

Oracle Financial Services Software Limited

Unaudited condensed balance sheet as at December 31, 2017

(Amounts in ₹ million)

	December 31, 2017	March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	2,141.86	2,428.13
Capital work-in-progress	8.63	6.55
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries and associate	7,772.48	7,549.57
Other non-current financial assets	588.33	550.17
Income tax assets (net)	5,771.83	5,680.53
Deferred tax assets (net)	1,185.26	1,102.19
Other non-current assets	677.68	713.52
	18,248.07	18,132.66
Current assets		
Financial assets		
Trade receivables	4,214.13	5,075.12
Cash and cash equivalents	1,884.13	20,990.75
Other bank balances	13,196.84	3,385.97
Other current financial assets	6,119.22	3,069.48
Other current assets	365.80	369.22
	25,780.12	32,890.54
TOTAL	44,028.19	51,023.20
EQUITY AND LIABILITIES		
Equity		
Equity share capital	426.87	425.53
Other equity	35,638.64	26,333.67
Total equity	36,065.51	26,759.20
Non-current liabilities		
Financial liabilities	26.26	21.14
Other non-current liabilities	135.32	136.86
Employee benefit obligations	786.22	744.83
	947.80	902.83
Current liabilities		
Financial liabilities		
Trade payables	73.64	75.49
Other current financial liabilities	4,515.47	20,574.82
Other current liabilities	922.94	1,090.85
Employee benefit obligations	1,138.71	1,153.48
Income tax liabilities (net)	364.12	466.53
	7,014.88	23,361.17
TOTAL	44,028.19	51,023.20

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

Oracle Financial Services Software Limited

Unaudited condensed statement of profit and loss for the 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	9,058.11	9,534.59	29,323.83	28,715.99
Finance income	187.56	302.11	447.92	1,077.57
Other income, net	(39.14)	84.36	21.70	379.02
Total income	9,206.53	9,921.06	29,793.45	30,172.58
Expenses				
Employee benefit expenses	4,221.78	4,499.70	13,602.77	13,806.86
Travel related expenses	560.84	457.49	1,610.33	1,546.21
Professional fees	478.21	405.83	1,365.87	1,377.88
Other operating expenses	388.54	266.27	1,024.37	1,059.61
Depreciation and amortization	134.86	156.53	434.28	512.47
Total expenses	5,784.23	5,785.82	18,037.62	18,303.03
Profit before exceptional item and tax	3,422.30	4,135.24	11,755.83	11,869.55
Exceptional item [Refer note 6]	-	(628.25)	-	1,279.78
Profit before tax	3,422.30	3,506.99	11,755.83	13,149.33
Tax expenses				
Current tax	1,231.88	1,362.95	3,566.71	3,731.86
Deferred tax	(69.27)	(211.32)	(96.32)	(547.83)
Total tax expenses	1,162.61	1,151.63	3,470.39	3,184.03
Profit for the period	2,259.69	2,355.36	8,285.44	9,965.30
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain (loss) on gratuity fund	35.73	(52.93)	38.28	(82.77)
Deferred tax	(12.37)	18.31	(13.25)	28.64
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	1.69	(65.55)	5.18	(90.09)
Total other comprehensive income for the period, net of tax	25.05	(100.17)	30.21	(144.22)
Total comprehensive income for the period	2,284.74	2,255.19	8,315.65	9,821.08
Earnings per equity share of par value of ₹ 5 (December 31, 2016 ₹ 5) each (in ₹)				
Basic	26.48	27.70	97.14	117.30
Diluted	26.35	27.62	96.65	116.94
Weighted average number of shares used in computing earnings per share				
Basic	85,324,943	85,026,959	85,296,842	84,954,014
Diluted	85,765,931	85,261,937	85,729,788	85,219,147

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

Oracle Financial Services Software Limited

Unaudited condensed statement of changes in equity for the nine month period ended December 31, 2017

