

# Oracle Financial Services Software Limited

## Unaudited Condensed Consolidated Balance Sheet as at December 31, 2017

	(Amounts in ₹ million)	
	December 31, 2017	March 31, 2017
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	2,215.86	2,509.24
Capital work-in-progress	14.02	8.16
Investment property	102.00	102.00
Goodwill	6,086.63	6,086.63
Investment in an associate	-	-
Financial assets	600.00	577.02
Deferred tax assets (net)	1,346.64	1,346.28
Income tax assets (net)	5,959.95	5,858.54
Other non-current assets	677.75	714.59
	<b>17,002.85</b>	<b>17,202.46</b>
<b>Current assets</b>		
Financial Assets		
Trade receivables	8,640.70	7,180.14
Cash and cash equivalents	10,059.03	25,914.71
Other bank balances	14,628.21	4,402.24
Other current financials assets	4,803.03	4,916.81
Income tax assets (net)	39.08	78.03
Other current assets	694.71	513.97
	<b>38,864.76</b>	<b>43,005.90</b>
<b>TOTAL</b>	<b>55,867.61</b>	<b>60,208.36</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Equity share capital	426.24	424.70
Other equity	43,601.95	32,221.16
<b>Total equity</b>	<b>44,028.19</b>	<b>32,645.86</b>
<b>Non-current liabilities</b>		
Financial liabilities	29.69	23.90
Other non-current liabilities	213.39	244.77
Employee benefit obligations	825.41	784.21
Deferred tax liability (net)	6.95	6.57
Income tax liabilities (net)	222.46	261.33
	<b>1,297.90</b>	<b>1,320.78</b>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	172.28	108.37
Other current financial liabilities	4,119.77	19,733.03
Other current liabilities	4,098.97	4,136.93
Employee benefit obligations	1,299.08	1,317.73
Income tax liabilities (net)	851.42	945.66
	<b>10,541.52</b>	<b>26,241.72</b>
<b>TOTAL</b>	<b>55,867.61</b>	<b>60,208.36</b>

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Statement of Profit and Loss for three and nine month period ended December 31, 2017

(Amounts in ₹ million, except share data)

	Three month period ended December 31,		Nine month period ended December 31,	
	2017	2016	2017	2016
Revenue from operations	10,591.21	11,323.06	34,524.05	33,747.25
Finance income	205.99	331.98	499.23	1,131.83
Other income, net	(41.20)	311.53	(81.71)	331.53
<b>Total income</b>	<b>10,756.00</b>	<b>11,966.57</b>	<b>34,941.57</b>	<b>35,210.61</b>
<b>EXPENSES</b>				
Employee benefit expenses	4,821.26	5,089.90	15,397.44	15,754.95
Travel related expenses	625.82	529.58	1,787.35	1,788.59
Professional fees	442.90	346.08	1,220.78	1,231.74
Other operating expenses	499.38	365.42	1,529.94	1,396.28
Depreciation and amortization	144.35	164.59	465.68	538.05
<b>Total expenses</b>	<b>6,533.71</b>	<b>6,495.57</b>	<b>20,401.19</b>	<b>20,709.61</b>
<b>Profit before Share of (loss) of an associate and tax</b>	<b>4,222.29</b>	<b>5,471.00</b>	<b>14,540.38</b>	<b>14,501.00</b>
Share in (loss) of associate	-	-	-	(2.72)
<b>Profit before exceptional item and tax</b>	<b>4,222.29</b>	<b>5,471.00</b>	<b>14,540.38</b>	<b>14,498.28</b>
Exceptional item [Refer note 5]	-	(628.25)	-	(628.25)
<b>Profit before tax</b>	<b>4,222.29</b>	<b>4,842.75</b>	<b>14,540.38</b>	<b>13,870.03</b>
Tax expenses				
Current tax	1,320.26	1,870.42	4,543.62	4,809.80
Deferred tax	5.10	(220.77)	(15.76)	(513.58)
Total tax expenses	1,325.36	1,649.65	4,527.86	4,296.22
<b>Profit for the period</b>	<b>2,896.93</b>	<b>3,193.10</b>	<b>10,012.52</b>	<b>9,573.81</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit and loss				
Actuarial gain (loss) on gratuity fund	35.73	(52.93)	38.28	(82.77)
Deferred tax	(12.37)	18.32	(13.25)	28.65
Items that will be reclassified subsequently to profit and loss				
Exchange differences on translation of foreign operations	(160.47)	(280.64)	195.84	(75.50)
<b>Total other comprehensive income for the period, net of tax</b>	<b>(137.11)</b>	<b>(315.25)</b>	<b>220.87</b>	<b>(129.62)</b>
<b>Total comprehensive income for the period</b>	<b>2,759.82</b>	<b>2,877.85</b>	<b>10,233.39</b>	<b>9,444.19</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	2,896.93	3,193.10	10,012.52	9,573.81
Non-controlling interests	-	-	-	-
	<b>2,896.93</b>	<b>3,193.10</b>	<b>10,012.52</b>	<b>9,573.81</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,759.82	2,877.85	10,233.39	9,444.19
Non-controlling interests	-	-	-	-
	<b>2,759.82</b>	<b>2,877.85</b>	<b>10,233.39</b>	<b>9,444.19</b>
Earnings per equity share of par value of ₹ 5 each (in ₹)				
Basic	34.01	37.63	117.59	112.91
Diluted	33.83	37.52	116.99	112.56
Weighted average number of shares used in computing earnings per share				
Basic	85,190,950	84,860,817	85,151,298	84,787,872
Diluted	85,631,938	85,095,795	85,584,244	85,053,005

