

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Oracle (OFSS) Processing Services Limited

**Report on the standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Oracle (OFSS) Processing Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

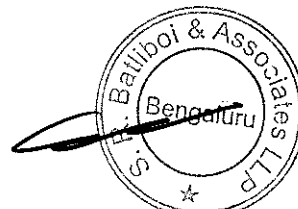
**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

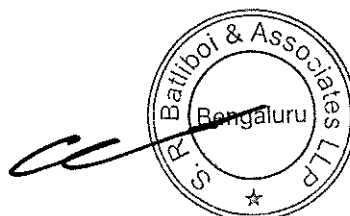
Oracle (OFSS) Processing Services Limited  
Independent auditor's report

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 23 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Oracle (OFSS) Processing Services Limited  
Independent auditor's report

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



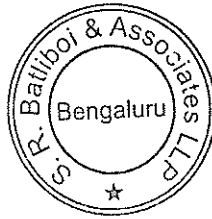
per Sunil Bhumralkar

Partner

Membership Number: 035141

Place of Signature: Mumbai

Date: May 9, 2018



# **S.R. BATLIBOI & ASSOCIATES LLP**

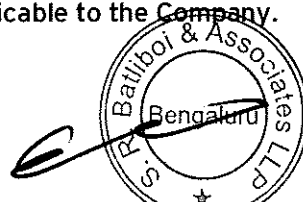
Chartered Accountants

Oracle (OFSS) Processing Services Limited  
Independent auditor's report

**Annexure 1 referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date**

**Re: Oracle (OFSS) Processing Services Limited (the 'Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts in respect of provident fund, income-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.



# **S.R. BATLIBOI & ASSOCIATES LLP**

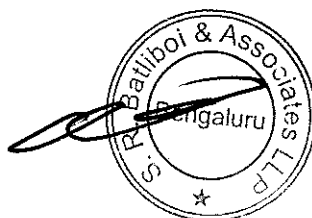
Chartered Accountants

Oracle (OFSS) Processing Services Limited  
Independent auditor's report

- (c) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of custom, value added tax, goods and service tax and cess on account of any dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amount (Rs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
The Income Tax Act, 1961	Tax and interest thereon	3,819,600	Assessment year 2009- 2010	Income Tax Appellate Tribunal

- (vii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans; hence reporting under paragraph 3 (ix) of the Order is not applicable to the Company and not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under paragraph 3(xi) of the Order is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under paragraph 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

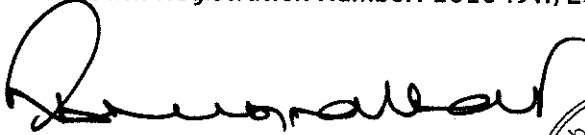
Oracle (OFSS) Processing Services Limited  
Independent auditor's report

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



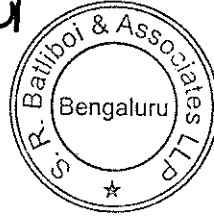
per **Sunil Bhumraikar**

Partner

Membership Number: 035141

Place of Signature: Mumbai

Date: May 9, 2018



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Oracle (OFSS) Processing Services Limited  
Independent auditor's report

## **Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle (OFSS) Processing Services Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Oracle (OFSS) Processing Services Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

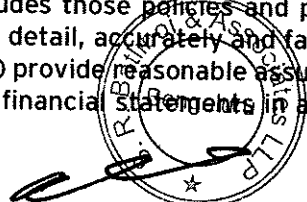
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Oracle (OFSS) Processing Services Limited  
Independent auditor's report

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

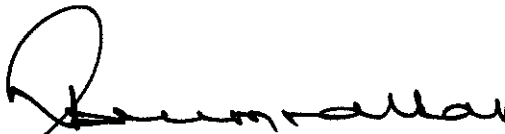
## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



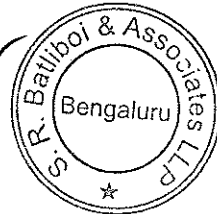
per **Sunil Bhumralkar**

Partner

Membership Number: 035141

Place of Signature: Mumbai

Date: May 9, 2018





**Oracle (OFSS) Processing Services Limited**

**Balance sheet as at March 31, 2018**  
(Amounts in thousands of Indian Rupees)

	Notes	March 31, 2018	March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	268	571
<b>Financial assets</b>			
Investments in fellow subsidiary	4	167	167
Other non-current financial assets	5	131	94
Deferred tax assets (net)	14 (c)	7,676	8,708
Income tax assets (net)		71,163	51,664
		<b>79,405</b>	<b>61,204</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	6	63,389	50,510
Cash and cash equivalents	7(a)	78,046	30,506
Other bank balances	7(b)	50,608	71,432
Other current financial assets	5	552	7,593
Other current assets	8	1,936	734
		<b>194,531</b>	<b>160,775</b>
<b>TOTAL</b>		<b>273,936</b>	<b>221,979</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	13,000	13,000
Other equity	10	203,841	169,789
<b>Total equity</b>		<b>216,841</b>	<b>182,789</b>
<b>Non-current liabilities</b>			
Employee benefit obligations	13	10,490	9,210
		<b>10,490</b>	<b>9,210</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	11(a)	1,900	753
Other current financial liabilities	11(b)	15,216	12,910
Other current liabilities	12	16,745	2,954
Employee benefit obligations	13	12,744	13,363
		<b>46,605</b>	<b>29,980</b>
<b>TOTAL</b>		<b>273,936</b>	<b>221,979</b>
Summary of significant accounting policies	2		

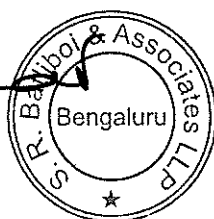
The accompanying notes form an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004

per Sunil Bhumraikar  
Partner  
Membership No. 035141

Bengaluru, India  
May 9, 2018

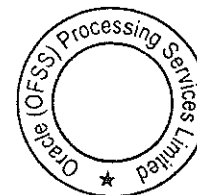


For and on behalf of the Board of Directors of  
Oracle (OFSS) Processing Services Limited

Makarand Padalkar  
Director  
DIN 02115514

Avadhut Ketkar  
Director  
DIN 02353654

Mumbai, India  
May 9, 2018



**Oracle (OFSS) Processing Services Limited**

**Statement of profit and loss for the year ended March 31, 2018**

(Amounts in thousands of Indian Rupees, except share data)