(a) Nine month period ended December 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity							Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Foreign currency translation reserve	Remeasurmnt of defined benefit obligation		
Balance as of April 1, 2017	85,106,406	425.53	26.16	12,528.56	10,145.19	1,835.05	-	1,793.01	5.70	-	26,759.20	
<i>Changes in equity for the nine month period ended December 31, 2017</i>												
Application money received for exercised options	-	-	505.20	-	-	-	-	-	-	-	505.20	
Shares issued for exercised options	266,709	1.34	(527.97)	526.63	-	-	-	-	-	-	-	
Stock compensation charge	-	-	-	-	-	500.05	18.27	-	-	-	518.32	
Forfeiture of options	-	-	-	-	-	(28.99)	-	28.99	-	-	-	
Stock compensation related to options exercised	-	-	-	457.17	-	(457.17)	-	-	-	-	-	
Profit for the period	-	-	-	-	-	-	-	8,285.44	-	-	8,285.44	
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	-	-	-	-	-	-	-	-	5.18	-	5.18	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	25.03	-	(25.03)	-	
Balance as of December 31, 2017	85,373,115	426.87	3.39	13,512.36	10,145.19	1,848.94	18.27	10,099.61	10.88	-	36,065.51	

(b) Nine month period ended December 31, 2016

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity							Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Foreign currency translation reserve	Remeasurmnt of defined benefit obligation		
Balance as of April 1, 2016	84,856,178	424.28	3.00	11,690.10	10,145.19	1,345.71	-	16,003.25	(38.92)	-	39,572.61	
<i>Changes in equity for the 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	-	-	-	-	-	606.44	-	-	-	-	606.44	
Forfeiture of options	-	-	-	-	-	(15.69)	-	15.69	-	-	-	
Stock compensation related to options exercised	-	-	-	201.95	-	(201.95)	-	-	-	-	-	
Profit for the period	-	-	-	-	-	-	-	9,965.30	-	-	9,965.30	
Final equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	(9,843.42)	-	-	(9,843.42)	
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(54.13)	(54.13)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(90.09)	-	(90.09)	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(54.13)	-	54.13	-	
Balance as of December 31, 2016	85,052,849	425.26	1.94	12,345.64	10,145.19	1,734.51	-	16,086.69	(129.01)	-	40,610.22	

Oracle Financial Services Software Limited

Unaudited condensed statement of changes in equity for the nine month period ended December 31, 2017

(c) Year ended March 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Foreign currency translation reserve	Remeasurmnt of defined benefit obligation	
Balance as of April 1, 2016	84,856,178	424.28	3.00	11,690.10	10,145.19	1,345.71	-	16,003.25	(38.92)	-	39,572.61
<i>Changes in equity for the 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	-	-	-	-	-	780.37	-	-	-	-	780.37
Forfeiture of options	-	-	-	-	-	(17.58)	-	17.58	-	-	-
Stock compensation related to options exercised	-	-	-	273.45	-	(273.45)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	12,880.97	-	-	12,880.97
Final equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	(9,843.42)	-	-	(9,843.42)
Interim equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	-	(17,233.73)	-	-	(17,233.73)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(31.64)	(31.64)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	44.62	-	44.62
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(31.64)	-	31.64	-
Balance as of March 31, 2017	85,106,406	425.53	26.16	12,528.56	10,145.19	1,835.05	-	1,793.01	5.70	-	26,759.20

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

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the 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 73.85% (March 31, 2017 – 74.09%) 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 is principally engaged in the business of providing information technology solutions 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, investment banking, treasury operations and data warehousing.

The unaudited condensed standalone 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.

Note 2: Accounting policies

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2016. These interim 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 Company 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.

Note 3: Capital Commitments

Particulars	(Amounts in ₹ million)	
	December 31, 2017	March 31, 2017
Contracts remaining to be executed on capital account not provided for (net of advances)	204.37	197.32

Note 4: Other operating expenses for the nine month period ended December 31, 2017 includes ₹ 196.75 million towards reversal of provision for diminution in value of investment in ISP Internet Mauritius Company along with reversal of provision for loss in fair value of loan given to ISP Internet Mauritius Company.

Note 5: Other income for the nine month period ended December 31, 2016 includes ₹ 245.04 million against liability written-back towards amount due to its wholly owned subsidiary Oracle Financial Services Software, Inc.

Note 6:(a) 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.

(b) During the nine month period ended December 31, 2016, the Company has received dividend of ₹ 971.43 million and ₹ 936.60 million from its 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 nine month period ended December 31, 2016 includes applicable tax credits on this dividend income.

Note 7: Segment information

The Company is organized by business segment and geographically. For management purposes the Company is primarily organized on a worldwide basis into two business segments:

- Product licenses and related activities ('Products') and
- IT solutions and consulting services ('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. The income and expenses which are not directly attributable to a business segment are shown 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.