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Statements of Changes in Equity for nine month period ended December 31, 2017

Nine month period ended December 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity holders of the Company	
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve		Remeasurement of defined benefit obligation
<b>Balance as of April 1, 2017</b>	<b>84,940,264</b>	<b>424.70</b>	<b>26.16</b>	<b>12,528.86</b>	<b>10,145.19</b>	<b>1,835.05</b>	-	-	<b>7,300.77</b>	<b>385.13</b>	-	<b>32,645.86</b>
<i>Changes in equity for nine month period ended December 31, 2017</i>												
Application money received for exercised options	-	-	505.21	-	-	-	-	-	-	-	-	505.21
Shares issued for exercised options	266,709	1.34	(527.98)	526.64	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	500.05	31.49	-	-	-	-	531.54
Forfeiture of options	-	-	-	-	-	(28.99)	-	-	28.99	-	-	-
Stock compensation related to options exercised	-	-	-	457.17	-	(457.17)	-	-	-	-	-	-
Sale of treasury shares	40,142	0.20	-	-	-	-	-	144.85	-	-	-	145.05
Profit for the period	-	-	-	-	-	-	-	-	10,012.52	-	-	10,012.52
Interim equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	-	(32.86)	-	-	(32.86)
Actuarial gain / (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	25.03	25.03
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	195.84	-	195.84
Actuarial gain / loss on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	25.03	-	(25.03)	-
<b>Balance as of December 31, 2017</b>	<b>85,247,115</b>	<b>426.24</b>	<b>3.39</b>	<b>13,512.67</b>	<b>10,145.19</b>	<b>1,848.94</b>	<b>31.49</b>	<b>144.85</b>	<b>17,334.45</b>	<b>580.97</b>	-	<b>44,028.19</b>

