

Oracle Financial Services Software Limited

Unaudited condensed balance sheet as at June 30, 2017

(Amounts in ₹ million)

	June 30, 2017	March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	2,337.73	2,428.13
Capital work-in-progress	14.58	6.55
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries and associate	7,563.23	7,549.57
Other non-current financial assets	561.58	550.17
Income tax assets (net)	4,933.78	5,680.53
Deferred tax assets (net)	1,103.01	1,102.19
Other non-current assets	699.75	713.52
	17,315.66	18,132.66
Current assets		
Financial assets		
Trade receivables	7,082.84	5,075.12
Cash and cash equivalents	2,969.60	20,990.75
Other bank balances	3,778.06	3,385.97
Other current financial assets	7,014.86	3,069.48
Other current assets	457.38	369.22
	21,302.74	32,890.54
TOTAL	38,618.40	51,023.20
EQUITY AND LIABILITIES		
Equity		
Equity share capital	426.46	425.53
Other equity	29,770.60	26,333.67
Total equity	30,197.06	26,759.20
Non-current liabilities		
Financial liabilities	23.10	21.14
Other non-current liabilities	136.35	136.86
Employee benefit obligations	778.38	744.83
	937.83	902.83
Current liabilities		
Financial liabilities		
Trade payables	268.40	75.49
Other current financial liabilities	4,331.02	20,574.82
Other current liabilities	1,339.34	1,090.85
Employee benefit obligations	1,177.71	1,153.48
Income tax liabilities (net)	367.04	466.53
	7,483.51	23,361.17
TOTAL	38,618.40	51,023.20

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

Oracle Financial Services Software Limited

Unaudited condensed statement of profit and loss for the three month period ended June 30, 2017

(Amounts in ₹ million, except share data)

	Three month period ended June 30,	
	2017	2016
Revenue from operations	10,236.39	10,103.18
Finance income	160.83	402.26
Other income, net	19.29	71.43
Total income	10,416.51	10,576.87
Expenses		
Employee benefit expenses	4,648.46	4,768.44
Travel related expenses	487.95	518.92
Professional fees	438.95	485.72
Other operating expenses	452.83	369.84
Depreciation and amortization	151.55	183.24
Total expenses	6,179.74	6,326.16
Profit before tax	4,236.77	4,250.71
Tax expenses		
Current tax	1,281.92	1,329.61
Deferred tax	1.20	(34.66)
Total tax expenses	1,283.12	1,294.95
Profit for the period	2,953.65	2,955.76
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial (loss) gain on gratuity fund	(5.83)	(13.80)
Deferred tax	2.02	4.78
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	6.41	(58.87)
Total other comprehensive income for the period, net of tax	2.60	(67.89)
Total comprehensive income for the period	2,956.25	2,887.87
Earnings per equity share of par value of ₹ 5 (June 30, 2016 ₹ 5) each (in ₹)		
Basic	34.64	34.82
Diluted	34.51	34.73
Weighted average number of shares used in computing earnings per share		
Basic	85,263,588	84,880,601
Diluted	85,583,934	85,112,916

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

Oracle Financial Services Software Limited

Unaudited condensed statement of changes in equity for the three month period ended June 30, 2017

(a) Three month period ended June 30, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
Balance as of April 1, 2017	85,106,406	425.53	26.16	12,528.56	10,145.19	1,835.05	1,793.01	5.70	-	26,759.20	
<i>Changes in equity for the three month period ended June 30, 2017</i>											
Application money received for exercised options	-	-	355.94	-	-	-	-	-	-	355.94	
Shares issued for exercised options	185,994	0.93	(379.10)	378.17	-	-	-	-	-	-	
Stock compensation charge	-	-	-	-	-	158.53	-	-	-	158.53	
Stock compensation related to options exercised	-	-	-	300.47	-	(300.47)	-	-	-	-	
Profit for the period	-	-	-	-	-	-	2,953.65	-	-	2,953.65	
Interim equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	(32.86)	-	-	(32.86)	
Actuarial loss on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	(3.81)	(3.81)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	6.41	-	6.41	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	(3.81)	-	3.81	-	
Balance as of June 30, 2017	85,292,400	426.46	3.00	13,207.20	10,145.19	1,693.11	4,709.99	12.11	-	30,197.06	

(b) Three month period ended June 30, 2016

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
Balance as of April 1, 2016	84,856,178	424.28	3.00	11,690.10	10,145.19	1,345.71	16,003.25	(38.92)	-	39,572.61	
<i>Changes in equity for the three month period ended June 30, 2016</i>											
Application money received for exercised options	-	-	95.61	-	-	-	-	-	-	95.61	
Shares issued for exercised options	51,434	0.26	(98.20)	97.94	-	-	-	-	-	-	
Stock compensation charge	-	-	-	-	-	170.17	-	-	-	170.17	
Stock compensation related to options exercised	-	-	-	45.92	-	(45.92)	-	-	-	-	
Profit for the period	-	-	-	-	-	-	2,955.76	-	-	2,955.76	
Actuarial loss on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	(9.02)	(9.02)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(58.87)	-	(58.87)	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	(9.02)	-	9.02	-	
Balance as of June 30, 2016	84,907,612	424.54	0.41	11,833.96	10,145.19	1,469.96	18,949.99	(97.79)	-	42,726.26	