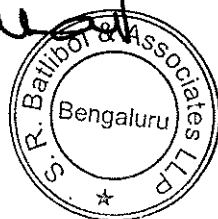
	Notes	Year ended	
		March 31, 2018	March 31, 2017
Revenue from operations	15	307,401	291,508
Finance income	16	5,361	33,235
Other income, net	17	45	266
<b>Total income</b>		<b>312,807</b>	<b>325,009</b>
<b>Expenses</b>			
Employee benefit expenses	18	228,385	210,761
Travel related expenses		20,040	15,736
Professional fees		8,039	8,256
Other operating expenses	19	10,515	6,677
Depreciation and amortization	3	303	279
<b>Total expenses</b>		<b>267,282</b>	<b>241,709</b>
<b>Profit before tax</b>		<b>45,525</b>	<b>83,300</b>
Tax expenses	14		
Current tax		13,083	27,926
Adjustment of tax relating to earlier periods		(1,472)	3,982
Deferred tax charge / (credit)		707	(1,785)
Total tax expenses		12,318	30,123
<b>Profit for the year</b>		<b>33,207</b>	<b>53,177</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gain on gratuity		1,170	1,015
Deferred tax (credit)		(325)	(351)
<b>Total other comprehensive income for the year, net of tax</b>		<b>845</b>	<b>664</b>
<b>Total comprehensive income for the year</b>		<b>34,052</b>	<b>53,841</b>
Earnings per equity share of par value of ₹10 (March 31, 2017 ₹10) each (in ₹)			
Basic	20	25.54	40.91
Diluted		25.54	40.91
Summary of significant accounting policies	2		

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

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004

per Sunil Bhumraikar  
Partner  
Membership No. 035141

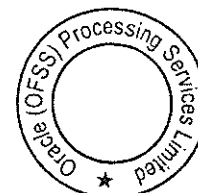


Bengaluru, India  
May 9, 2018

For and on behalf of the Board of Directors of  
Oracle (OFSS) Processing Services Limited

Makarand Padalkar  
Director  
DIN 02115514

Avadhut Ketkar  
Director  
DIN 02353654



Mumbai, India  
May 9, 2018

**Oracle (OFSS) Processing Services Limited**

**Statement of changes in equity for the year ended March 31, 2018**  
(Amounts in thousands of Indian Rupees, except share data)

Particulars	Equity share capital		Other equity		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Retained earnings	Other comprehensive	
				income	
<b>(a) Year ended March 31, 2018</b>					
<b>Balance as of April 1, 2017</b>	1,300,000	13,000	169,789	-	182,789
<i>Changes in equity for the year ended March 31, 2018</i>					
Profit for the year	-	-	33,207	-	33,207
Actuarial gain on gratuity including deferred tax thereon	-	-	-	845	845
Actuarial gain on gratuity including deferred tax thereon transferred to retained earnings	-	-	-	(845)	-
<b>Balance as of March 31, 2018</b>	<b>1,300,000</b>	<b>13,000</b>	<b>203,841</b>	<b>-</b>	<b>216,841</b>
<b>(b) Year ended March 31, 2017</b>					
<b>Balance as of April 1, 2016</b>	1,300,000	13,000	566,098	-	579,098
<i>Changes in equity for the year ended March 31, 2017</i>					
Profit for the year	-	-	53,177	-	53,177
Interim equity dividend including dividend distribution tax thereon	-	-	(450,150)	-	(450,150)
Actuarial gain on gratuity including deferred tax thereon	-	-	-	664	664
Actuarial gain on gratuity including deferred tax thereon transferred to retained earnings	-	-	-	(664)	-
<b>Balance as of March 31, 2017</b>	<b>1,300,000</b>	<b>13,000</b>	<b>169,789</b>	<b>-</b>	<b>182,789</b>

(Amounts in thousands of Indian Rupees, except share data)

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

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

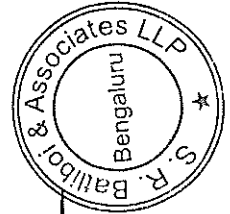
per Sunil Bhumraikar

Partner

Membership No. 035141

Bengaluru, India

May 9, 2018



For and on behalf of the Board of Directors of  
Oracle (OFSS) Processing Services Limited

For Makarand Padalkar

Director

DIN 02115514

For Avadhut Ketkar

Director

DIN 02353654



Mumbai, India

May 9, 2018

# Oracle (OFSS) Processing Services Limited

Notes annexed to and forming part of financial statements for the year ended March 31, 2018

## Note 1: Corporate information

Oracle (OFSS) Processing Services Limited ('the Company') was incorporated in India with limited liability on February 16, 2005. The Company is principally engaged in the business of providing business process outsourcing services to the financial services (capital markets) industry abroad. The Company is a subsidiary of Oracle Financial Services Software Limited holding 99.996% (March 31, 2017 – 99.996%) ownership interest in the Company as at March 31, 2018.

The separate financial statements for the year ended March 31, 2018 were approved by the Company's Board of Directors and authorized for issue on May 09, 2018.

## Note 2: Summary of significant accounting policies

### 2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These separate financial statements comprising of balance sheet, statement of profit and loss, statement of changes in equity and statement of cash flows as at March 31, 2018 have been prepared in accordance with Ind AS 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 separate financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities, that are measured at fair value
- defined benefit plan

### 2.2 Summary of significant accounting policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

#### (a) Property, plant and equipment, capital work-in-progress and depreciation

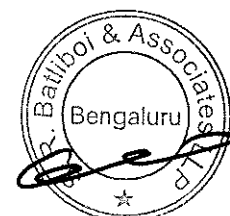
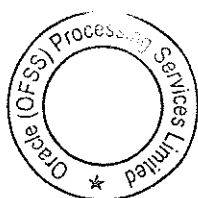
##### *Property, plant and equipment and capital work-in-progress*

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Company capitalizes all direct costs relating to the acquisition and installation of property, plant and equipment. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The cost of fixed assets not ready to use before balance sheet date are disclosed under 'Capital work-in-progress'. All additions during the reported year are considered at cost.

##### *Depreciation*

Depreciation is computed using straight-line method using the rates arrived at based on the useful lives estimated by the management. The estimated useful life considered for depreciation of fixed assets is as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
<b>Tangible assets</b>	
Computer Equipments	3
Office Equipments	5
Furniture and fixtures	7



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

The management has estimated based on an internal assessment, the useful lives of the following classes of assets.

- The useful lives of servers and networking equipments forming part of computer equipments are estimated as 3 years. These lives are lower than those indicated in schedule II to the Act.
- The useful lives of furniture and fixtures estimated at 7 years. These lives are lower than those indicated in schedule II to the Act.