Nine month period ended December 31, 2016

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity holders of the Company	
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve		Remeasurement of defined benefit obligation
<b>Balance as of April 1, 2016</b>	<b>84,690,036</b>	<b>423.45</b>	<b>3.00</b>	<b>11,690.40</b>	<b>10,145.19</b>	<b>1,345.71</b>	-	-	<b>22,569.41</b>	<b>561.58</b>	-	<b>46,738.74</b>
<i>Changes in equity for nine month period ended December 31, 2016</i>												
Application money received for exercised options	-	-	453.51	-	-	-	-	-	-	-	-	453.51
Shares issued for exercised options	196,671	0.98	(454.57)	453.59	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	606.51	-	-	-	-	-	606.51
Forfeiture of options	-	-	-	-	-	(15.77)	-	-	15.77	-	-	-
Stock compensation related to options exercised	-	-	-	201.94	-	(201.94)	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	9,573.81	-	-	9,573.81
Final equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	-	(9,826.81)	-	-	(9,826.81)
Actuarial gain / (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	(54.12)	(54.12)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(75.50)	-	(75.50)
Actuarial gain / loss on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	(54.12)	-	54.12	-
<b>Balance as of December 31, 2016</b>	<b>84,886,707</b>	<b>424.43</b>	<b>1.94</b>	<b>12,345.93</b>	<b>10,145.19</b>	<b>1,734.51</b>	-	-	<b>22,278.06</b>	<b>486.08</b>	-	<b>47,416.14</b>

Oracle Financial Services Software Limited

Consolidated Statements of Changes in Equity for the year ended March 31, 2017

Year ended March 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity holders of the Company	
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve		Remeasurement of defined benefit obligation
<b>Balance as of April 1, 2016</b>	<b>84,690,036</b>	<b>423.45</b>	<b>3.00</b>	<b>11,690.40</b>	<b>10,145.19</b>	<b>1,345.71</b>	-	-	<b>22,569.41</b>	<b>561.58</b>	-	<b>46,738.74</b>
<i>Changes in equity for year ended March 31, 2017</i>												
Application money received for exercised options	-	-	589.42	-	-	-	-	-	-	-	-	589.42
Shares issued for exercised options	250,228	1.25	(566.26)	565.01	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	780.44	-	-	-	-	-	780.44
Forfeiture of options	-	-	-	-	-	(17.65)	-	-	17.65	-	-	-
Stock compensation related to options exercised	-	-	-	273.45	-	(273.45)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	11,853.85	-	-	11,853.85
Final equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	-	(9,902.95)	-	-	(9,902.95)
Interim equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	-	(17,205.48)	-	-	(17,205.48)
Actuarial loss on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	(31.71)	(31.71)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(176.45)	-	(176.45)
Actuarial loss on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	(31.71)	-	31.71	-
<b>Balance as of March 31, 2017</b>	<b>84,940,264</b>	<b>424.70</b>	<b>26.16</b>	<b>12,528.86</b>	<b>10,145.19</b>	<b>1,835.05</b>	-	-	<b>7,300.77</b>	<b>385.13</b>	-	<b>32,645.86</b>

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

## Oracle Financial Services Software Limited

### Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and nine month period ended December 31, 2017

#### Note 1: Corporate information

Oracle Financial Services Software Limited (the “Company”) was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 73.96% (March 31, 2017 - 74.23%) ownership interest in the Company as at December 31, 2017. Oracle Corporation is the Ultimate Holding Company of Oracle Financial Services Software Limited.

The Company along with its subsidiaries and associate is principally engaged in the business of providing information technology solutions and business processing services to the financial services industry worldwide. The Company has a suite of banking products, which caters to the transaction processing and compliance needs of corporate, retail and investment banks across the world.

The unaudited condensed consolidated financial statements for the three and nine month period ended December 31, 2017 were approved by the Company’s Board of Directors and authorized for issue on February 6, 2018.