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

Three month period ended December 31, 2017			(Amounts in ₹ million)
Particulars	Products	Services	Total
Revenue from operations	7,824.94	1,233.17	9,058.11
Segment result	3,360.34	128.73	3,489.07
Unallocable expenses			(215.19)
Finance income			187.56
Other income, net			(39.14)
Profit before tax			3,422.30
Tax expenses			(1,162.61)
Profit for the period			2,259.69

Three month period ended December 31, 2016			(Amounts in ₹ million)
Particulars	Products	Services	Total
Revenue from operations	8,193.62	1,340.97	9,534.59
Segment result [Refer note 6(a)]	3,149.86	152.37	3,302.23
Unallocable expenses			(181.71)
Finance income			302.11
Other income, net			84.36
Profit before tax			3,506.99
Tax expenses			(1,151.63)
Profit for the period			2,355.36

Nine month period ended December 31, 2017			(Amounts in ₹ million)
Particulars	Products	Services	Total
Revenue from operations	25,465.49	3,858.34	29,323.83
Segment result	11,582.38	358.23	11,940.61
Unallocable expenses			(654.40)
Finance income			447.92
Other income, net			21.70
Profit before tax			11,755.83
Tax expenses			(3,470.39)
Profit for the period			8,285.44

Nine month period ended December 31, 2016			(Amounts in ₹ million)
Particulars	Products	Services	Total
Revenue from operations	24,383.80	4,332.19	28,715.99
Segment result [Refer note 6(a)]	9,805.02	551.00	10,356.02
Unallocable expenses			(571.31)
Finance income			1,077.57
Other income, net [Refer note 5]			379.02
Profit before exceptional item and tax			11,241.30
Exceptional item [Refer note 6(b)]			1,908.03
Profit before tax			13,149.33
Tax expenses			(3,184.03)
Profit for the period			9,965.30

Oracle Financial Services Software Limited

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

Other information

Three month period ended December 31, 2017				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	23.66	4.97	1.58	30.21
Depreciation and amortization	105.31	25.27	4.28	134.86
Other non cash expenses	55.24	7.30	0.03	62.57
Segment assets	10,648.51	2,259.15	31,120.53	44,028.19
Segment liabilities	6,242.07	1,103.27	617.34	7,962.68
Equity	-	-	36,065.51	36,065.51

Three month period ended December 31, 2016				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	18.08	4.36	0.49	22.93
Depreciation and amortization	126.35	26.12	4.06	156.53
Other non cash expenses [Refer note 6(a)]	609.54	1.15	-	610.69
Segment assets	11,778.30	2,519.72	34,092.42	48,390.44
Segment liabilities	5,880.52	1,096.10	803.60	7,780.22
Equity	-	-	40,610.22	40,610.22

Nine month period ended December 31, 2017				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	119.00	23.75	5.52	148.27
Depreciation and amortization	340.78	79.64	13.86	434.28
Other non cash expenses	11.60	2.43	(196.67)	(182.64)
Segment assets	10,648.51	2,259.15	31,120.53	44,028.19
Segment liabilities	6,242.07	1,103.27	617.34	7,962.68
Equity	-	-	36,065.51	36,065.51

Nine month period ended December 31, 2016				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	399.17	115.44	17.47	532.08
Depreciation and amortization	417.70	81.49	13.28	512.47
Other non cash expenses [Refer note 6(a)]	756.24	3.51	0.08	759.83
Segment assets	11,778.30	2,519.72	34,092.42	48,390.44
Segment liabilities	5,880.52	1,096.10	803.60	7,780.22
Equity	-	-	40,610.22	40,610.22

Oracle Financial Services Software Limited

Unaudited condensed statement of cash flow for the nine month period ended December 31, 2017

	(Amounts in ₹ million)	
	Nine month period ended	
	December 31, 2017	December 31, 2016
Net cash provided by operating activities	7,142.21	3,946.37
Net cash (used in) provided by investing activities	(9,525.70)	7,946.11
Net cash (used in) financing activities	(16,761.39)	(9,389.91)
Net (decrease) increase in cash and cash equivalents	(19,144.88)	2,502.57
Cash and cash equivalents at beginning of the period	20,990.75	1,358.23
Effect of exchange difference on cash and bank balances	38.26	47.91
Cash and cash equivalents at end of the period	1,884.13	3,908.71
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	1,010.19	1,339.20
In deposit accounts with original maturity of less than three months	750.50	2,444.65
In unclaimed dividend account*	123.44	124.86
Total cash and cash equivalents	1,884.13	3,908.71

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