#### (b) Impairment of non financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating units' ('CGU') fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

#### (c) Foreign currencies

The separate financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company.

##### *Foreign currency balances*

Transactions in foreign currencies are initially recorded by the Company at its functional currency using spot rates on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

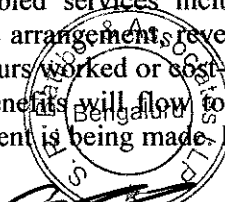
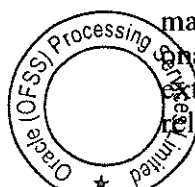
Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### (d) Revenue recognition

##### *Business Process Outsourcing:*

Business process outsourcing services comprise of back-office administration, data management, call centre and other information technology enabled services including systems integration and facility management. Depending upon the terms of the arrangement, revenue from these services are recognised on a per employee, per transaction, number of hours worked or cost-plus basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

The Company presents revenues net of Good and Services Tax ("GST") / service tax in its statement of profit and loss.

Revenue in excess of billing is classified as unbilled revenue.

#### *Interest income*

Interest income is recognized using the effective interest method.

#### *Dividend income*

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

### **(e) Income tax**

#### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India and generates taxable income.

Current income tax relating to items recognized outside statement of profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

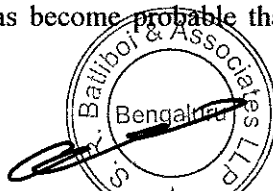
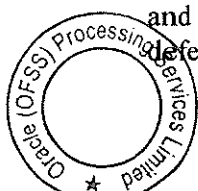
#### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity as applicable. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### (f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

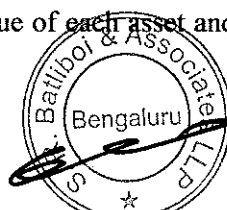
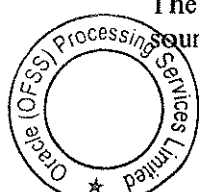
All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **(g) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

#### **Financial assets**

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Investments in fellow subsidiaries are carried at cost as per Ind AS 27 - Separate Financial Statements.

##### *Subsequent measurement*

For purposes of subsequent measurement financial assets of the Company are classified in three categories:

- Debt instruments measured at amortized cost
- Debt instruments at fair value through other comprehensive income ('OCI')
- Debt instruments, derivatives and equity instruments at fair value through statement of profit or loss

##### *Debt instruments measured at amortized cost*

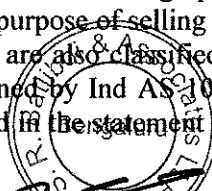
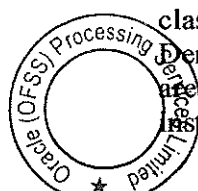
This category is the most relevant to the Company. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs.

##### *Debt instruments at fair value through OCI*

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not designated any financial assets at fair value through OCI.

##### *Debt instruments at fair value through profit or loss*

Debt instruments at fair value through statement of profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 – Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value





## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

#### *De-recognition*

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

- The contractual rights to the cash flows from the financial asset expire or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### *Impairment of financial assets*

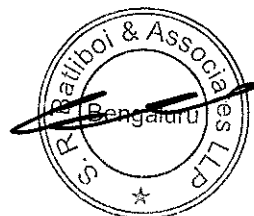
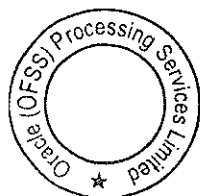
The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. For trade receivables the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Further, the trade receivables have customer concentration only in India and therefore the Company has considered the socio-economic conditions only of the India region where the customers are located.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. However, as at reporting date, the management has assessed that all the trade receivables are collectible and accordingly no provision has been made as at March 31, 2018.



# Oracle (OFSS) Processing Services Limited

Notes annexed to and forming part of financial statements for the year ended March 31, 2018

## Financial liabilities

### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, accrued expenses and accrued compensation to employees.

### *Subsequent measurement*

The Company measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

### *De-recognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## **(h) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

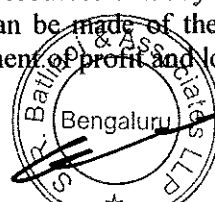
### *Company as a Lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A lease arrangement where substantially all the risks and rewards of ownership of an asset are not transferred to the Company as lessee is classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## **(i) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### (j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method at the end of the year. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognizes the following changes in the defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

#### (k) Cash dividend to equity share holders of the Company

The Company recognizes a liability to make cash or non-cash distributions to equity share holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution of interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognized directly in equity.

#### (l) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.



**Oracle (OFSS) Processing Services Limited**

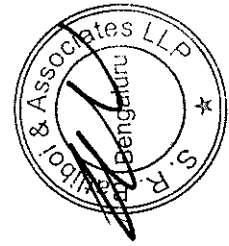
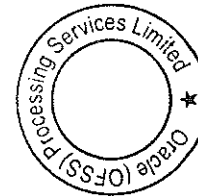
**Notes annexed to and forming part of financial statements as at March 31, 2018**  
(Amounts in thousands of Indian Rupees)

**Note 3 : Property, plant and equipment**  
Year ended March 31, 2018

Particulars	Gross carrying value		Depreciation		Net carrying value	
	As at April 01, 2017	As at March 31, 2018	As at April 01, 2017	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Computer equipments	14,394	14,394	14,276	14,352	42	42
Office equipments	1,071	1,071	1,012	1,035	36	36
Furniture and fixtures	1,425	1,425	1,031	1,235	190	190
<b>Total</b>	<b>16,890</b>	<b>16,890</b>	<b>16,319</b>	<b>16,622</b>	<b>268</b>	<b>268</b>

Year ended March 31, 2017

Particulars	Gross carrying value		Depreciation		Net carrying value	
	As at April 01, 2016	As at March 31, 2017	As at April 01, 2016	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Computer equipments	14,327	14,394	14,222	14,276	118	118
Office equipments	1,012	1,071	990	1,012	59	59
Furniture and fixtures	1,425	1,425	828	1,031	394	394
<b>Total</b>	<b>16,764</b>	<b>16,890</b>	<b>16,040</b>	<b>16,319</b>	<b>571</b>	<b>571</b>

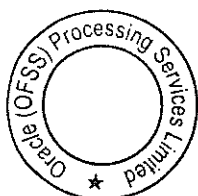


**Oracle (OFSS) Processing Services Limited**

**Notes annexed to and forming part of financial statements as at March 31, 2018**

(Amounts in thousands of Indian Rupees)