The Company has following subsidiaries, associate and controlled entities (hereinafter collectively referred as the “OFSS group”):

Companies	Country of Incorporation	Holding %	Relationship
Direct holding			
Oracle Financial Services Software B.V.	The Netherlands	100%	Subsidiary
Oracle Financial Services Software Pte. Ltd.	Singapore	100%	Subsidiary
Oracle Financial Services Software America, Inc.	United States of America	100%	Subsidiary
ISP Internet Mauritius Company	Republic of Mauritius	100%	Subsidiary
Oracle (OFSS) Processing Services Limited	India	100%	Subsidiary
Oracle (OFSS) ASP Private Limited	India	100%	Subsidiary
Oracle Financial Services Software Chile Limitada	Chile	100%	Subsidiary
Oracle Financial Services Software (Shanghai) Limited	Republic of China	100%	Subsidiary
i-flex Employee Stock Option Trust	India	–	Controlled trust
Login SA (till July 4, 2017)	France	33%	Associate
Subsidiaries of Oracle Financial Services Software America, Inc.			
Oracle Financial Services Software, Inc.	United States of America	100%	Subsidiary
Mantas Inc.	United States of America	100%	Subsidiary
Subsidiaries of Mantas Inc.			
Sotas Inc.	United States of America	100%	Subsidiary
Subsidiaries of Sotas Inc.			
Mantas India Private Limited	India	100%	Subsidiary
Subsidiary of Oracle Financial Services Software B.V.			
Oracle Financial Services Software SA	Greece	100%	Subsidiary
Subsidiary of Oracle Financial Services Software Pte. Ltd.			
Oracle Financial Services Consulting Pte. Ltd.	Singapore	100%	Subsidiary
Subsidiaries of ISP Internet Mauritius Company			
Oracle (OFSS) BPO Services Inc.	United States of America	100%	Subsidiary
Oracle (OFSS) BPO Services Limited	India	100%	Subsidiary

## Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and nine month period ended December 31, 2017

### 2. Accounting policies

The OFSS Group adopted Indian Accounting Standards (Ind AS) from April 1, 2016. These interim consolidated financial statements have been prepared in accordance with Ind AS 34 - Interim Financial Reporting as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The OFSS Group has followed the same accounting policies and methods of computation in preparing the interim financial statements as were followed for the year ended March 31, 2017.

### 3. Capital Commitments

	(Amounts in ₹ million)	
Particulars	December 31, 2017	March 31, 2017
Contracts remaining to be executed on capital account not provided for (net of advances)	204.37	224.42

### 4. SEGMENT INFORMATION

The OFSS group is organized by business segment and geographically. For management purposes the OFSS group is primarily organised on a worldwide basis into three business segments:

- a) Product licenses and related activities ('Products')
- b) IT solutions and consulting services ('Services') and
- c) Business Processing Services ('BPO - Services')

#### 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 expenses which are not directly attributable to a business segment are classified as unallocable 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.

#### Three month period ended December 31, 2017

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	9,157.57	1,159.93	273.71	10,591.21
Segment result	4,201.25	114.32	60.55	4,376.12
Unallocable expenses				(318.62)
Finance income				205.99
Other income, net				(41.20)
Share in (loss) of associate				-
Profit before tax				4,222.29
Tax expenses				(1,325.36)
Profit for the period				2,896.93

#### Three month period ended December 31, 2016

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	9,752.72	1,268.20	302.14	11,323.06
Segment result [Refer note 5]	4,190.87	141.89	114.93	4,447.69
Unallocable expenses				(248.45)
Finance income				331.98
Other income, net				311.53
Share in (loss) of associate				-
Profit before tax				4,842.75
Tax expenses				(1,649.65)
Profit for the period				3,193.10

**Oracle Financial Services Software Limited**

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and nine month period ended December 31, 2017

**Nine month period ended December 31, 2017**

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	30,055.60	3,618.56	849.89	34,524.05
Segment result	14,644.59	316.09	279.73	15,240.41
Unallocable expenses				(1,117.55)
Finance income				499.23
Other income, net				(81.71)
Share in (loss) of associate				-
Profit before tax				14,540.38
Tax expenses				(4,527.86)
Profit for the period				10,012.52

