

Oracle Financial Services Software Limited

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Unaudited Consolidated Financial Results for the Three Month Period Ended June 30, 2017

PART I (₹ in millions, except share and per share data)

Particulars	Three month period ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited *	Unaudited	Audited
1 INCOME				
(a) Revenue from operations	12,037.57	10,518.08	11,771.34	44,265.33
(b) Other income, net	168.17	100.33	535.14	1,563.69
Total income	12,205.74	10,618.41	12,306.48	45,829.02
2 EXPENSES				
(a) Employee benefit expenses	5,327.42	4,947.72	5,495.34	20,702.67
(b) Travel related expenses	541.20	565.65	605.48	2,354.24
(c) Professional fees	384.78	421.24	437.62	1,652.98
(d) Other operating expenses	533.59	820.18	481.16	2,216.46
(e) Depreciation and amortisation	163.44	163.87	191.81	701.92
Total Expenses	6,950.43	6,918.66	7,211.41	27,628.27
3 Profit before Share of (loss) of an associate, exceptional item and tax	5,255.31	3,699.75	5,095.07	18,200.75
4 Share in (loss) of associate	-	-	(1.61)	(2.72)
5 Profit before exceptional item and tax	5,255.31	3,699.75	5,093.46	18,198.03
6 Exceptional item [Refer note 7]	-	-	-	(628.25)
7 Profit before tax	5,255.31	3,699.75	5,093.46	17,569.78
8 Tax expenses				
(a) Current tax	1,538.55	1,269.11	1,700.11	6,078.91
(b) Deferred tax	20.28	150.60	(68.88)	(362.98)
Total tax expenses	1,558.83	1,419.71	1,631.23	5,715.93
9 Net profit for the period	3,696.48	2,280.04	3,462.23	11,853.85
10 Other Comprehensive Income				
(a) Items that will not be reclassified to profit and loss				
(i) Actuarial (loss) gain on gratuity fund	(5.83)	34.27	(13.80)	(48.50)
(ii) Deferred tax	2.02	(11.86)	4.78	16.79
(b) Items that will be reclassified subsequently to profit and loss				
(i) Exchange differences on translation of foreign operations	114.61	(100.95)	136.08	(176.45)
Total other comprehensive income for the period, net of tax	110.80	(78.54)	127.06	(208.16)
11 Total comprehensive income for the period	3,807.28	2,201.50	3,589.29	11,645.69
12 Paid up equity share capital (face value ₹ 5 each, fully paid)	425.73	424.70	423.71	424.70
13 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				32,195.00
14 Earnings per share (face value ₹ 5 each, fully paid)				
(a) Basic (in ₹)	43.43	26.85	40.79	139.76
(b) Diluted (in ₹)	43.27	26.75	40.68	139.29
See accompanying note to the financial results				

(*) Refer note 3

Notes to financial results :

- 1 The above unaudited consolidated financial results for the three month period ended June 30, 2017 have been approved by the Board of Directors of the Company at its meeting held on August 11, 2017. The Statutory Auditors of the Company have carried out a Limited Review of the consolidated financial results for the three month period ended June 30, 2017. There are no qualifications in the Limited Review 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 laid down in the Ind AS 34 - Interim Financial Reporting 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.
- 3 The figures for the three month period ended March 31, 2017 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2017 and unaudited year-to-date figures up to December 31, 2016, being the end of the third quarter of the financial year, which were subjected to limited review.
- 4 During the three month period ended June 30, 2017, the Company allotted 185,994 equity shares, of face value of ₹.5/- each, on exercise of stock options by the eligible employees under the prevailing ESOP schemes of the Company.
- 5 **Particulars of other income, net**

(₹ in millions)

Particulars	Three month period ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited *	Unaudited	Audited
Finance income	178.53	359.33	415.05	1,491.16
Exchange (loss) gain, net	(67.67)	(338.50)	55.10	(221.35)
Miscellaneous income, net	57.31	79.50	64.99	293.88
Total	168.17	100.33	535.14	1,563.69

6 Reporting segmentwise revenue, results, assets and liabilities

(₹ in millions)

Particulars	Three month period ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited *	Unaudited	Audited
(a) Segment revenue				
Product licenses and related activities	10,524.75	8,912.30	9,982.02	37,613.50
IT solutions and consulting services	1,229.40	1,308.37	1,497.36	5,437.54
Business process outsourcing services	283.42	297.41	291.96	1,214.29
	12,037.57	10,518.08	11,771.34	44,265.33
(b) Segment results				
Product licenses and related activities [Refer note 7]	5,335.82	3,911.98	4,540.03	16,285.90
IT solutions and consulting services	87.76	178.75	189.89	682.16
Business process outsourcing services	90.90	88.21	89.19	415.25
	5,514.48	4,178.94	4,819.11	17,383.31
Finance income	178.53	359.33	415.05	1,491.16
Other un-allocable income (expenses), net	(437.70)	(838.52)	(140.70)	(1,304.69)
Profit before tax	5,255.31	3,699.75	5,093.46	17,569.78
(c) Segment assets				
Product licenses and related activities	21,054.10	17,710.60	19,164.19	17,710.60
IT solutions and consulting services	2,222.42	2,684.22	2,778.11	2,684.22
Business process outsourcing services	406.82	687.12	318.08	687.12
Unallocable	25,187.41	39,126.42	40,256.98	39,126.42
	48,870.75	60,208.36	62,517.36	60,208.36
(d) Segment liabilities				
Product licenses and related activities	8,185.36	7,076.01	8,477.19	7,076.01
IT solutions and consulting services	988.58	804.02	1,059.01	804.02
Business process outsourcing services	127.97	109.02	140.20	109.02
Unallocable	2,561.98	19,573.45	2,247.07	19,573.45
	11,863.89	27,562.50	11,923.47	27,562.50

(*) 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.

7 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.

8 **Unaudited standalone results for the three month period ended June 30, 2017**

(₹ in millions, except per share data)

Particulars	Three month period ended			Year ended	
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017	
	Unaudited	Audited *	Unaudited	Audited	
Revenue from operations	10,236.39	8,647.13	10,103.18	37,363.12	
Net profit after tax for the period	2,953.65	2,915.67	2,955.76	12,880.97	
Earnings per share (face value ₹ 5 each, fully paid)					
Basic (in ₹)	34.64	34.27	34.82	151.57	
Diluted (in ₹)	34.51	34.14	34.73	151.06	

(*) Refer note 3

9 The above results are also available on Company's website: www.oracle.com/financialservices

For and on behalf of the Board of Directors
Oracle Financial Services Software Limited

Mumbai, India
August 11, 2017

Chaitanya Kamat
Managing Director & Chief Executive Officer