	March 31, 2018	March 31, 2017
<b>Note 4: Investments in fellow subsidiary (unquoted) (at cost, unless otherwise stated)</b>		
<b>(i) In fellow subsidiary</b>		
Oracle (OFSS) BPO Services Limited		
10,700 (March 31, 2017 - 10,700) equity shares of ₹ 10 each, fully paid-up	167	167
	<b>167</b>	<b>167</b>
<b>Note 5: Financial assets</b>		
<b>Non-current</b>		
<b>Other financial assets measured at amortized cost</b>		
Deposits for premises and others	131	94
	<b>131</b>	<b>94</b>
<b>Current</b>		
<b>Other financial assets measured at amortized cost</b>		
Deposits for premises and others	215	47
Other advances	337	7,546
	<b>552</b>	<b>7,593</b>
<b>Breakup of financial assets measured at amortised cost</b>		
Deposits for premises and others (note 5)	346	141
Other advances (note 5)	337	7,546
Trade receivables (note 6)	63,389	50,510
Cash and bank balances (note 7)	128,654	101,938
	<b>192,726</b>	<b>160,135</b>
<b>Note 6: Trade receivables</b>		
<b>Break-up for security details:</b>		
Unsecured, considered good	63,389	50,510
Considered doubtful	-	-
	<b>63,389</b>	<b>50,510</b>
<b>Impairment Allowance</b>		
Unsecured, considered good	-	-
Considered doubtful	-	-
	<b>63,389</b>	<b>50,510</b>
No trade receivables are due from directors or other key managerial personnel of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 90 days.		
<b>Note 7: Cash and bank balances</b>		
<b>(a) Cash and cash equivalents</b>		
Balances with banks:		
In current accounts	12,790	12,457
In deposit accounts with original maturity of less than 3 months	65,256	18,049
	<b>78,046</b>	<b>30,506</b>
<b>(b) Other bank balances</b>		
Balances with banks:		
In deposit accounts with original maturity of more than 3 months but less than 12 months	50,608	71,432
	<b>50,608</b>	<b>71,432</b>
	<b>128,654</b>	<b>101,938</b>
Cash at banks earns interest at floating rates based on the daily bank deposit rates and the daily balances. Time deposits are placed for varying periods ranging from 7 days to 364 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.		
<b>Note 8: Other assets</b>		
<b>Current</b>		
Other receivable	1,556	-
Prepaid expenses	380	734
	<b>1,936</b>	<b>734</b>



## Oracle (OFSS) Processing Services Limited

**Notes annexed to and forming part of financial statements as at March 31, 2018**  
(Amounts in thousands of Indian Rupees, except share data)

	March 31, 2018	March 31, 2017
<b>Note 9: Equity share capital</b>		
<b>Authorized:</b>		
5,000,000 (March 31, 2017 - 5,000,000) equity shares of ₹ 10 each	50,000	50,000
<b>Issued, subscribed and fully paid-up:</b>		
1,300,000 (March 31, 2017 - 1,300,000) equity shares of ₹ 10 each	13,000	13,000

(a) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2018	March 31, 2017
Name and relationship of shareholder :		
Oracle Financial Services Software Limited, holding Company		
Number of equity shares	1,299,943	1,299,943
% of equity shares	99.996%	99.996%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of equity shares.

(c) Reconciliation of equity outstanding at the beginning and at the end of the year

	No. of equity shares	Amounts in ₹ thousand
Outstanding as at April 1, 2016	1,300,000	13,000
Issued during the year ended March 31, 2017	-	-
Outstanding as at March 31, 2017	1,300,000	13,000
Issued during the year ended March 31, 2018	-	-
Outstanding as at March 31, 2018	1,300,000	13,000

### Note 10: Other equity

	March 31, 2018	March 31, 2017
Retained earnings	203,841	169,789
Other comprehensive income	-	-
	203,841	169,789

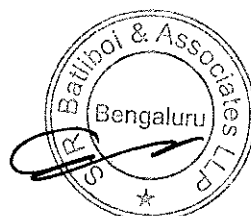
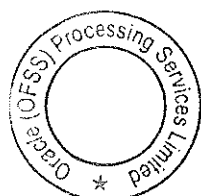
### Retained earnings

	March 31, 2018	March 31, 2017
Balance at the beginning of the year	169,789	566,098
Profit for the year	33,207	53,177
Balance at the end of the year	202,996	619,275
Actuarial gain on gratuity including deferred tax thereon transferred to retained earnings	845	664
Less :Dividends on equity shares, declared and paid (refer note below)		
Interim equity dividend	-	(374,010)
Tax on interim equity dividend	-	(76,140)
Balance at the end of the year	203,841	169,789

**Note:** The Board of Directors declared and paid dividend during the year ended March 31, 2017 at the rate of Rs 287.70 per share. No dividend has been declared / proposed for the year ended March 31, 2018.

### Other comprehensive income

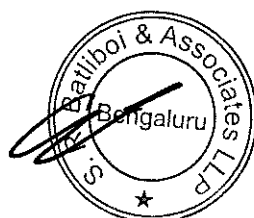
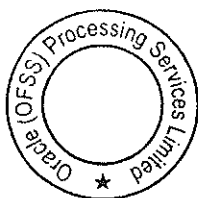
Balance at the beginning of the year	-	-
Actuarial gain on gratuity including deferred tax thereon	845	664
	845	664
Actuarial gain on gratuity including deferred tax thereon transferred to retained earnings	(845)	(664)
Balance at the end of the year	-	-



## Oracle (OFSS) Processing Services Limited

**Notes annexed to and forming part of financial statements as at March 31, 2018**  
(Amounts in thousands of Indian Rupees)

	March 31, 2018	March 31, 2017
<b>Note 11: Financial liabilities</b>		
<b>(a) Trade Payables measured at amortized cost</b>		
<b>Current</b>		
- Payable to micro and small enterprises*	-	-
- Payable to others	1,900	753
	1,900	753
<b>(b) Other financial liabilities</b>		
<b>Current</b>		
<b>Other financial liabilities measured at amortized cost</b>		
Accrued expenses	7,161	4,002
Accrued compensation to employees	8,055	8,908
	15,216	12,910
* The identification of Micro and Small Enterprises is based on Management's knowledge of their status.		
Terms and conditions of financial liabilities:		
- Trade payables are non-interest bearing and are normally settled on 30-day terms		
- Other financial liabilities are normally settled quarterly throughout the year		
 <b>Note 12: Other liabilities</b>		
<b>Current</b>		
Withholding and other taxes	1,188	1,426
Other statutory dues	15,557	1,528
	16,745	2,954
 <b>Note 13: Employee benefit obligations</b>		
<b>Non-current</b>		
Gratuity (refer note 25)	10,490	9,210
	10,490	9,210
 <b>Current</b>		
Gratuity (refer note 25)	1,446	2,074
Compensated absence	11,298	11,289
	12,744	13,363



