

**Oracle Financial Services Software Limited**

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**Unaudited standalone financial results for the three and six month period ended September 30, 2016**

**PART I**

(₹ in lacs, except per share data)

| Particulars  | Three month period ended |                |                    | Six month period ended |                    | Year ended     |
|--|--------------------------|----------------|--------------------|------------------------|--------------------|----------------|
|  | September 30, 2016       | June 30, 2016  | September 30, 2015 | September 30, 2016     | September 30, 2015 | March 31, 2016 |
|  | Unaudited                | Unaudited      | Unaudited          | Unaudited              | Unaudited          | Audited        |
| <b>1 INCOME</b>  |                          |                |                    |                        |                    |                |
| Revenue from operations  | 90,782                   | 101,032        | 83,251             | 191,814                | 171,978            | 352,843        |
| <b>Total income from operations</b>  | <b>90,782</b>            | <b>101,032</b> | <b>83,251</b>      | <b>191,814</b>         | <b>171,978</b>     | <b>352,843</b> |
| <b>2 EXPENSES</b>  |                          |                |                    |                        |                    |                |
| (a) Employee costs   | 45,387                   | 47,685         | 41,071             | 93,072                 | 83,196             | 169,086        |
| (b) Travel related expenses  | 5,698                    | 5,189          | 4,581              | 10,887                 | 8,894              | 18,476         |
| (c) Professional fees  | 4,863                    | 4,858          | 4,086              | 9,721                  | 7,985              | 16,389         |
| (d) Other expenses   | 4,235                    | 3,698          | 2,381              | 7,933                  | 7,955              | 18,391         |
| (e) Depreciation and amortisation  | 1,727                    | 1,832          | 1,221              | 3,559                  | 2,562              | 4,977          |
| <b>Total Expenses</b>  | <b>61,910</b>            | <b>63,262</b>  | <b>53,340</b>      | <b>125,172</b>         | <b>110,592</b>     | <b>227,319</b> |
| <b>3 Profit from operations before other income, exceptional item and tax</b>              | <b>28,872</b>            | <b>37,770</b>  | <b>29,911</b>      | <b>66,642</b>          | <b>61,386</b>      | <b>125,524</b> |
| 4 Other income, net  | 5,964                    | 4,737          | 5,209              | 10,701                 | 12,560             | 21,287         |
| <b>5 Profit from ordinary activities before exceptional item and tax</b>                   | <b>34,836</b>            | <b>42,507</b>  | <b>35,120</b>      | <b>77,343</b>          | <b>73,946</b>      | <b>146,811</b> |
| 6 Exceptional item [Refer note 8]  | 19,080                   | -              | -                  | 19,080                 | -                  | -              |
| <b>7 Profit before tax</b>   | <b>53,916</b>            | <b>42,507</b>  | <b>35,120</b>      | <b>96,423</b>          | <b>73,946</b>      | <b>146,811</b> |
| 8 Tax expenses   |                          |                |                    |                        |                    |                |
| (a) Current tax  | 10,393                   | 13,296         | 12,869             | 23,689                 | 28,572             | 58,096         |
| (b) Deferred tax   | (3,018)                  | (347)          | (51)               | (3,365)                | (1,840)            | (1,061)        |
| <b>Total tax expenses</b>  | <b>7,375</b>             | <b>12,949</b>  | <b>12,818</b>      | <b>20,324</b>          | <b>26,732</b>      | <b>57,035</b>  |
| <b>9 Net profit for the period</b>   | <b>46,541</b>            | <b>29,558</b>  | <b>22,302</b>      | <b>76,099</b>          | <b>47,214</b>      | <b>89,776</b>  |
| 10 Other Comprehensive Income  | 239                      | (679)          | (32)               | (440)                  | (436)              | (732)          |
| <b>11 Total Comprehensive Income</b>   | <b>46,780</b>            | <b>28,879</b>  | <b>22,270</b>      | <b>75,659</b>          | <b>46,778</b>      | <b>89,044</b>  |
| 12 Paid up equity share capital (face value ₹ 5 each, fully paid)                          | 4,251                    | 4,245          | 4,239              | 4,251                  | 4,239              | 4,243          |
| 13 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year |                          |                |                    |                        |                    | 391,483        |
| 14 Earnings per share (face value ₹ 5 each, fully paid)                                    |                          |                |                    |                        |                    |                |
| (a) Basic (in ₹)   | 54.78                    | 34.82          | 26.34              | 89.62                  | 55.77              | 105.95         |
| (b) Diluted (in ₹)   | 54.60                    | 34.73          | 26.17              | 89.32                  | 55.41              | 105.38         |
| See accompanying note to the financial results   |                          |                |                    |                        |                    |                |

**Notes to financial results :**

- The above unaudited standalone financial results for the three and six month period ended September 30, 2016 have been approved by the Board of Directors of the Company at its meeting held on November 9, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the financial results for the three and six month period ended September 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 three and six month period ended September 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.
- During the three and six month period ended September 30, 2016, the Company allotted 109,389 and 160,823 equity shares respectively, of face value ₹ 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.
- Other expenses for the six month period ended September 30, 2015 and year ended March 31, 2016 include a provision of ₹ 1,578 lacs against equity investment and loan including interest thereon to a subsidiary company.