**Nine month period ended December 31, 2016**

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	28,701.20	4,129.17	916.88	33,747.25
Segment result [Refer note 5]	12,373.92	503.41	327.04	13,204.37
Unallocable expenses				(794.98)
Finance income				1,131.83
Other income, net				331.53
Share in (loss) of associate				(2.72)
Profit before tax				13,870.03
Tax expenses				(4,296.22)
Profit for the period				9,573.81

**Three month period ended December 31, 2017**

(Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Property, Plant and Equipment	23.66	4.97	2.84	6.50	37.97
Depreciation and amortisation	109.19	18.38	10.77	6.01	144.35
Other non cash expenses	61.87	7.68	0.07	0.07	69.69
Segment assets	19,366.90	2,131.93	630.16	33,738.62	55,867.61
Segment liabilities	8,444.40	915.23	145.27	2,334.52	11,839.42
Equity	-	-	-	44,028.19	44,028.19

**Three month period ended December 31, 2016**

(Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Property, Plant and Equipment	18.08	4.36	0.50	4.02	26.96
Depreciation and amortisation	131.10	21.00	7.81	4.68	164.59
Other non cash expenses [Refer note 5]	602.35	1.42	0.07	0.03	603.87
Segment assets	17,537.12	2,764.61	290.65	37,818.45	58,410.83
Segment liabilities	8,069.35	1,024.66	129.12	1,771.56	10,994.69
Equity	-	-	-	47,416.14	47,416.14

**Oracle Financial Services Software Limited**

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and nine month period ended December 31, 2017

**Nine month period ended December 31, 2017**

(Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Property, Plant and Equipment	119.00	23.75	11.33	17.85	171.93
Depreciation and amortisation	353.86	61.97	27.86	21.99	465.68
Other non cash expenses	23.77	1.91	(6.36)	0.13	19.45
Segment assets	19,366.90	2,131.93	630.16	33,738.62	55,867.61
Segment liabilities	8,444.40	915.23	145.27	2,334.52	11,839.42
Equity	-	-	-	44,028.19	44,028.19

**Nine month period ended December 31, 2016**

(Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Property, Plant and Equipment	399.17	115.44	46.96	30.33	591.90
Depreciation and amortisation	432.70	66.32	23.40	15.63	538.05
Other non cash expenses [Refer note 5]	777.19	1.27	0.19	0.17	778.82
Segment assets	17,537.12	2,764.61	290.65	37,818.45	58,410.83
Segment liabilities	8,069.35	1,024.66	129.12	1,771.56	10,994.69
Equity	-	-	-	47,416.14	47,416.14

**Note 5:** During the three and nine month period ended December 31, 2016, the Company has recorded a charge under the "Products" segment of ₹ 628.25 million 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.

## Oracle Financial Services Software Limited

### Unaudited Condensed Consolidated Statement of Cash Flow for the nine month period ended December 31, 2017

(Amounts in ₹ million)

	<b>Nine month period ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
Net cash provided by operating activities	10,518.71	10,136.59
Net cash (used in) provided by investing activities	(9,926.90)	4,590.76
Net cash (used in) financing activities	(16,588.08)	(9,373.30)
Net (decrease) increase in cash and cash equivalents	(15,996.27)	5,354.05
Cash and cash equivalents at beginning of the period	25,914.71	5,789.66
Effect of exchange difference on cash and bank balances	140.59	7.59
<b>Cash and cash equivalents at end of the period</b>	<b>10,059.03</b>	<b>11,151.30</b>

#### Component of cash and cash equivalents

##### Balances with banks:

In current accounts*	9,151.00	8,287.18
In deposit accounts with original maturity of less than three months	784.59	2,739.26
In unclaimed dividend account**	123.44	124.86
<b>Total cash and cash equivalents</b>	<b>10,059.03</b>	<b>11,151.30</b>

\*Current account includes ₹ 2.26 million (December 31, 2016 ₹ 0.44 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

\*\*These balances will be utilized only towards the respective unpaid dividend.