**Oracle (OFSS) Processing Services Limited**

**Notes annexed to and forming part of financial statements as at March 31, 2018**

(Amounts in thousands of Indian Rupees)

**Note 14: Income taxes**

**(a) The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are :**

	Year ended March 31,	
	2018	2017
<b>(i) Profit or loss section</b>		
Current tax	11,611	31,908
Deferred tax charge / (credit)	707	(1,785)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>12,318</b>	<b>30,123</b>
<b>(ii) OCI section</b>		
Deferred tax related to items recognized in OCI during the year		
Acturial gain (loss) on gratuity	325	351
<b>Income tax (credit) / charge to OCI</b>	<b>325</b>	<b>351</b>

Deferred tax charge / (credit) for the year ended March 31, 2018 and March 31, 2017 relates to origination and reversal of temporary differences.

**(b) Reconciliation of tax expense and accounting profit for the year end March 31, 2018 and March 31, 2017**

	Year ended March 31,	
	2018	2017
Accounting profit before income tax	45,525	83,300
Enacted tax rates in India	27.55%	33.06%
Computed expected tax expenses	12,542	27,541
Tax effect		
of earlier years	(1,472)	3,982
on exempt income	-	(63)
on account of rate change	1,508	-
on non-deductible expenses for tax purpose	233	(912)
Others	(493)	(425)
<b>At the effective income tax rate</b>	<b>12,318</b>	<b>30,123</b>
<b>Income tax expense reported in statement of profit and loss</b>	<b>12,318</b>	<b>30,123</b>

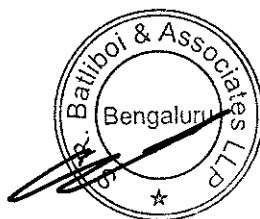
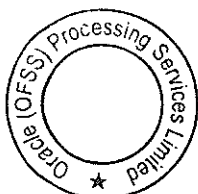
**(c) The tax effect of significant temporary differences that resulted in deferred tax asset are as follows:**

	March 31, 2018	March 31, 2017
<b>Deferred tax assets</b>		
Difference between book and tax depreciation	241	273
Provision for compensated absence	3,122	3,620
Provision for gratuity	3,321	4,048
Other timing differences	992	767
	<b>7,676</b>	<b>8,708</b>

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities

**(d) Reconciliation of net deferred tax asset is as follows:**

	Year ended March 31,	
	2018	2017
Balance at the beginning of year	8,708	7,274
Tax income during the year recognised in profit or loss	(707)	1,785
Tax (expense) during the year recognised in other comprehensive income	(325)	(351)
<b>Balance at the end of the year</b>	<b>7,676</b>	<b>8,708</b>





**Oracle (OFSS) Processing Services Limited**

**Notes annexed to and forming part of financial statements as at March 31, 2018**  
(Amounts in thousands of Indian Rupees)

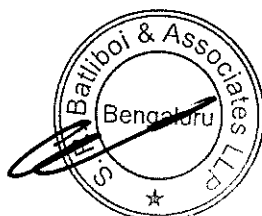
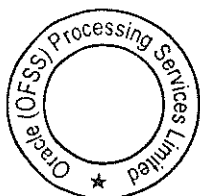
	Year ended March 31,	
	2018	2017
<b>Note 15: Revenue from operations</b>		
Service revenue	307,401	291,508
	<b>307,401</b>	<b>291,508</b>
<b>Note 16: Finance income</b>		
Interest on:		
Bank deposits	5,352	31,890
Deposits for premises and others	9	12
Income tax refund	-	1,333
	<b>5,361</b>	<b>33,235</b>
<b>Note 17: Other income, net</b>		
Foreign exchange (loss), net	-	(813)
Excess provision, written back	-	890
Miscellaneous income	45	-
Dividend Income	-	189
	<b>45</b>	<b>266</b>
<b>Note 18: Employee benefit expenses</b>		
Salaries and bonus	212,023	193,765
Staff welfare expenses	3,459	3,252
Contribution to provident fund and others	12,903	13,744
	<b>228,385</b>	<b>210,761</b>
<b>Note 19: Other operating expenses</b>		
Rent	2,215	2,062
Power	1,240	1,289
Repairs and maintenance:		
Computer equipments	6	-
Others	2,451	389
Rates and taxes	61	58
Expected Credit Loss on deposits for premises	7	-
Foreign exchange loss, net	1,316	-
Corporate Social Responsibility [Refer note a]	1,693	1,603
Miscellaneous expenses	1,526	1,276
	<b>10,515</b>	<b>6,677</b>

Note a: As per the requirements of Section 135 of the Companies Act, 2013 the Company was required to spend an amount of ₹ 1,705 thousand (March 31, 2017 ₹ 1,948 thousand) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The Company has incurred an amount of ₹ 1,693 thousand (March 31, 2017 ₹ 1,603 thousand) towards such Corporate Social Responsibility expenditure.

**Note 20: Reconciliation of basic and diluted equity shares used in computing earnings per share**

(Number of equity shares)

	Year ended	
	March 31, 2018	March 31, 2017
Weighted average shares outstanding for basic earnings per share	1,300,000	1,300,000
Add: Effect of dilutive stock options	-	-
Weighted average shares outstanding for diluted earnings per share	<b>1,300,000</b>	<b>1,300,000</b>



## Oracle (OFSS) Processing Services Limited

**Notes annexed to and forming part of financial statements for the year ended March 31, 2018**

### Note 21: Fair values

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial liabilities which are measured at fair value through profit or loss.

### Note 22: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

- **Operating lease**

The Company has entered into commercial property leases for its office. The Company has accounted these contracts as operating leases which have been determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and that the Company does not obtain any significant risks and rewards of ownership of these properties.

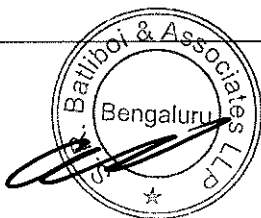
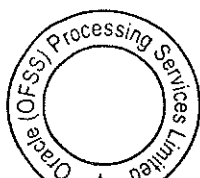
- **Defined benefit Obligation (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date annually. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in note 25.