## 7 Particulars of other income, net

(₹ in lacs)

| Particulars                       | Three month period ended |               |                    | Six month period ended |                    | Year ended     |
|-----------------------------------|--------------------------|---------------|--------------------|------------------------|--------------------|----------------|
|                                   | September 30, 2016       | June 30, 2016 | September 30, 2015 | September 30, 2016     | September 30, 2015 | March 31, 2016 |
|                                   | Unaudited                | Unaudited     | Unaudited          | Unaudited              | Unaudited          | Audited        |
| Finance income                    | 3,732                    | 4,023         | 6,556              | 7,755                  | 14,146             | 21,518         |
| Foreign exchange (loss) gain, net | (510)                    | 462           | (1,830)            | (48)                   | (1,556)            | (872)          |
| Miscellaneous income, net *       | 2,742                    | 252           | 483                | 2,994                  | (30)               | 641            |
| <b>Total</b>                      | <b>5,964</b>             | <b>4,737</b>  | <b>5,209</b>       | <b>10,701</b>          | <b>12,560</b>      | <b>21,287</b>  |

\* Miscellaneous income for the three and six month period ended September 30, 2016 includes ₹ 2,450 lacs against liability written-back towards amount due to it's wholly owned subsidiary Oracle Financial Services Software, Inc.

8 During the three and six month period ended September 30, 2016, the Company has received dividend of ₹ 9,714 lacs and ₹ 9,366 lacs from it's wholly owned subsidiaries Oracle Financial Services Software B.V. and Oracle Financial Services Software Pte. Ltd respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the three and six month period ended September 30, 2016 includes applicable tax credits on this dividend income.

## 9 Statement of assets and liabilities

(₹ in lacs)

| Particulars                                   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2016 | March 31, 2016 |
|   | Unaudited          | Audited        |
| <b>A ASSETS</b>                               |                    |                |
| <b>1 Non-current assets</b>                   |                    |                |
| (a) Property, plant and equipment             | 26,672             | 25,139         |
| (b) Capital work-in-progress                  | 70                 | 245            |
| (c) Intangible assets                         | -                  | -              |
| (d) Investment property                       | 1,020              | 1,020          |
| (e) Financial assets                          |                    |                |
| (i) Investments in subsidiaries and associate | 75,166             | 74,833         |
| (ii) Other non-current financial assets       | 4,560              | 12,851         |
| (f) Deferred tax assets                       | 9,934              | 6,465          |
| (g) Income tax assets (net)                   | 38,993             | 42,421         |
| (h) Other non-current assets                  | 7,737              | 7,304          |
|   | <b>164,152</b>     | <b>170,278</b> |
| <b>2 Current assets</b>                       |                    |                |
| (a) Financial assets                          |                    |                |
| (i) Trade receivables                         | 55,744             | 79,507         |
| (ii) Cash and bank balances                   | 164,281            | 219,114        |
| (iii) Other current financial assets          | 64,519             | 28,484         |
| (b) Other current assets                      | 5,486              | 4,863          |
|   | <b>290,030</b>     | <b>331,968</b> |
| <b>TOTAL - ASSETS</b>                         | <b>454,182</b>     | <b>502,246</b> |
| <b>B EQUITY AND LIABILITIES</b>               |                    |                |
| <b>1 Equity</b>                               |                    |                |
| (a) Equity share capital                      | 4,251              | 4,243          |
| (b) Other equity                              | 376,697            | 391,483        |
|   | <b>380,948</b>     | <b>395,726</b> |
| <b>2 Non-current liabilities</b>              |                    |                |
| (a) Financial liabilities                     | 216                | 230            |
| (b) Other non-current liabilities             | 1,879              | 1,615          |
| (c) Long-term provisions                      | 6,937              | 6,337          |
|   | <b>9,032</b>       | <b>8,182</b>   |
| <b>3 Current liabilities</b>                  |                    |                |
| (a) Financial liabilities                     |                    |                |
| (i) Trade payables                            | 830                | 2,657          |
| (ii) Other current financial liabilities      | 37,385             | 70,801         |
| (b) Other current liabilities                 | 9,942              | 9,818          |
| (c) Income tax liabilities (net)              | 4,359              | 4,308          |
| (d) Short-term provisions                     | 11,686             | 10,754         |
|   | <b>64,202</b>      | <b>98,338</b>  |
| <b>TOTAL - EQUITY AND LIABILITIES</b>         | <b>454,182</b>     | <b>502,246</b> |

