interest thereon to a subsidiary company.

9 Particulars of other income, net

(₹ in lacs)

Particulars	Three month period ended			Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
	Unaudited	Audited (*)	Unaudited	Audited
Finance income	4,023	3,652	7,590	21,518
Foreign exchange (loss) gain, net	462	1,637	274	(872)
Miscellaneous income	252	474	(513)	641
Total	4,737	5,763	7,351	21,287

(*) Refer note 4

10 Reporting segmentwise revenue, results, assets and liabilities

(₹ in lacs)

Particulars	Three month period ended			Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
	Unaudited	Audited (*)	Unaudited	Audited
(a) Segment revenue				
Product licenses and related activities	85,541	78,532	73,786	295,581
IT solutions and consulting services	15,491	12,971	14,941	57,262
	101,032	91,503	88,727	352,843
(b) Segment results				
Product licenses and related activities	37,728	36,049	32,690	129,490
IT solutions and consulting services	1,864	561	1,910	6,985
	39,592	36,610	34,600	136,475
Finance income	4,023	3,652	7,590	21,518
Other un-allocable income (expenses), net	(1,108)	(2,203)	(3,364)	(11,182)
Profit before tax	42,507	38,059	38,826	146,811
(c) Segment assets				
Product licenses and related activities	129,041	113,569	105,154	113,569
IT solutions and consulting services	27,429	21,421	22,167	21,421
Unallocable	365,437	367,256	469,982	367,256
	521,907	502,246	597,303	502,246
(d) Segment liabilities				
Product licenses and related activities	72,594	41,702	69,624	41,702
IT solutions and consulting services	14,097	8,208	15,762	8,208
Unallocable	7,954	56,610	7,897	56,610
	94,645	106,520	93,283	106,520

(*) Refer note 4

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 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.

11 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	June 30, 2015	March 31, 2016
	Audited (*)	Unaudited	Audited
Net Profit under Previous GAAP	18,384	26,846	92,885
Stock Compensation Charge	(633)	(771)	(2,941)
Fair valuation of Financial Assets along with Expected Credit Loss on financial assets	(558)	(127)	(189)
Deferred Taxes including taxes on undistributed earnings of subsidiaries	(1,550)	752	189
Deferral of revenue including discounting due to extended payment terms	3,731	(2,162)	(971)
Reclass of actuarial gain to Other components of equity	707	(85)	525
Exchange differences on translation of foreign operations	167	858	230
Provisions for current period made in subsequent periods	324	(252)	-
Others	27	(147)	48
Net Profit under Ind AS	20,599	24,912	89,776
Other Comprehensive Income	(527)	(404)	(732)
Total Comprehensive Income under Ind AS	20,072	24,508	89,044

(*) Refer note 4

12 Mr. Derek H. Williams, Non-Executive Non-Independent Director of the Company, passed away on Saturday, July 23, 2016.

13 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
Date: August 12, 2016

Chaitanya Kamat
Managing Director & Chief Executive Officer