### Note 23: Capital commitments and contingent liabilities

(Amounts in ₹ thousand)

Particulars	March 31, 2018	March 31, 2017
<b>(a) Capital commitments</b>		
Contracts remaining to be executed on capital account not provided for (net of advances).	Nil	357
<b>(b) Contingent liabilities</b>	3,196	3,196



## Oracle (OFSS) Processing Services Limited

Notes annexed to and forming part of financial statements for the year ended March 31, 2018

### Note 24: Leases

Where Company is lessee

#### Operating lease

The Company has taken commercial premises under operating lease. Gross rental expenses for the year ended March 31, 2018 aggregated to ₹ 1,925 thousand (March 31, 2017 ₹ 1,938 thousand). The minimum rental payments to be made in future in respect of these leases are as follows:-

	(Amounts in ₹ thousand)	
	March 31, 2018	March 31, 2017
Not later than one year	1,838	1,888
Later than one year but not later than five years	260	1,809
Later than five years	-	-
	2,098	3,697

### Note 25: Employee Benefit Obligation

#### Defined contribution plans

During year ended March 31, 2018 and March 31, 2017, the Company contributed ₹ 10,030 thousand and ₹ 9,609 thousand, respectively to provident fund.

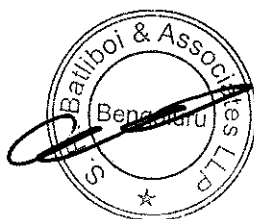
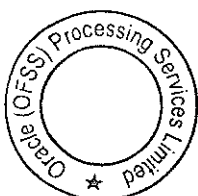
#### Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss for the year ended March 31, 2018 and 2017 are as follows:

	(Amounts in ₹ thousand)	
	Year ended March 31,	
Particulars	2018	2017
Current service cost	2,140	2,443
Past service cost	-	1,025
Interest cost, net	733	667
Total included in employee benefit expense	2,873	4,135

Re-measurements (gain) / loss recognized in Other Comprehensive Income (OCI)

	(Amounts in ₹ thousand)	
	Year ended March 31,	
Particulars	2018	2017
Due to change in demographic assumptions	528	(939)
Due to change in financial assumptions	(1,708)	298
Due to change in experience adjustments	10	(374)
Total re-measurements (gain) in OCI	(1,170)	(1,015)



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

The amounts recognized in the balance sheet are as follows:

Particulars	(Amounts in ₹ thousand)	
	March 31, 2018	March 31, 2017
Present value of unfunded obligations	11,936	11,284
Net liability	11,936	11,284

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(Amounts in ₹ thousand)	
	Year ended March 31,	
	2018	2017
Defined benefit obligation at beginning of the year	11,284	9,181
Current service cost	2,140	2,443
Past service cost	-	1,025
Interest cost, net	733	667
Benefits paid	(1,051)	(1,017)
Re-measurements		
-Due to change in demographic assumptions	528	(939)
-Due to changes in financial assumptions	(1708)	298
-Due to change in experience adjustments	10	(374)
Defined benefit obligation at end of the year	11,936	11,284

The assumptions used in accounting for the gratuity plan are set out as below:

	March 31, 2018	March 31, 2017
Discount rate	7.70%	7.15%
Salary escalation rate	7.00%	8.00%
Weighted average duration	5 years	5 years

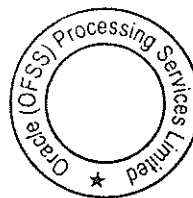
The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post-employment benefits obligations.

The Company's contribution towards gratuity for the year ending March 31, 2019 is expected to be ₹ 1,446 thousand. (March 31, 2018 – ₹ 2,074 thousand).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2018 is as shown below:

Particulars	Sensitivity level	(Amounts in ₹ thousand)	
		2018	2017
<b>Financial assumptions</b>			
Discount rate	- 0.5%	12,451	11,570
	+ 0.5%	11,456	11,012
Salary escalation rate	- 0.5%	11,450	11,013
	+ 0.5%	12,452	11,567



## Oracle (OFSS) Processing Services Limited

**Notes annexed to and forming part of financial statements for the year ended March 31, 2018**

Particulars	Sensitivity level	(Amounts in ₹ thousand)	
		2018	2017
<b>Demographic assumptions</b>			
Withdrawal rate	- 1%	11,935	11,366
	+ 1%	11,934	11,206

### Note 26: Financial risk management objectives and policies

The Company's activities expose it to market risks, liquidity risk and credit risks. The management oversees these risks and is aided by the Risk Management Committee whose scope is to formulate the risk management policy, which will identify elements of risk, if any which may affect the Company.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of foreign currency risk.

- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of monetary items will fluctuate because of changes in foreign exchange rates. This may have potential impact on the statement of profit and loss and other components of equity, where monetary items are denominated in a foreign currency, which are different from functional currency in which they are measured.

Following are the carrying amounts of foreign currency denominated monetary items (net) of the Company where it has significant exposure expressed in INR that is not hedged as at the balance sheet date:

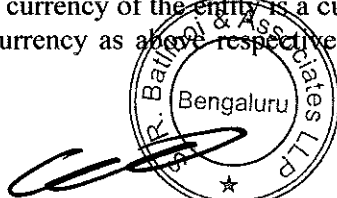
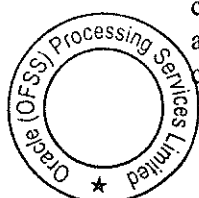
Currency	(Amounts in ₹ thousand)	
	March 31, 2018	March 31, 2017
USD	63,389	50,510

- Foreign currency sensitivity

Below table demonstrates sensitivity impact on Company's profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Currency	(Amounts in ₹ thousand)			
	March 31, 2018		March 31, 2017	
	+1%	-1%	+1%	-1%
USD	634	(634)	505	(505)

The above sensitivity impact gain (loss) is due to every percentage point appreciation or depreciation in the exchange rate of respective currencies, with all other variables held constant. Sensitivity impact is computed based on change in value of monetary assets and liabilities denominated in above respective currency, where the functional currency of the entity is a currency other than above respective currency and entity's with functional currency as above respective currency where transactions are in foreign currencies.