## 10 Reporting segmentwise revenue, results, assets and liabilities

(₹ in lacs)

| Particulars                               | Three month period ended |                |                    | Six month period ended |                    | Year ended     |
|---|--------------------------|----------------|--------------------|------------------------|--------------------|----------------|
|   | September 30, 2016       | June 30, 2016  | September 30, 2015 | September 30, 2016     | September 30, 2015 | March 31, 2016 |
|   | Unaudited                | Unaudited      | Unaudited          | Unaudited              | Unaudited          | Audited        |
| <b>(a) Segment revenue</b>                |                          |                |                    |                        |                    |                |
| Product licenses and related activities   | 76,361                   | 85,541         | 67,729             | 161,902                | 141,515            | 295,581        |
| IT solutions and consulting services      | 14,421                   | 15,491         | 15,522             | 29,912                 | 30,463             | 57,262         |
|   | <b>90,782</b>            | <b>101,032</b> | <b>83,251</b>      | <b>191,814</b>         | <b>171,978</b>     | <b>352,843</b> |
| <b>(b) Segment results</b>                |                          |                |                    |                        |                    |                |
| Product licenses and related activities   | 28,824                   | 37,728         | 28,576             | 66,552                 | 61,267             | 129,490        |
| IT solutions and consulting services      | 2,122                    | 1,864          | 3,109              | 3,986                  | 5,020              | 6,985          |
|   | <b>30,946</b>            | <b>39,592</b>  | <b>31,685</b>      | <b>70,538</b>          | <b>66,287</b>      | <b>136,475</b> |
| Finance income                            | 3,732                    | 4,023          | 6,556              | 7,755                  | 14,146             | 21,518         |
| Other un-allocable income (expenses), net | 158                      | (1,108)        | (3,121)            | (950)                  | (6,487)            | (11,182)       |
| Exceptional item [Refer note 8]           | 19,080                   | -              | -                  | 19,080                 | -                  | -              |
| <b>Profit before tax</b>                  | <b>53,916</b>            | <b>42,507</b>  | <b>35,120</b>      | <b>96,423</b>          | <b>73,946</b>      | <b>146,811</b> |
| <b>(c) Segment assets</b>                 |                          |                |                    |                        |                    |                |
| Product licenses and related activities   | 124,486                  | 129,041        | 109,470            | 124,486                | 109,470            | 115,188        |
| IT solutions and consulting services      | 26,822                   | 27,429         | 27,414             | 26,822                 | 27,414             | 21,409         |
| Unallocable                               | 302,874                  | 365,437        | 307,442            | 302,874                | 307,442            | 365,649        |
|   | <b>454,182</b>           | <b>521,907</b> | <b>444,326</b>     | <b>454,182</b>         | <b>444,326</b>     | <b>502,246</b> |
| <b>(d) Segment liabilities</b>            |                          |                |                    |                        |                    |                |
| Product licenses and related activities   | 55,832                   | 72,594         | 73,274             | 55,832                 | 73,274             | 83,455         |
| IT solutions and consulting services      | 10,302                   | 14,097         | 16,230             | 10,302                 | 16,230             | 15,856         |
| Unallocable                               | 7,100                    | 7,954          | 7,146              | 7,100                  | 7,146              | 7,209          |
|   | <b>73,234</b>            | <b>94,645</b>  | <b>96,650</b>      | <b>73,234</b>          | <b>96,650</b>      | <b>106,520</b> |

**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 equity as previously reported (referred to as 'Previous GAAP') and Ind AS :

(₹ in lacs)

| Particulars  | As at          |
|--|----------------|
|  | March 31, 2016 |
|  | Audited        |
| <b>Equity under Previous GAAP</b>  | <b>298,933</b> |
| 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)            |
| <b>Equity under Ind AS</b>   | <b>395,726</b> |

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 | Six month period ended | Year ended     |
|---|--------------------------|------------------------|----------------|
|   | September 30, 2015       | September 30, 2015     | March 31, 2016 |
|   | Unaudited                | Unaudited              | Audited        |
| <b>Net income for the period under Previous GAAP</b>                              | <b>24,260</b>            | <b>51,106</b>          | <b>92,885</b>  |
| Stock compensation charge   | (879)                    | (1,650)                | (2,941)        |
| Fair valuation of financial assets along with expected credit loss thereon        | (323)                    | (450)                  | (189)          |
| Deferred taxes  | 590                      | 1,342                  | 189            |
| Deferral of revenue including discounting due to extended payment terms           | (1,542)                  | (3,700)                | (971)          |
| Reclass of actuarial loss / (gain) on gratuity fund to Other Comprehensive Income | 49                       | (36)                   | 525            |
| Exchange differences on translation of foreign operations                         | 227                      | 1,085                  | 230            |
| Provisions for current period made in subsequent periods                          | (116)                    | (368)                  | -              |
| Others  | 36                       | (115)                  | 48             |
| <b>Net profit for the period under Ind AS</b>                                     | <b>22,302</b>            | <b>47,214</b>          | <b>89,776</b>  |
| Other Comprehensive Income  | (32)                     | (436)                  | (732)          |
| <b>Total comprehensive income for the period under Ind AS</b>                     | <b>22,270</b>            | <b>46,778</b>          | <b>89,044</b>  |

13 Ms Samantha Wellington, Non Executive Non Independent Director of the Company resigned with effect from close of business hours of October 28, 2016.

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

15 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  
Date: November 9, 2016

Chaitanya Kamat  
Managing Director & Chief Executive Officer