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Unaudited condensed statement of changes in equity for the three month period ended June 30, 2017 (continued)

(c) Year ended March 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
Balance as of April 1, 2016	84,856,178	424.28	3.00	11,690.10	10,145.19	1,345.71	16,003.25	(38.92)	-	39,572.61	
<i>Changes in equity for the year ended March 31, 2017</i>											
Application money received for exercised options	-	-	589.42	-	-	-	-	-	-	589.42	
Shares issued for exercised options	250,228	1.25	(566.26)	565.01	-	-	-	-	-	-	
Stock compensation charge	-	-	-	-	-	780.37	-	-	-	780.37	
Forfeiture of options	-	-	-	-	-	(17.58)	17.58	-	-	-	
Stock compensation related to options exercised	-	-	-	273.45	-	(273.45)	-	-	-	-	
Profit for the period	-	-	-	-	-	-	12,880.97	-	-	12,880.97	
Final equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	(9,843.42)	-	-	(9,843.42)	
Interim equity dividend including dividend distribution tax thereon	-	-	-	-	-	-	(17,233.73)	-	-	(17,233.73)	
Actuarial loss on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	(31.64)	(31.64)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	44.62	-	44.62	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	(31.64)	-	31.64	-	
Balance as of March 31, 2017	85,106,406	425.53	26.16	12,528.56	10,145.19	1,835.05	1,793.01	5.70	-	26,759.20	

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

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the three month period ended June 30, 2017

Note 1: Corporate information

Oracle Financial Services Software Limited (the 'Company') was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 73.92% (March 31, 2017 – 74.09%) ownership interest in the Company as at June 30, 2017.

The Company is principally engaged in the business of providing information technology solutions to the financial services industry worldwide. The Company has a suite of banking products, which caters to the transaction processing and compliance needs of corporate, retail, investment banking, treasury operations and data warehousing.

The unaudited condensed standalone financial statements for the three month period ended June 30, 2017 were approved by the Company's Board of Directors and authorized for issue on August 11, 2017.

Note 2: Accounting policies

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

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

Note 3: Capital Commitments

Particulars	(Amounts in ₹ million)	
	June 30, 2017	March 31, 2017
Contracts remaining to be executed on capital account not provided for (net of advances)	200.55	197.32

Note 4: Segment information

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

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

Segment revenue and expense:

Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services. The income and expenses which are not directly attributable to a business segment are shown as unallocable income and expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables, net of allowances, unbilled revenue, deposits for premises and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations and other current liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

Three month period ended June 30, 2017

Particulars	(Amounts in ₹ million)		
	Products	Services	Total
Revenue from operations	8,928.49	1,307.90	10,236.39
Segment result	4,325.94	90.31	4,416.25
Unallocable expenses			(359.60)
Finance income			160.83
Other income, net			19.29
Profit before tax			4,236.77
Tax expenses			(1,283.12)
Profit for the period			2,953.65

Three month period ended June 30, 2016

Particulars	(Amounts in ₹ million)		
	Products	Services	Total
Revenue from operations	8,554.11	1,549.07	10,103.18
Segment result	3,772.79	186.43	3,959.22
Unallocable expenses			(182.20)
Finance income			402.26
Other income, net			71.43
Profit before tax			4,250.71
Tax expenses			(1,294.95)
Profit for the period			2,955.76

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Notes annexed to and forming part of the unaudited condensed financial statements for the three month period ended June 30, 2017

Other information

Three month period ended June 30, 2017				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	48.93	10.98	2.23	62.14
Depreciation and amortization	120.22	27.03	4.30	151.55
Other non cash expenses	(29.17)	(5.16)	0.02	(34.31)
Segment assets	14,402.73	2,584.64	21,631.03	38,618.40
Segment liabilities	6,538.04	1,180.62	702.68	8,421.34
Equity	-	-	30,197.06	30,197.06

Three month period ended June 30, 2016				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	348.01	102.79	15.98	466.78
Depreciation and amortization	132.67	44.18	6.39	183.24
Other non cash expenses	25.37	(1.13)	-	24.24
Segment assets	12,904.05	2,742.88	36,543.78	52,190.71
Segment liabilities	7,259.41	1,409.66	795.38	9,464.45
Equity	-	-	42,726.26	42,726.26

Oracle Financial Services Software Limited

Unaudited condensed statement of cash flow for the three month period ended June 30, 2017

	(Amounts in ₹ million)	
	Three month period ended	
	June 30, 2017	June 30, 2016
Net cash (used in) provided by operating activities	(800.28)	386.87
Net cash (used in) provided by investing activities	(304.23)	1,758.30
Net cash (used in) provided by financing activities	(16,910.65)	95.62
Net (decrease) increase in cash and cash equivalents	(18,015.16)	2,240.79
Cash and cash equivalents at beginning of the period	20,990.75	1,358.23
Effect of exchange difference on cash and bank balances	(5.99)	24.53
Cash and cash equivalents at end of the period	2,969.60	3,623.55
Component of cash and cash equivalents		
Cheques on hand	9.12	-
Funds in transit	-	48.29
Balances with banks:		
In current accounts	1,215.51	1,190.05
In deposit accounts with original maturity of less than three months	1,622.73	2,245.00
In unclaimed dividend account*	122.24	140.21
Total cash and cash equivalents	2,969.60	3,623.55

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