## Oracle (OFSS) Processing Services Limited

### Notes annexed to and forming part of financial statements for the year ended March 31, 2018

#### (b) Liquidity risk

Liquidity risk management implies maintaining sufficient availability of funds to meet obligations when due and to close out market positions. The Company monitors rolling forecast of the cash and cash equivalent on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	(Amounts in ₹ thousand)		
	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2018</b>			
Trade payables	1,900	-	1,900
Accrued expenses	7,161	-	7,161
Accrued compensation to employees	8,055	-	8,055
	<b>17,116</b>	<b>-</b>	<b>17,116</b>

Particulars	(Amounts in ₹ thousand)		
	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2017</b>			
Trade payables	753	-	753
Accrued expenses	4,002	-	4002
Accrued compensation to employees	8,908	-	8908
	<b>13,663</b>	<b>-</b>	<b>13,663</b>

The Company has sufficient liquid funds in cash and cash equivalents to meet obligations towards financial liabilities.

#### (c) Credit risk

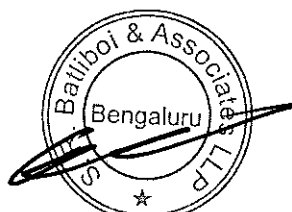
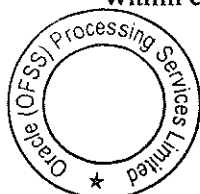
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including time deposits with banks, foreign exchange transactions and other financial instruments.

- Trade receivables

Customer credit risk is managed in line with the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

- An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on regional historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with existing Bankers and within credit limits assigned to each banker.



# Oracle (OFSS) Processing Services Limited

## Notes annexed to and forming part of financial statements for the year ended March 31, 2018

Company follows a conservative philosophy and shall aim to invest surplus rupee funds in India only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The Company, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.

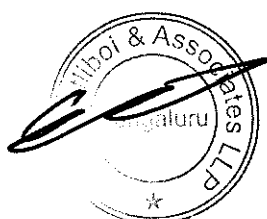
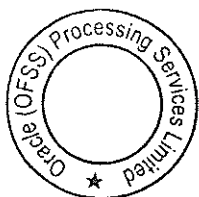
### Note 27: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to maximize the equity shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and other financial requirements.

### Note 28: Names of Related Parties and description of relationship:

Relationship	Names of related parties
<b>(i) Related parties where control exists</b>	
Ultimate Holding Company	Oracle Corporation
Holding Company	Oracle Financial Services Software Limited
<b>(ii) Related parties with whom transactions have taken place during the year</b>	
Fellow subsidiaries	Oracle (OFSS) BPO Services Limited Oracle Financial Services Software Inc. Oracle India Private Limited



**Oracle (OFSS) Processing Services Limited**

**Notes annexed to and forming part of financial statements as at March 31, 2018**  
(Amounts in thousands of Indian Rupees)

Transactions and balances outstanding with these parties are described below:

	Transactions		Amount receivable (payable)	
	Year ended		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Revenue</b>				
Oracle Financial Services Software Limited	302,891	291,508	58,879	50,510
Oracle Financial Services Software Inc	4,510	-	4,510	-
<b>Professional Fee expenses, net</b>				
Oracle (OFSS) BPO Services Limited	3,780	3,882	(832)	(662)
<b>Rent Expenses</b>				
Oracle Financial Services Software Limited	368	389	(228)	(65)
<b>Reimbursement of expenses incurred on behalf of "Oracle (OFSS) Processing Services Limited" by</b>				
Oracle Financial Services Software Limited	2,204	253	(102)	(82)
Oracle (OFSS) BPO Services Limited	6	-	(1)	-
Oracle India Private Limited	84	-	(84)	-
<b>Reimbursement of expenses incurred by "Oracle (OFSS) Processing Services Limited" on behalf of</b>				
Oracle (OFSS) BPO Services Limited	-	(90)	-	6
<b>Payment of equity dividend</b>				
<i>Holding Company</i>				
Oracle Financial Services Software Limited	-	374,010	-	-
<b>Dividend Income</b>				
Oracle (OFSS) BPO Services Limited	-	189	-	-

**Note 29: Segment information**

*Business segments*

The Board of Directors i.e. Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company operates under a single reportable segment which is providing business process outsourcing services.

*Geographical segments*

Geographical segment disclosures based on location of the Company's customers are summarised below:

**Geographical segments**

The following table shows the distribution of the Company's sales by geographical market :

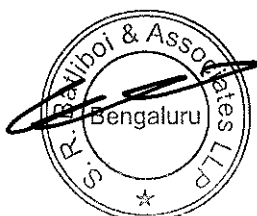
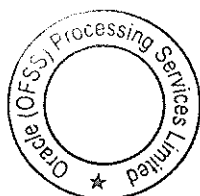
Segment Revenue based on location	Year ended March 31,			
	2018		2017	
	Amount	%	Amount	%
India	302,891	99%	291,508	100%
United States of America	4,510	1%	-	0%
	<u>307,401</u>	<u>100%</u>	<u>291,508</u>	<u>100%</u>

Revenue of ₹ 307,401 thousand (March 31, 2017 ₹ 291,508 thousand) is derived from a single customer (all the group companies are considered as a single customer).

The following table shows the Company's non-current operating assets by geographical market :

	Regions		Total
	India	USA	
<b>As at March 31, 2018</b>			
Amount	79,107	-	79,107
%	100%	0%	100%
<b>As at March 31, 2017</b>			
Amount	60,943	-	60,943
%	100%	0%	100%

Non-current assets for this purpose consist of property, plant and equipment, deferred tax assets (net) and income tax asset (net).





## Oracle (OFSS) Processing Services Limited

Notes annexed to and forming part of financial statements for the year ended March 31, 2018

### Note 30: Recent accounting pronouncements

#### Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

#### Ind AS 115, Revenue from Contract with Customers:

Ind AS 115 was notified on March 28, 2018 and is applicable to the Company from financial year 2018-19 beginning April 1, 2018.

The core principle of Ind AS 115 is to recognize revenues to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which it expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model to identify the contract(s) with the customers, identifying performance obligations, estimating variable consideration included in the transaction price and allocating the transaction price to each separate performance obligation and recognizing revenue when (or as) each performance obligation is satisfied. The new standard also provides guidance on recognition of incremental cost of obtaining and fulfilling a contract with a customer.

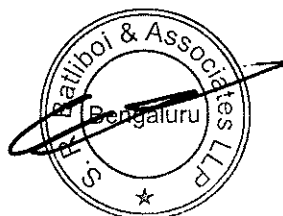
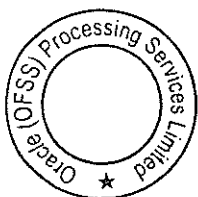
Ind AS 115 will supersede all current revenue recognition requirements under Ind AS. The standard permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period with the option to elect certain practical expedients as defined within Ind AS 115; or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (i.e. April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115.

The Company will adopt the new standard effective April 1, 2018 using the modified retrospective method and is in the process of evaluating its contractual arrangements as per the five-step model required by Ind AS 115. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the assessment has been completed.

#### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements.



**Oracle (OFSS) Processing Services Limited**

**Notes annexed to and forming part of financial statements for the year ended March 31, 2018**  
(Amounts in thousands of Indian Rupees)

**Note 31: Earnings in foreign currency (on accrual basis)**

Service Revenue

Year ended March 31,	
2018	2017
307,401	291,508
<b>307,401</b>	<b>291,508</b>

**Note 32: Payment to Auditors (including GST/ Service Tax)**

(included in 'Miscellaneous expenses' under 'Note 19: Other operating expenses')

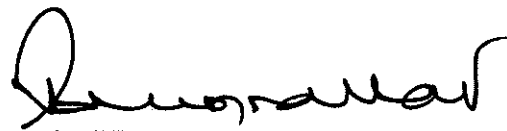
As auditor

Audit fees  
Tax audit  
Out-of-pocket expenses

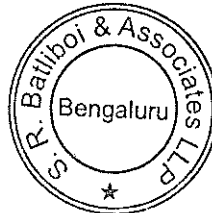
Year ended March 31,	
2018	2017
856	834
148	144
75	29
<b>1,078</b>	<b>1,007</b>

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004

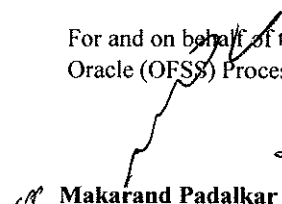


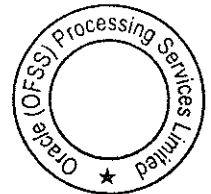
per **Sunil Bhumralkar**  
Partner  
Membership No. 035141



**Bengaluru, India**  
**May 9, 2018**

For and on behalf of the Board of Directors of  
Oracle (OFSS) Processing Services Limited

  
**Makarand Padalkar**      **Avadhut Ketkar**  
Director                      Director  
DIN 02115514              DIN 02353654

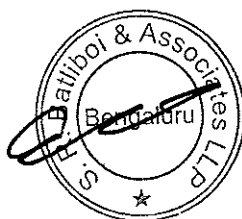
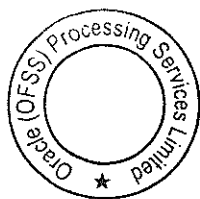


**Mumbai, India**  
**May 9, 2018**

**Oracle (OFSS) Processing Services Limited**

**Statement of cash flow for the year ended March 31, 2018**  
(Amounts in thousands of Indian Rupees)

	Year ended March 31,	
	2018	2017
<b>Cash flows from operating activities :</b>		
Profit before tax	45,525	83,300
Adjustments to reconcile profit before tax to cash generated from operating activities :		
Depreciation and amortization	303	279
Interest income	(5,361)	(31,902)
Dividend received from subsidiary companies	-	(189)
Excess provision, written back	-	(890)
Expected Credit Loss on deposits for premises	7	-
Forex exchange loss, net	1,316	-
Operating Profit before Working Capital changes	41,790	50,598
Movements in working capital		
(Increase) decrease in other non-current financial assets	(37)	36
(Increase) in trade receivables	(14,202)	(2,330)
Decrease in other current financial assets	7,041	10,307
(Increase) in other current assets	(1,202)	(87)
Increase in non current liabilities	2,124	2,080
Increase (decrease) in trade payables	1,147	(1,661)
Increase (decrease) in other current financial liabilities	2,307	(6,112)
Increase in other current liabilities	13,791	359
(Decrease) increase in short term provisions	(619)	2,240
Cash generated from operating activities	52,140	55,430
Payment of domestic taxes	(30,785)	(38,233)
<b>Net cash generated from operating activities</b>	<b>21,355</b>	<b>17,197</b>
<b>Cash flows from investing activities :</b>		
Additions to fixed assets including capital work-in-progress and advances	-	(125)
Bank fixed deposits having maturity of more than three months matured	153,600	1,139,642
Bank fixed deposits having maturity of more than three months booked	(133,600)	(758,000)
Dividend received from fellow subsidiary	-	189
Interest received	6,185	31,902
<b>Net cash generated from investing activities</b>	<b>26,185</b>	<b>413,608</b>
<b>Cash flows from financing activities:</b>		
Interim equity dividend paid	-	(374,010)
Tax on Interim equity dividend paid	-	(76,140)
<b>Net cash (used in) financing activities</b>	<b>-</b>	<b>(450,150)</b>
Net increase (decrease) in cash and cash equivalents	47,540	(19,345)
Cash and cash equivalents at beginning of the year	30,506	49,851
<b>Cash and cash equivalents at end of the year</b>	<b>78,046</b>	<b>30,506</b>



Oracle (OFSS) Processing Services Limited

Statement of cash flow for the year ended March 31, 2018

(Amounts in thousands of Indian Rupees)

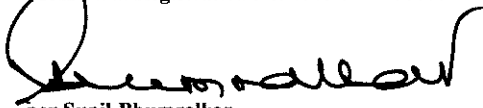
	Year ended March 31,	
	2018	2017
<b>Component of cash and cash equivalents</b>		
Balances with banks:		
Current accounts	12,790	12,457
Deposit accounts with original maturity of less than three months	65,256	18,049
<b>Total cash and cash equivalents [Refer note 7(a)]</b>	<b>78,046</b>	<b>30,506</b>

The Company has paid an amount of ₹ 1,693 thousand (March 31, 2017 ₹ 1,603 thousand) against Corporate Social Responsibility expenditure. Refer Note a under Note 19 for further details.

As per our report of even date

For and on behalf of the Board of Directors of  
Oracle (OFSS) Processing Services Limited

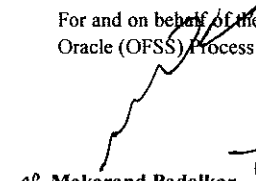
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004

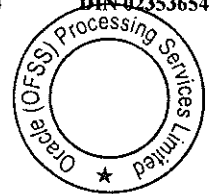


per Sunil Bhumralkar  
Partner  
Membership No. 035141

Bengaluru, India  
May 9, 2018



  
Makarand Padalkar Avadhut Ketkar  
Director Director  
DIN 02115514 DIN 02353654



Mumbai, India  
May 9, 2018